



FOREST SERVICE

An tSeirbhís Foraoisí

Annual Report 2023-24



An Agency within the Department of
**Agriculture, Environment
and Rural Affairs**

www.daera-ni.gov.uk

Gníomhaireacht de chuid na Roinne
**Talmhaíochta, Comhshaoil
agus Gnóthaí Tuaithe**

An Agency w'in the Department o
**Fairmin, Environment
an' Kintra Matthers**

Forest Service Agency

Annual Report and Accounts 2023-24
for the year ended
31 March 2024

Laid before the Northern Ireland Assembly under section 11(3) (c) of the Government
Resources and Accounts Act (Northern Ireland) 2001

by the

Department of Agriculture, Environment and Rural Affairs

on

5 July 2024



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Any enquiries regarding this publication should be sent to us at:

Forest Service Headquarters
Inishkeen House
Killyhevlin
Enniskillen
Co Fermanagh
BT74 4EJ

Tel: 028 6634 3165

E-mail: customer.forests@daera-ni.gov.uk

Contents

Performance Report	5
Chief Executive's perspective on performance	5
Non - Executive Board Member Report	7
Overview	8
Performance Summary	9
Non-Financial Performance Review	14
Financial Performance Review	17
Forestry Performance Tables	19
Health & Safety	23
Risk	25
Future Plans	26
Sustainability	27
Accountability Report	28
Statement of Accounting Officers Responsibilities	30
Governance Statement	31
Remuneration Report	40
The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly	55
Financial Statements	61

Performance Report



Performance Report



Chief Executive's perspective on performance

I am pleased to present the Forest Service Annual Report and Accounts for the year ended 31 March 2024. The report details the performance in respect of targets and measures set out in the 2023-2024 Forest Service Business Plan, and the Agency's financial statements.

In the 2023-2024 business year, Forest Service fully achieved 6 of the 8 Key Targets and also 10 of 15 Supplementary Measures. Significant progress was made in taking forward the work associated with the remaining Key Targets and Supplementary Measures.

Throughout the year Forest Service continued to deliver DAERA's policy and legislative responsibilities in relation to forestry and plant health functions. It also contributed to cross-cutting climate change commitments in the Climate Change Act (Northern Ireland) 2022, and the priorities of DAERA Minister Andrew Muir, on his appointment to the Executive in February 2024.

The Agency's work in 2023-2024 towards the development of NI's draft Climate Action Plan (CAP) for the carbon budget period 2023-2027 prioritised peatland areas best suited for restoration to mitigate greenhouse gas emissions and sequester carbon. The Agency has commenced contract arrangements in year to progress peatland restoration works at identified priority sites. Forest Service managed woodlands sequester approximately 0.5 million tonnes of carbon dioxide annually, and carbon is retained in wood products produced from timber supplied from the forests, which contributes to NI's net-zero by 2050 target.

Meeting Forest Service's afforestation targets continues to be a significant challenge. In this business year 433 hectares of new woodland were established, making an important contribution to increasing woodlands in NI. However, this falls short of the 2023-2024 target of 600 hectares and further work is underway to increase annual tree planting rates in future years. A total of 1,760 hectares of new woodland has been planted since the launch of the Forests for Our Future programme in March 2020.

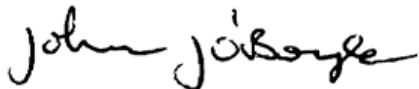
Sustainable forestry management continued to underpin the Agency's delivery of services in 2023-2024. Forest Service received certification, through independent, professional audit, that its forest management demonstrated compliance with the UK Woodland Assurance Standard. This certification enabled Forest Service to supply 403,392 cubic

metres of timber to the wood processing sector from its sustainably managed forests. This report includes details of lower market prices in 2023-2024 than the previous year for harvested timber, which reflects a downturn in national and international markets for wood processed products. In these circumstances, Forest Service's contractual supply arrangements with customers proved vital to achieving the reduced timber sales income target for 2023-2024.

The UK Government made the required legislative amendments to implement the Windsor Framework from October 2023. The Windsor Framework provided for new arrangements and controls for plants and plant products from GB, to enter the NI market under the NI Plant Health Label (NIPHL) scheme. Forest Service, working with the Department, has implemented and continues to embed these new arrangements in revised operational practices and procedures.

Throughout the year, the Forest Service programme continued to expand due to greater emphasis on increased afforestation, and new and emerging requirements for forests to deliver on proposed climate change mitigation measures. The Agency has proactively strengthened its forward planning processes to meet these new demands and has commissioned a number of priority, recruitment competitions, to conclude in the coming business year.

I welcome and appreciate the competence, flexibility and goodwill demonstrated by staff in achieving the 2023-2024 Forest Service Business Plan targets and in preparation to undertake our important and challenging future programmes.



John Joe O'Boyle
Chief Executive

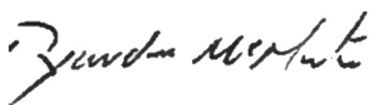
2nd July 2024

Non - Executive Board Member Report

2023-2024 has been a challenging year for Forest Service. On the one hand, significant progress has been made in identifying sites for peatland restoration and Forest Service has maintained its certification following an independent Soil Association audit against the UK Woodland Assurance Standard. However, progress in creating 9,000 hectares of new woodland by 2030 under the Forests for Our Future strategy, continues to be slow, primarily as a number of the associated risks to achieving in-year targets are outside the direct control of Forest service e.g. future agricultural policy. A further challenge will be the development of new and affordable incentive schemes to replace the grant scheme administered under the Rural Development Programme which has now ended.

Forest Service's Plant Health Division continues to provide Official Controls on goods moving from Great Britain to Northern Ireland under the Windsor Framework Agreement. However, implementation of the Framework requirements is having an impact on the Division's capacity to undertake other plant health checks. This has been exacerbated by the challenges of staff recruitment. This is also a wider issue for Forest Service impacting significantly on professional and technical forestry grades. For example, continued significant skills deficits within the Forestry Sector across the British Isles are impacting on the availability of professional foresters. As a result, vacancies, including at a senior level, are becoming increasingly difficult to fill. To address the issue in the medium to long term, Forest Service is actively exploring the potential to introduce an apprenticeship scheme. This is a welcome development. However, it is important that Forest Service ensures that the terms and conditions attached to such a scheme are sufficient to attract and retain high calibre candidates. Attracting and retaining staff for plant health inspection roles is also an issue for Forest Service and again a timely review of terms and conditions attached to these roles would appear to be appropriate.

Non-Executive Members (NEMs) have input to these and other areas of Forest Service's activities through attendance at Forest Service Management Board Meetings and regular scrutiny of progress in delivering business objectives and associated risks at each Audit, Risk and Assurance Committee (ARAC). The latter, under the Chairmanship of Brandon McMaster, met on four occasions in 2023-2024. Its scrutiny and effectiveness has been enhanced by the appointment of a third non-executive, Steve Harper, Executive Director Invest NI. His extensive commercial and business experience brings a valuable and wider perspective to ARAC's role in supporting the Accounting Officer and Forest Service Senior Management Board in their responsibilities for issues of risk, control and governance.



Brandon McMaster
28 May 2024

Overview

Agency Purpose & Structure

Forest Service is an Executive Agency of the Department of Agriculture, Environment and Rural Affairs (DAERA). It is subject to the overall direction of the Minister and delivers the Department’s policy and legislative responsibilities in relation to forestry and plant health.

The Forest Service Chief Executive is the designated Accounting Officer for the Agency as appointed by the Principal Accounting Officer DAERA Permanent Secretary, and reports on the Agency’s operations and performance to the Minister of Agriculture, Environment and Rural Affairs. The Minister determines the policy framework within which the Agency operates, the level of resources made available each year and the scope of Agency activities. The Minister also approves the annual business plan and monitors the Agency’s performance against targets.

Following the restoration of the Northern Ireland (NI) Executive, Minister Andrew Muir MLA was appointed to the Department on 03 February 2024.

Forest Service has operated as an Agency since 1 April 1998 and was further classified as a Non-Financial Public Corporation from 1 April 2020. A Framework Document sets out the context within which the Agency operates, its role, relationship and accountability to the Department and the Minister.

Throughout the business year, the Agency has operated through 7 divisions.



Performance Summary

The Agency Business Plan for 2023-2024 set Key Targets for delivery of priority workstreams. These priority work streams represent a programme of forestry and plant health activity outlined in the Agency’s Corporate Plan in support of DAERA policies and strategic priorities. The Forest Service Management Board (FSMB) monitored the performance of the Agency and progress on achievement of Key Targets and Supplementary Measures throughout the year. The extent of achievement was validated by independent Internal Audit.

This following table reports the Agency’s performance on the 8 Key Targets and 15 Supplementary Measures in the 2023-2024 Business Plan.

Target Measure and Description	Performance Outcome
Key Target 1	
Deliver the 2023-2024 Forests for Our Future programme to plant 600 hectares (ha) of new woodland, by 31 March 2024.	
Not Achieved Forest Service verified 433ha of new woodland being achieved towards a 600ha target. During the year the Agency was successful in acquiring a further 72ha of land for afforestation, however, conclusion of land transfers late in the financial year did not allow planting to take place in the business year, and will be carried forward for afforestation in 2024-2025.	
Supplementary Measure Support at least 400ha of new woodland through grant aid by 31 March 2024.	Achieved 433ha planted under Forest Service grant schemes.
Supplementary Measure Issue Forestry Grant Scheme offers to at least 95% of applications deemed to meet Forestry Standards and scheme requirements by 1 December 2023.	Not Achieved 95% of grant scheme offers issued by 31 March 2024.
Key Target 2	
Develop a revised funding scheme to support delivery of the Forests for Our Future programme by 31 March 2024.	
Achieved In 2023-2024 Forest Service secured DoF approval for a Business Case addendum to fund forestry grant applications, received in year, through domestic funding mechanisms, formerly part funded through EU funding arrangements. Work is also underway within the 2024-2025 Business Plan priorities to secure funding approval for grant schemes in subsequent years.	

Target Measure and Description	Performance Outturn
<p>Key Target 3</p> <p>Implement afforested peatland restoration operational plans for 3 gateway sites by 31 March 2024.</p>	
<p>Achieved</p> <p>Peatland restoration plans were implemented at Big Dog, Creggan and Lough Bradan forests.</p>	
<p>Supplementary Measure</p> <p>Establish procurement and delivery arrangements to develop and build capacity in peatland conservation, restoration and management by 31 March 2024.</p>	<p>Achieved</p> <p>Appropriate procurement and delivery arrangements established.</p>
<p>Supplementary Measure</p> <p>Review forest management plans for all forest areas on deep peat, where growth rates are below the threshold to deliver a positive carbon balance by 31 March 2024.</p>	<p>Achieved</p> <p>Forest management plan reviews completed for relevant forest areas.</p>
<p>Key Target 4</p> <p>Provide at least 400,000 cubic metres (m³) of timber from sustainably managed forests to customers by 31 March 2024.</p>	
<p>Achieved</p> <p>Total volume of timber included in sale lot schedules to end of March 2024 = 403,392m³.</p>	
<p>Supplementary Measure</p> <p>Provide at least 40,000m³ of timber from thinning from well-managed forests.</p>	<p>Achieved</p> <p>40,481m³ of timber from thinnings provided to 31 March 2024.</p>
<p>Key Target 5</p> <p>Hold independent certification that the management of Forest Service forests meets sustainable Forestry Standards by 31 March 2024.</p>	
<p>Achieved</p> <p>Independent Certification maintained throughout 2023-2024 verified through independent Soil Association audit against the UK Woodland Assurance Standard.</p>	
<p>Supplementary Measure</p> <p>Implement corrective action on findings from the 2023 certification audits, to ensure that Forest Service forests continue to be sustainably managed by 31 March 2024.</p>	<p>Achieved</p> <p>Corrective actions implemented and findings successfully closed out and verified by independent audit.</p>

Target Measure and Description	Performance Outturn
<p>Supplementary Measure</p> <p>Secure 1,200ha of previously unregistered land on GIS and submit a further 700ha for first registration process by 31 March 2024.</p>	<p>Partially Achieved</p> <p>1,242ha of previously unregistered land now registered with 412ha of previously unregistered land submitted for first registration by 31 March 2024.</p>
<p>Supplementary Measure</p> <p>Extend forest recreational facilities at 3 sites, with recreation partners in support of tourism and health and wellbeing benefits by 31 March 2024.</p>	<p>Achieved</p> <p>Extended recreation facilities operational at Rostrevor, Drumcairne and Hillsborough forests.</p>

Key Target 6	
<p>Achieve an income of at least £12 Million (M) from all sources by 31 March 2024.</p>	
<p>Achieved</p> <p>Total Operating Income to 31 March 2024, £12.2M.</p>	
<p>Supplementary Measure</p> <p>Achieve an income of at least £10M from timber sales by 31 March 2024.</p>	<p>Achieved</p> <p>Timber sales income of £10.4M generated to 31 March 2024.</p>
<p>Supplementary Measure</p> <p>Develop a Forest Service Investment Plan for the effective utilisation of Agency Reserves by 31 March 2024.</p>	<p>Not Achieved</p> <p>Development of Forest Service Investment Plan is ongoing.</p>

Key Target 7	
<p>Establish current priority and future training needs of the Agency, in a Forest Service Corporate Training Plan by 31 March 2024.</p>	
<p>Achieved</p> <p>Forest Service Corporate Training Plan established.</p>	
<p>Supplementary Measure</p> <p>Extend existing Forest Service Training plan beyond 30 September 2023.</p>	<p>Achieved</p> <p>Existing Service Level Agreement with CAFRE extended.</p>
<p>Supplementary Measure</p> <p>Achieve a Forest Service Employee Engagement Index of 65% by 31 March 2024.</p>	<p>Not Achieved</p> <p>Forest Service had an overall decrease in Employee Engagement Index from 58% to 48%.</p>

Target Measure and Description	Performance Outturn
<p>Supplementary Measure</p> <p>Complete a feasibility study for the development of a forestry apprenticeship scheme for NI by 31 March 2024.</p>	<p>Achieved</p> <p>Feasibility Study completed and agreed actions to be taken forward.</p>
<p>Key Target 8</p> <p>Review and amend domestic plant health legislation to ensure compliance with the Windsor Framework, UK and EU regulatory requirements, by 31 March 2024.</p>	
<p>Not Achieved</p> <p>Legislative amendment considerations ongoing.</p>	
<p>Supplementary Measure</p> <p>Establish a risk register to quantify the risks associated with high priority hazardous pests and pathogens moving in trade from outside NI by 31 January 2024.</p>	<p>Achieved</p> <p>NI Plant Health Risk register published on the DAERA Internet page.</p>
<p>Supplementary Measure</p> <p>Design pest specific control plans for the highest priority hazardous pests associated with trade moving to NI.</p>	<p>Not Achieved</p> <p>Existing pest specific control plans in place and revisions ongoing.</p>

A photograph of a forest floor covered in a dense carpet of purple flowers, likely bellflowers, with tall green stems. The background is filled with numerous thin tree trunks and a thick canopy of green leaves, creating a dappled light effect. A white horizontal banner is overlaid across the middle of the image.

Performance Review

Non-Financial Performance Review

A summary of Forest Service's non-financial performance against the Agency's 6 priority work streams is set out below:

1. Create Forests

During the year, 433ha of new woodland were established under forestry grant schemes operated by Forest Service. Approximately 90% (390ha) of new woodland was established with broadleaved tree species of which 343ha is new native woodland. The new woodlands delivered in 2023-2024 increased the area planted under the Forests for Our Future programme to a total of 1,760ha, equating to approximately 3.5 million trees.

Forestry grant scheme payments totalling £2.6M were made to 817 landowners for new woodlands and to support regeneration of existing woodlands. Grant assistance was provided for replanting 87ha of harvested woodland and to promote increased woodland diversity, with greater resilience and environmental benefits.

The Agency also acquired 72ha of land for afforestation adjacent to existing forests in the West Fermanagh area. This extension to the Forest Service estate allows it to contribute to meeting targets for afforestation in the 2024-2025 business year.

2. Protect Plant Health

In October 2023 the UK Government, in liaison with Forest Service officials, made the required amendments to the Plant Health (Official Controls and Miscellaneous Provisions) Regulations (Northern Ireland) 2020, to implement the Windsor Framework. The amendments provided for plants for planting, plant products, seed potatoes and used agricultural and forestry machinery to be moved from Great Britain (GB) to NI under the NI Plant Health Label (NIPHL) scheme.

During the year, Forest Service delivered Official Controls under EU and National legislation governing plant health. Since 1 October 2023, the Agency has implemented the Windsor Framework arrangements for plant and plant product consignments entering NI from GB under the NIPHL scheme.

During the year the Agency continued to engage in policy development with colleagues from across the UK in horizon scanning for the most serious threats to NI plant health. As part of this process Forest Service undertook surveillance and monitoring to inform updating of preparedness plans and mitigating the risk of establishment and spread of harmful organisms not known to occur here.

3. Supply Timber

In 2023-2024 Forest Service sold 403,392m³ of timber from its forests, against a Key Target of 400,000m³. This included 40,481m³ of timber and timber products produced from thinning operations across the forest estate.

During the year harvesting activities were undertaken in the delivery of published forest management plans. These plans also accommodated the safe and timely removal of timber, on a best value basis, from forest areas impacted by disease and storm damage.

This included harvesting and sale of timber from forests where moderate seasonal storm damage occurred as part of planned supply to the wood processing industry. Through collaborative working arrangements with industry operators, Forest Service supplied wood fibre for use in the energy market for heat and power from harvesting and processing significant areas of pre-mature diseased trees in 2023-2024. Working in partnership with the industry continues to secure added value from harvested forest products while protecting the environment and public use of the forests which are core aspects of sustainable forestry management.

4. Sequester Carbon

The Forest Service estate sequesters approximately half a million tonnes of Carbon Dioxide (CO₂) each year. When the trees are harvested the resulting carbon is then stored and used by the wood processing industry in wood products supplied to construction, fencing and packaging markets.

In 2023-2024 the Agency contributed to the development of the draft Northern Ireland Climate Action Plan, under the Climate Change Act (Northern Ireland) 2022, that will set out NI Departments' approach to the carbon budget period 2023 to 2027. Building on the Agency's provision of support to landowners to plant new forests, its production of harvested wood products and peatland restoration will be the main Forest Service measures to help mitigate carbon emissions.

During the year the Agency carried out an analysis of all Forest Service forests on deep peat, where growth rates are below the threshold to deliver a positive carbon balance. The data from this analysis, together with the existing Strategy for Restoring Peatland Habitats, informed the review of forest management plans for areas of afforested peatland, and identified areas not to be replanted following harvesting. These plans prioritise peatland sites for restoration to realise higher environmental benefits, in terms of greenhouse gas mitigation and enhancement of biodiversity.

In 2023-2024 Forest Service commenced contract and delivery arrangements to begin peatland restoration on 3 afforested sites. The sites were selected to allow timber customers and other operating partners to develop harvesting techniques and capture relevant data, necessary to aid in building capacity and capability within the industry.

5. Support Economic Growth

Whilst the demand for sustainably managed timber produced from the Agency's forests continued throughout the year, the value of finished products traded by customers fell in 2023-2024. This movement in national and international markets as anticipated reduced the value of Forest Service timber in the marketplace. Although the Agency achieved £10.4M income from timber sales, against its target of £10M, this represented a £3.6M reduction in comparison to the previous year. Forest Service's timber sales contracts are supported by agreed minimum price arrangements, which enables continuity of supply for customers during falling market conditions. The assurance of supply underpins continuity of trading in the global timber market and ongoing investment within the industry, including processing facilities and supply chain infrastructure. Timber supply from Forest Service forests and its onward added value processing in NI supports rural employment and income generation in the timber processing, harvesting and haulage sectors.

6. Provide Sustainable Forest Eco-System Services

During the year, the sustainable management of Forest Service forests provided a range of eco-system services to:

- Contribute towards climate change mitigation
- conserve and enhance bio-diversity
- provide a sustainable supply of timber
- protect water and soil
- enhance the environment and natural habitat; and
- provide public access for health and wellbeing benefits

These services are underpinned by the Forest Service commitment to manage its forests in compliance with the United Kingdom Forestry Standard (UKFS) and in 2023-2024 the Agency set and achieved a Key Target to hold independent certification that Forest Service forests are sustainably managed. In the UK, certification bodies use the UK Woodland Assurance Standard (UKWAS) to assess the management of Forest Service forests against the requirements of both the Forest Stewardship Council® (FSC)® (Licence code: FSC-C084232), and the Programme for Endorsement of Forest Certification (PEFC) (Licence code: PEFC/16-40-1924). Maintaining certification under FSC® and PEFC and ensuing 'chain of custody' certification components allows wood products derived from Forest Service forests to be marketed by processors using the logos of the FSC® and PEFC. These logos are used to signify that wood products have come from responsibly managed forests.

Financial Performance Review

In accordance with Consolidated Budgeting Guidance 2023-2024, and afforded under the Non-Financial Public Corporation classification, Forest Service maintains cash reserves generated from trading activity revenue streams.

These reserves shield our capacity to undertake sustainable forestry and plant health programmes, including from potential market volatility and underpins delivery of business priorities. As at 31 March 2024 cash reserves stand at £26.3M (£19.2M cash, £7.1M cash accrual).

Net Operating Deficit

The Statement of Comprehensive Net Expenditure shows the net cost of the Agency's operations. The net operating deficit for 2023-2024 was £32.2M (2022-2023: net operating surplus £117.81M). The movement between 2022-2023 and 2023-2024 of £150M is predominantly due a biological asset valuation decrease of £35.8M in 2023-2024 compared to a biological asset valuation increase of £121.3M in 2022-2023.

Payment to Suppliers

The Agency is committed to the prompt payment of bills for goods and services received in accordance with the Confederation of British Industry's Prompt Payers Code and British Standard BS 7890 - Achieving Good Payment Performance in Commercial Transactions. Unless otherwise stated in the contract, payment is due within 30 days of the goods or services, or on presentation of a valid invoice or similar demand, whichever is later. During the year, 87.9% of bills were paid within this Standard (2022-2023: 96.6%).

From 1 December 2008, the Agency has operated a policy of seeking to pay for goods and services within 10 days. This is in accordance with the Supporting Businesses: Prompt Payment of Invoices initiative within the Northern Ireland Civil Service. During the year, 87.9% of bills were paid within the 10 day target (2022-2023: 91.7%).

The Late Payment of Commercial Debts (Interest) Act 1998, which came into effect from 1 October 1998, enables suppliers to charge interest on overdue debts. The Agency made no payments during the year in respect of such claims.

Political and Charitable Donations

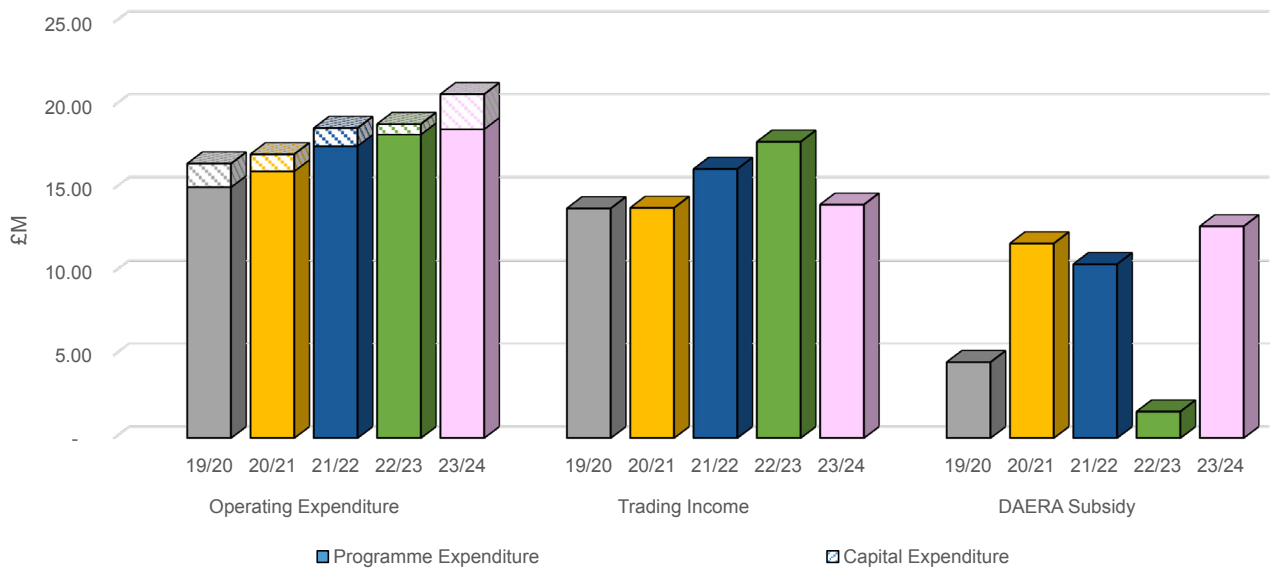
The Agency made no political or charitable donations during the year (2022-2023:NIL).

Long Term Income & Expenditure Trend

The chart below illustrates the Forest Service Income and Expenditure for Forestry and Plant Health programmes over the last 5 financial years.

In 2023-2024 Forest Service received £26.8M (2022-2023: £19.4M) Operating Income in total. This included £12.7M (2022-2023: £1.6M) in DAERA funding towards meeting operating costs with a further £14M (2022-2023: £17.8M) generated from contracts with customers and EU income. Further details can be found in note 2 of the Accounts.

5 Year Income & Expenditure Trend



Operating Expenditure and Trading Income figures include Grant Income and Expenditure.

Operating Expenditure excludes Non cash and Notional Costs as well as revaluation adjustments.

Forestry Performance Tables

The following tables provide statistical data on forestry performance during 2023-2024.

Forest Service Statistical Summary 2023-2024

	Units	2023-2024	2022-2023
Total area managed	Hectares	74,980	74,900
Forest Estate Additions	Hectares	115	-
Forest Estate Reductions	Hectares	35	214
Forested Area	Hectares	62,148	62,162
Timber Sales			
• Roadside	Cubic metres	32,136	33,314
• Standing		371,256	371,191
New planting	Hectares	1	-
Replanting	Hectares	586	530
Fire damage	Hectares	64	10
Visits to charged recreation areas	Thousands	314	303
Visits to caravan / camping long stay sites	Thousands	21	21
Average staff numbers:			
• Industrial	Full time equivalent persons	80.8	81.1
• Non-industrial		115.5	109.1

Record Of Timber Harvested From Forest Service Woodlands During 2023-2024

Standing Volume (m ³)	Roadside Volume (m ³)	Total
336,823	32,801	369,624

Note: All figures represent volume dispatched from forests.

Breakdown of Sales: Agreed for April 2023 to March 2024

Volumes to 7cm top diameter to nearest cubic metre areas in hectares

FOREST SERVICE	VOLUME by SPECIES			THINNINGS			CLEARFELL			TOTAL VOLUME
	Spruce	Other Conifers	Hard-woods	Area	Volume	Vol. per hectare	Area	Volume	Vol. per hectare	
STANDING SALES										
	345,103	25,161	992	101	9,639	95	756	361,617	478	371,256
ROADSIDE SALES										
	21,956	7,335	2,844	418	30,842	74	4	1,294	324	32,136
ALL SALES										
TOTAL	367,059	32,496	3,836	519	40,481	78	760	362,911	478	403,392

Average Prices For Coniferous Timber Sold at Roadside

Average Volumes Per Tree in m ³ over bark	(a) 1 April 2023 to 31 March 2024		
	(b) 1 April 2022 to 31 March 2023		
	Volume m ³	Total Price (Exc VAT) £	Average Price £/m ³
Less than 0.075	(a) -	-	-
	(b) -	-	-
0.075 - 0.124	(a) 1,872	48,937	26.14
	(b) -	-	-
0.125 - 0.174	(a) 4,330	109,126	25.20
	(b) 6,462	228,001	35.28
0.175 - 0.224	(a) 5,885	162,576	27.63
	(b) 8,417	367,455	43.66
0.225 - 0.274	(a) 655	19,720	30.11
	(b) 1,361	61,365	45.09
0.275 - 0.424	(a) 7,246	245,169	33.84
	(b) 3,463	154,427	44.59
0.425 - 0.499	(a) 1,914	68,320	35.69
	(b) 835	53,231	63.75
0.500 - 0.599	(a) -	-	-
	(b) 1,681	59,867	35.61
0.600 - 0.699	(a) 1,269	45,034	35.49
	(b) 4,157	148,949	35.83
0.700 - 0.799	(a) -	-	-
	(b) 1,004	34,068	33.93
0.800 - 0.899	(a) -	-	-
	(b) -	-	-
0.900 - 0.999	(a) -	-	-
	(b) 1,082	41,157	38.04
1.000 and over	(a) 6,682	244,103	36.53
	(b) 642	41,127	64.06
Total	(a) 29,853	942,985	31.59
	(b) 29,104	1,189,647	40.88

Average Prices For Coniferous Timber Sold at Standing

Average Volumes Per Tree in m ³ over bark	(a) 1 April 2023 to 31 March 2024		
	(b) 1 April 2022 to 31 March 2023		
	Volume m ³	Total Price (Exc VAT) £	Average Price £/m ³
Less than 0.075	(a) -	-	-
	(b) -	-	-
0.075 - 0.124	(a) -	-	-
	(b) 2,707	74,781	27.63
0.125 - 0.174	(a) -	-	-
	(b) 3,493	41,893	11.99
0.175 - 0.224	(a) 2,797	66,950	23.94
	(b) -	-	-
0.225 - 0.274	(a) 4,810	83,383	17.34
	(b) 4,009	75,036	18.72
0.275 - 0.424	(a) 44,145	1,001,536	22.69
	(b) 55,115	1,686,471	30.60
0.425 - 0.499	(a) 75,815	1,973,706	26.03
	(b) 82,191	2,686,969	32.69
0.500 - 0.599	(a) 55,669	1,529,629	27.48
	(b) 68,523	2,524,358	36.84
0.600 - 0.699	(a) 31,069	858,050	27.62
	(b) 45,114	1,705,999	37.82
0.700 - 0.799	(a) 40,863	1,213,756	29.70
	(b) 20,460	784,994	38.37
0.800 - 0.899	(a) 38,443	1,122,255	29.19
	(b) 38,002	1,439,995	37.89
0.900 - 0.999	(a) 2,234	100,965	45.19
	(b) 18,959	950,040	50.11
1.000 and over	(a) 52,049	1,619,674	31.12
	(b) 17,837	613,203	34.38
Total	(a) 347,894	9,569,904	27.51
	(b) 356,410	12,583,739	35.31

Health & Safety

Forest Service remains committed to the health and safety of all its employees and others who may be affected by its undertakings, including contractors, visitors, neighbours and members of the public who use its forests. As such, regular Health & Safety reports are required to be presented to Forest Service Management Board for scrutiny and review in line with Health & Safety Policy.

Forest Service continued to be an active corporate member of the Forest Industry Safety Accord (FISA), supporting the work of FISA through participation in its working groups and holding to the agreed forest industry standards.

The Health and Safety Sub Committee of the Forest Service Management Board met during the year to review health and safety performance and carried out a management systems safety audit to provide assurance of health and safety practices across the Agency's activities. Risk of occupational or public injuries from Forest Service operations in the Agency's forests is mitigated through maintaining; staff competencies, risk assessment, audits and compliance with best practice guidance.

Forest Service had ongoing engagement with recreational delivery partners throughout the year to minimise risk of accidents to the public. Health and Safety matters are core elements for discussion at all partnership meetings, including sharing statistics and mitigation measures. In addition Forest Service monitors measures taken by operating partners through Health and Safety audits and encourages the reporting of near miss incidents to support and inform accident prevention measures.

The following table sets out the incidence of reportable and non-reportable accidents for all staff and others in the last 5 years.

Accident trends over the last 5 years

Person/ Group	Accident Category	19-20 (Per 100 Employees)	20-21 (Per 100 Employees)	21-22 (Per 100 Employees)	22-23 (Per 100 Employees)	23-24 (Per 100 Employees)
Staff	Reportable	2 (1.0)	2 (1.0)	2 (1.0)	- (-)	- (-)
	Non reportable	2 (1.0)	-	2 (1.0)	4 (2.0)	2 (1.0)
Public	Reportable	-	-	-	-	-
	Non reportable	10	7	6	5	-
	Operating partner incidents	10	20	10	10	-
Contractors (Direct) FS Works manager [FWM]	Reportable	1	1	-	-	-
	Non reportable	-	-	-	-	-
Contractors (Indirect) FS is NOT FWM	Non reportable	-	-	-	-	-
	Reportable (FS not FWM)	-	1	-	-	-
	Non reportable (FS not FWM)	1	-	-	1	-
	Operating partner incidents	-	1	-	-	-
ALL	Near miss/ Unsafe acts	1 Staff 1 Public	2 Staff 1 Public	1 Staff 1 Contractor 2 Public	4 Staff 5 Contractor 7 Public	3 Staff 1 Contractor 2 Public

Risk

A Forest Service Risk Register has been prepared in line with best practice guidance through which the key risks impacting on the Agency's achievement of its objectives and Key Targets are assessed. It is reviewed regularly by the Forest Service Governance Sub-Committee, its Audit and Risk Assurance Committee (ARAC) and comprises of the following:

- An evaluation of the Key Risks in terms of 'Likelihood' of occurrence and 'Impact' in the event of occurrence;
- An overall rating of the risk as a product of 'Impact' and 'Likelihood';
- A list of the controls in place to manage the risks identified;
- Mitigating actions and progress made on mitigating actions;
- Progression on implementation of Corresponding Internal Audit recommendations; and
- Designation of the officer responsible for managing and reporting on the actions identified to improve control.

Key risks included on the Forest Service 2023/2024 Risk Register were:

- Failure to achieve 2023/24 Business Plan afforestation target leading to shortfall in achieving overall Forests for Our Future programme of 9,000 hectares by 2030.
- Failure to deliver Key Target 2 - Develop a revised funding scheme to support delivery of the FfOF programme.
- Failure to promote sustainable forestry and meet the requirements of the Forestry Act 2010.
- Failure to provide the potential timber supply to the Northern Ireland wood using industries from Forest Service sustainably managed forests.
- Failure to secure income to contribute to expenditure budget.
- Failure to provide duty of care to FS staff, contractors and visitors to our forests.
- Failure in governance, accountability or information security.
- Failure to deliver the SPS regulatory requirements for regulated goods at first point of entry to EU regulatory zone and within the UK internal market.
- Insufficient ability to manage resource pressures to deliver essential services and adapt to business priorities; including current and future sectoral skills shortages.

Future Plans

The Forest Service sets specific targets in its annual Business Plans against which performance is measured. Annual targets are aligned with the priorities of the Minister, DAERA and the wider NI Executive.

Forest Service's delivery of the 2024-2025 Business Plan targets will prioritise the forestry and plant health activity to be taken forward in the following work areas:



Sustainability

Trees and forests play an important role in the provision of economic, environmental and social benefits for society. It is now increasingly regarded as necessary to plant more trees and change the balance of land use, to reduce greenhouse gas emissions, and to remove and store atmospheric carbon. The current NI forestry strategy which seeks to increase woodland cover to 12% of land area by 2050 and will contribute to net-zero greenhouse gas emission targets.

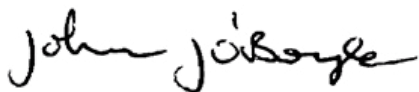
Under the Climate Change Act (Northern Ireland) 2022, DAERA is responsible for preparing and publishing a Climate Action Plan (CAP) covering the carbon budget 2023-2027. The first CAP will include proposals on a range of activities and will outline how the longer-term emission reduction targets of greenhouse gases will be achieved. Promoting new woodlands and restoration of peatland habitats are key elements Forest Service's activity, contributing to CAP net emission reduction targets.

The sustainable management of woodlands and peatland habitats, including restored peatlands will ensure that they act as carbon sinks. Currently, forests and woodlands in Northern Ireland are sequestering half a million tonnes of CO₂ each year, and the future plans to increase the area of woodland from the current 8.6% to 12% by 2050, will make a direct contribution to mitigating climate change.

Forest Service manage significant areas of existing forests on peatland habitat. Future work includes the implementation of Forest Management Plans that appropriately balance the timing and scale of peatland restoration with the range of forest-based ecosystem services provided by sustainable forests.

In 2023-2024, Forest Service's key sustainability deliverables were:

- Creating 433ha of new woodlands,
- Managing the Agency's forests sustainably, in line with the UK Forestry Standard,
- Protecting designated sites, other natural habitats and enhancing biodiversity,
- Supplying 403,392m³ of timber to industry, from sustainably managed forests for conversion to wood products, retaining sequestered carbon, and
- Enabling partners and commencing initial stages of peatland restoration works at key gateway sites totalling 110.4ha.



John Joe O'Boyle
Chief Executive

2nd July 2024

Accountability Report

Management Board / Structure

The Management Board comprises senior Executive Members of the Agency and Non-Executive Board Members (NEBMs).

During 2023-2024 the Board members were:

John Joe O'Boyle	Chief Executive
Damian Larkin	Corporate Governance & Finance
Fiona Johnston	Corporate Support
Jim Crummie	Plant Health Division
John Joe Cassidy	Forest Management & Inspection
Michael Fairgrieve	Forest Strategy and Planning
Ben Searle / Richard Schaible	Afforestation and Regulation
Brandon McMaster	Non-Executive Member

The Chief Executive has overall responsibility for achieving the aims, objectives and targets set out in the Business Plan with each Executive Member having ownership and responsibility for achieving objectives and targets allocated within their management control.

Conflict of Interests

There are no company directorships or other significant interests held by Management Board members which conflict with their management responsibilities. All Members of the Agency's Board have completed Declaration of Interests. No interests have been declared in year.

Accounts Direction

The Forest Service Accounts for the Financial Year ending 31 March 2024 have been prepared in accordance with the accounts direction issued by the Department of Finance in accordance with Section 11(1) and (2) of the Government Resources and Accounts Act (NI) 2001 and is consistent with the accounting principles and disclosure requirements of the 2023-2024 Government Financial Reporting Manual (FReM) issued by the Department of Finance.

Pension Liabilities

Further details in relation to the pension schemes are given in the Remuneration Report and in notes to the accounts.

Auditors' Remuneration

The financial statements are audited by the Comptroller and Auditor General for Northern Ireland. As head of the Northern Ireland Audit Office who is wholly independent and reports findings to the Assembly.

The audit of the financial statements for 2023-2024 resulted in an audit fee of £19,600 (2022- 2023: £19,200) and is included in Operating Expenditure - Non-Cash items in the Statement of Comprehensive Net Expenditure. The auditors did not provide any non-audit services in year.

Security of Personal Data

Forest Service is committed to the safeguarding of personal data and has set in place appropriate measures to ensure its security including nomination of Information Asset Owners (IAOs). The Data Protection Act 2018, which updated data protection laws in the UK, is a national law which complements the EU's General Data Protection Regulation which has been in operation since May 2018. IAOs are trained and supported in managing our information assets, with specific reference to their responsibilities as set out in the Information Asset Owner handbook. Forest Service is required to maintain a register of any personal data assets held, identifying the purpose and legal bases for the processing of that personal data. The Agency is also required to inform its stakeholders about their rights and processing of their personal data through publicly available Privacy Notices and regularly review the security of those personal data assets under its control. IAOs ensure that retention and disposal schedules are implemented in a timely fashion in order to ensure that personal data is kept only for as long as is necessary. All Forest Service staff are advised of their personal responsibilities for ensuring the confidentiality, integrity and availability of personal data. Forest Service identified no security breaches in 2023-2024.

Complaints Handling

Forest Service is committed to providing the highest possible standards of service to all its customers and implements the Department's core standards of service that customers can expect to receive. Central to these is the facility for customers to lodge formal complaints on matters of dissatisfaction. In line with the DAERA complaints procedures, we report on complaints received and our handling of them to the Department. Forest Service received and responded to twelve customer complaints in 2023-2024.

Public Access To information

The main online vehicle for communicating with the public is the 'Forests' section on the NI Direct website: <https://www.nidirect.gov.uk/information-and-services/forests-and-outdoor-recreation/forests>

Other information about Forest Service can be accessed at: www.daera-ni.gov.uk/forestry

Freedom of Information

The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 give everyone the right to access government information and place a statutory duty on government to make certain information publicly available as a matter of course. A total of 13 (2022-2023: 4) 'Requests for Information', falling within the terms of this legislation, were received within the period of this report.

Statement of Accounting Officers Responsibilities

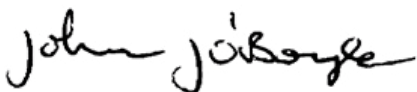
Under the Government Resources and Accounts Act (NI) 2001 (GRAANI), DoF has directed Forest Service to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Forest Service and of the income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the FReM and in particular to:

- observe the Accounts Direction issued by the Department of Finance (DoF), 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 accounts;
- prepare the accounts on a going concern basis; and
- 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 judgments required for determining that it is fair, balanced and understandable.

The Accounting Officer of the Department of Agriculture, Environment and Rural Affairs has designated the Chief Executive as Accounting Officer of Forest Service. The responsibilities of the Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Agency's assets, are set out in Managing Public Money Northern Ireland, published by HM Treasury.

As Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that NI Audit Office are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.



John Joe O'Boyle
Chief Executive

2nd July 2024

Governance Statement

Governance Framework

Under the terms of the Agency Framework Document, as the Agency's Chief Executive and designated Accounting Officer, I am directly responsible to the Minister of Agriculture, Environment and Rural Affairs, and the Department's Accounting Officer, for the Agency's operations and performance. The Minister determines the policy framework within which the Forest Service operates and the scope of its activities. The Minister also determines the resources to be made available to the Agency, agrees Key Targets and approves its Business Plan and monitors performance. The Minister does not normally become involved in the day-to-day operation of the Agency or in managing risk. However, I am expected to consult on the handling of operational matters with the potential to be of significant public or NI Executive concern, including the nature, scale, and likelihood of risks occurring in relation to contentious or controversial matters.

Forest Service Management Board (FSMB)

I am supported by the FSMB that is comprised of seven Forest Service Executive Members, including my role as CEO, and one Non-Executive Member during 2023-2024. Members are fully involved in the monitoring of Agency performance, financial, resource, and risk management and provide a challenge function where appropriate.

The core purpose of the FSMB is to provide me with Agency level strategic support and leadership for the organisation's operational, administrative and financial management functions within the parameters of policy and targets set by the Minister. Its primary function is therefore to set the Agency's business agenda and ensure that the organisation delivers its strategic goals and operational targets.

The FSMB is also responsible for the assessment and management of the risks associated with delivery of the Agency's functions. It is the role of FSMB members to communicate the vision, role, direction and priorities of Forest Service to staff and other stakeholders and to ensure effective allocation and management of its staff and financial resources. Members support me (as Accounting Officer) in the operation of sound corporate governance and risk management procedures, which secure and protect the resources under their control. The FSMB maintains a transparent system of its directions, considerations, decisions and controls.

FSMB met six times during the year, as required by Terms of Reference.

Attendance details of members are summarised in the following table:

Name	Number of meetings attended
John Joe O'Boyle (Chair)	6
Damian Larkin	6
Jim Crummie	6
John Joe Cassidy	6
Fiona Johnston	6
Brandon McMaster (Non-Executive)	6
Michael Fairgrieve	5
Ben Searle (rotation)	3
Richard Schaible (rotation)	1

There are a number of Sub Committees of the FSMB, as follows:

- Forest Service Audit & Risk Assurance Sub Committee
- Corporate Governance Sub Committee
- Finance Sub Committee
- Health & Safety Sub Committee

Forest Service Audit & Risk Assurance Committee (FS ARAC)

FS ARAC supports me in my responsibilities for stewardship of Agency resources by reviewing the comprehensiveness and integrity of the arrangements and processes for meeting the Agency’s risk management, governance and Accounting Officer’s assurance needs.

FS ARAC contributes to the overall Forest Service process for ensuring that governance, risk management and internal controls operate effectively by forming a consolidated view of the governance and assurance processes within the Forest Service.

Brandon McMaster chaired the FS ARAC in 2023-2024 who is also a Non-Executive Member of the FSMB. The other Committee members during the year were Mr Mark Hammond (NI Environment Agency) and Mr Steve Harper (Invest NI).

FS ARAC met on four occasions in 2023-2024, as prescribed in the terms of reference. At each meeting, the Committee reviewed the Forest Service Corporate Risk Register, Audit Implementation Plan updates, progress reports from Internal Audit and other reports as required or requested.

Attendance details of members are summarised in the following table:

Name	Number of meetings attended
Brandon McMaster (Non-Executive Chair)	4
Steve Harper (appointed 26 April 2023)	3
Mark Hammond	2

Key findings of FS ARAC in 2023-2024

- The Comptroller and Auditor General (C&AG) certified the 2022-2023 financial statements with an unqualified audit opinion without modification. There were no priority one recommendations in relation to regularity and the internal control environment.
- The satisfactory audit opinion presented by Internal Audit in the 2022-2023 Annual Opinion and Report.
- Forest Service continued to implement effective governance in the organisation, including ongoing management of the Forest Service Corporate Risk Register, monitoring of the Audit Implementation Plan and the timely completion of Stewardship Reports.
- Throughout the year the Agency effectively managed and delivered its Health & Safety responsibilities.
- One new risk was added to the FS Corporate Risk Register to develop a revised funding scheme to support delivery of the Forest for Our Future programme. ARAC noted the completion of a Business Case addendum during the year and secure approval from DoF to fund forestry grant schemes including 2023-2024 applications.
- The level of resource required to implement the Windsor Framework Agreement stretched the Agency's workforce which continues to face recruitment challenges in professional and technical disciplines.

Corporate Governance Sub Committee

The committee is chaired by the Head of the Corporate Governance & Finance Division. Membership consists of Executive Members of the FSMB and senior managers. Attendees are required to report on the controls in place to ensure proper governance of their work programmes including management of key risks to the delivery of outcomes. The committee meets a minimum of four times per year and normally in advance of FSMB meetings.

Name	Number of meetings attended
Damian Larkin (Chair)	4
Jim Crummie	4
Michael Fairgrieve	4
Fiona Johnston	4
John Joe O'Boyle	3
Ben Searle	3
John Joe Cassidy	3
Diane Stevenson	2
Richard Schaible	1

Finance Sub Committee

The principle role of the Finance Sub Committee is to advise the FSMB on financial management associated with its strategic and operational activities. The Committee also convened to:

- Conduct an annual review of all fees and charges.
- Monitor and report debt levels in compliance with applicable contractual agreements and NICS standards, including the review of ongoing debt management processes.
- Investigate and consider financial management matters at the request of the FSMB.

Name	Number of meetings attended
Damian Larkin (Chair)	4
Michael Fairgrieve	4
John Joe Cassidy	4
Jim Crummie	2

Health and Safety Sub Committee

The Health and Safety Sub Committee is constituted to advise the Agency on Health and Safety arrangements associated with its forestry and plant health activity. The Committee examined and reviewed accidents and incidents arising. It reviewed the Forest Service Health and Safety Manual to ensure that it reflected the latest best practice safety guidance. In addition, the Sub Committee provided assurance that the Accident and Incident Review section of the Health and Safety Manual was maintained and recorded all incidents including lessons learned and actions to prevent reoccurrence. The Sub Committee agreed on behalf of the Agency the Health and Safety Officer’s audit programme.

Name	Number of meetings attended
Ben Searle (Chair)	2
Jim Crummie	2
John Joe Cassidy	2
Michael Fairgrieve	2
Des Campbell	2
Richard Schaible	1

The Forest Service Management Board’s performance

The Board conducted an annual review of its performance in line with “Corporate governance in central government Departments: Code of good practice NI (2013)”. This states that, ‘The Board should ensure that arrangements are in place to enable it to discharge its responsibilities effectively, including a formal and rigorous annual evaluation of the Board’s performance’ (para 4.1).

The FSMB carried out its annual formal review of effectiveness based upon confidential individual questionnaires completed by members. The questionnaires were reviewed by the Non-Executive member for reporting effectiveness to FSMB.

In February 2024, the Non-Executive member advised the FSMB of the results of questionnaires and returned that the FSMB continued to operate effectively.

I have noted the opinion in the Internal Auditors Annual Opinion and Report on Forest Service. The overall conclusion of the audit report is that internal control arrangements are satisfactory.

The FSMB’s work was informed by the work of Soil Association who audit our management performance against the requirements of the UK Woodland Assurance Standard (UKWAS). Soil Association confirmed that there is sufficient evidence that forests are sustainably managed for products manufactured from our timber to continue to be labelled with the Forest Stewardship Council® (FSC®) or Programme for the Endorsement of Forest Certification schemes (PEFC) logos. As a result, Forest Service forests retain PEFC & UKWAS Certified Status.

Raising A Concern

During 2023-2024, the Agency continued to operate the raising a concern policy.

The purpose of the policy is to outline the procedures for reporting and investigating disclosures about potential wrongdoing which might be taking place within the Department/Agency. The policy includes advice on how to manage disclosures raised internally by staff, third parties or externally by members of the public.

I am committed to addressing 'Raising A Concern' disclosures and will not tolerate any malpractice, abuse or wrongdoing. This policy invites those who may have a concern in relation to any activity within the Agency to come forward and voice those concerns in confidence to an appropriate person.

During 2023-2024, the Agency monitored and recorded all instances of concerns raised under the policy. Forest Service investigate and address all incidents raised and in cases of suspected fraud an investigation by the Department of Finance (DoF) Fraud Investigation Service is required.

Information on Raising A Concern disclosures is provided at each ARAC meeting for scrutiny and recommendation as appropriate.

During 2023-2024, one concern was received in relation to Agency activity and reported to FS ARAC (2022-2023: NIL). This concern is currently under review within the Department.

Quality of the data used by the Forest Service Management Board

I rely on the FS ARAC to assure the FSMB that the Agency's activities are appropriate in light of both known and emerging risks and to ensure that information on risk and control is brought to my attention, as considered necessary, to assist me in identifying priorities for action. I am further assured by the professional competence of audit personnel, including Soil Association and by their systems and processes, that the correct level and quality of data is available and considered. Board Members provide written reports to each FSMB Meeting covering progress against targets, internal controls, and resource and risk management to inform FSMB discussion and decision making.

Disclosure of information

I have taken all reasonable steps to make myself aware of any relevant audit information and to establish that the Agency's auditors are aware of that information.

Data Handling

Executive Board Members governance statements provide me with assurance that sound records management practices are in place that ensure the appropriate creation, maintenance, and disposal of important information held in paper and electronic formats. Information and information system assets are carefully controlled with restricted access provided as appropriate to undertake tasks. The NICS information management systems provide full audit functionality to minimise and track information risk. Procedures for the management of data breaches are documented in the Agency's Data Breach Management Plan which is kept under review and refreshed accordingly. There were no incidents of data breach reported during the year.

Risk Management

The nature of risks managed by the Agency relate to its organisation, structure, achievement of in-year targets, the long-term sustainability of the forest resource and how this is used by forest visitors, the prevention of plant pest introduction and management of any plant disease outbreaks.

The FSMB leads the risk management process supported by its Governance Sub Committee and assured by FS ARAC. A risk register underpins the Agency's approach to identification and management of risks, and is routinely reviewed by the Governance Sub Committee and ARAC. Ownership of individual risks rests with Executive Board Members who ensure that staff are able to manage risk in a way appropriate to their authority and duties. Risks that are escalated to the Department's risk register are monitored by the FSMB and reported via the Department's risk management structures.

The Agency manages direct risks to staff, contractors and the public. It adopts a duty of care to forest users and has procedures for defining safety arrangements for the protection of users in the vicinity of forestry operations. Those using forests for recreation purposes that require special permission for their activities are required to carry out their own risk assessments.

The main business risks within the Forest Service risk profile are:

- inability to manage forests sustainably in compliance with Forestry Standards;
- entry and spread of serious plant disease;
- the impact of a collapse of the NI timber market; and
- loss of productivity of plantations due to pests and disease, storm damage, fire, and loss of nutrients in the soil.

The immediate risks to delivery of the Agency business plan are included in the Agency's Risk Register and the Department's Corporate Risk Register, as appropriate.

Business risk is managed at a strategic level and in response to emergencies through the implementation of contingency planning processes, longer-term timber supply contracts, and sharing knowledge about the growing stock with major customers. The Forest Service emergency fire plan, serious plant pest plan and exotic pests plan have been refreshed and sit under the Department's Major Emergency Response Plan.

During the year, the work of the Agency focused on risks relating to Business Plan targets, health and safety of visitors and staff, diseases affecting crops and trees, those affecting timber sales, and stewardship of financial resources and assets including grant funding.

Corporate Governance

Forest Service Executive Board Members are responsible for providing me with a signed Stewardship Report at the end of Quarters two, three and at year end. Those reports acknowledge their responsibility for ensuring that objectives for which they are responsible are clearly defined and that all members of staff within their commands are aware of their objectives relevant to their work. In addition, they acknowledge their

responsibility for developing and maintaining effective internal controls to provide reasonable assurance of achievement of these objectives. They provide me with specific details of actions taken in various areas of control.

I, in turn have supplied the DAERA Accounting Officer with an Agency level Stewardship Report which reports on the governance arrangements in place and that these are being applied appropriately and robustly.

The Agency uses the service provided by DAERA Internal Audit, which operates to standards defined in the Public Sector Internal Audit Standards. The terms of reference given to Internal Audit is focused on 'principal risks' identified along with a range of corporate governance issues. Their annual report includes an opinion on the adequacy and effectiveness of the Agency's system of corporate governance, risk management, and internal control processes, together with recommendations for improvement.

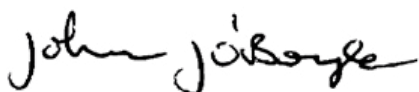
In summary, my review of the effectiveness of the Agency's systems of internal control relies upon the Executive Board Members Stewardship Reports and the roles carried out by the FSMB, the Audit Risk and Assurance Committee, other FSMB sub committees, the Northern Ireland Audit Office, Internal Audit and the Soil Association.

In overall terms, I am satisfied that the Agency's internal control systems provide reasonable assurance that all risks relating to the achievement of our policies, aims and objectives are being managed effectively.

I am content that the Agency is in compliance with the principles of good governance set out in 'Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2017'. The following arrangements are in place:

- I have one NEM to support the Executive members on the Agency Management Board and I have access, through the DAERA Permanent Secretary, to leadership, expertise, and guidance from the DAERA Board membership.
- My Corporate Governance & Finance Executive Board Member is responsible for finance, governance and accountability processes generally. This member supervises professionally qualified accountants and draws on the Department in bringing accountancy expertise to the FSMB.

As such, I am satisfied that the FSMB with its support structures, provides collective strategic and operational leadership appropriate to the Agency.



John Joe O'Boyle
Chief Executive

2nd July 2024

Remuneration Report

Remuneration Policy

The pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following the Secretary of State for Northern Ireland's 27th April 2023 Written Ministerial Statement (WMS) on the budget, the NI public sector pay policy guidance was published on 31st May 2023 in FD (DoF) 05/23. This was subsequently updated on 12th March 2024 in FD (DoF) 04/24 to reflect the return of Executive Ministers and revised departmental budgets.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS non-industrial staff, including SCS, for 2023-2024 has been finalised and paid in June 2024. The 2023-2024 pay award for NICS industrial staff has also been finalised and paid in May 2024.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance.

Service Contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made otherwise.

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in consideration of the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners for Northern Ireland can be found at www.nicscommissioners.org.

Sickness absence data

Annual sickness absence figures in the Northern Ireland Civil Service will be published on the NI Statistics and Research Agency (NISRA) website.

[NI Civil Service Human Resource Statistics | Northern Ireland Statistics and Research Agency \(nisra.gov.uk\)](https://www.nisra.gov.uk)

Employment, training and advancement of disabled persons

The NICS is a lead partner of Employers for Disability NI (EFDNI) and in 2023 was accredited as a [Disability Positive](#) employer.

The NICS delivers an annual programme of communications and training on disability awareness and understanding and has policies in place to support inclusive workplaces. A review of the NICS reasonable adjustment process for in-work support commenced in 2023 and a new reasonable adjustment policy and supporting resources is anticipated to launch during 2024. The NICS Disability Working Group, which includes representatives from the disability sector and colleagues with lived experience is a key stakeholder in the reasonable adjustment policy review.

The NICS is committed to the employment of disabled people and offers work experience for disabled people through the [NICS Work Experience Scheme for Disabled People](#) and annual participation in International Job Shadow Day (IJSJ).

To encourage job applications from disabled people, positive action advertising and targeted advertising alongside a programme of outreach are used. The NICS operates a Guaranteed Interview Scheme (GIS) which ensures a guaranteed number of disabled applicants, who meet the minimum essential eligibility criteria for the role they have applied for, are offered an interview. Further information can be found on the "Information for disabled applicants" section of the [NICS recruit website](#).

All selection panel members complete mandatory recruitment and selection training, and appointments to the NICS are made on merit on the basis of fair and open competition, adhering to the [Recruitment Code](#).

Learning & Development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

Development and delivery of generic staff training is centralised in NICSHR¹. Training is delivered using a variety of learning delivery channels (including on-line, webinars), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS Competency Framework.

Talent management is a key theme and highlights the importance of the development conversation between managers and staff, with a number of resources available within a talent management toolkit.

The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing.

Application of Business Appointment Rules (BARs)

The NICS Standards of Conduct Policy, (Section 8 and Annexes 4) sets out the rules on the acceptance of outside business appointments, employment or self-employment by Civil Servants after leaving the NI Civil Service, including procedures to make staff aware of these rules and provides that the Permanent Secretary of the Department is responsible for the effective operation of the Business Appointment Rules within their Department. Further detail is available in the [NICS Standards of Conduct Policy](#).

Employee Consultation and Trade Union Relationships

The Department of Finance is responsible for the NICS Industrial Relations Policy. People & Organisational Development² consults on HR policy with all recognised Trade Unions and local departmental arrangements are in place to enable consultation on matters specific to a department or individual business area.

¹ NICSHR is the NICS' centralised human resources operational delivery function, falling under the responsibility of the Department of Finance.

² HR policy and Industrial Relations policy for the NICS is centralised within People & OD, in the Department of Finance.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior Management of the Forest Service.

Official's remuneration (including salary) and pension entitlements [Audited]

	2023-24				2022-23			
	Salary £000	Benefits in kind (to nearest £1,000)	Pension benefits (to nearest £1,000)	Total £000	Salary	Benefits in kind (to nearest £1,000)	Pension benefits (to nearest £1,000)	Total £000
Mr JJ O'Boyle (Chief Executive)	85-90	-	(21)	60-65	75-80	-	(50)	25-30
Mr J Crummie (Executive Member)	60-65	-	(20)	40-45	60-65	-	(45)	15-20
Mr D Larkin (Executive Member)	55-60	-	21	75-80	50-55	-	19	70-75
Ms F Johnston (Executive Member)	55-60	-	22	80-85	50-55	-	6	55-60
Mr M Fairgrieve (Executive Member)	50-55	-	(3)	50-55	50-55	-	(1)	50-55
Mr JJ Cassidy (Executive Member)	50-55	-	(5)	45-50	50-55	-	(2)	50-55
Mr Ben Searle (Executive Member) <i>1 April - 30 April, 1 August - 30 Sept</i>	10-15 (50-55 FYE)	-	21	30-35 (70-75 FYE)	25-30 (50-55 FYE)	-	8	30-35 (60-65 FYE)
Dr R Schaible (Executive Member) <i>1 May - 31 July</i>	10-15 (50-55 FYE)	-	1	15-20 (50-55 FYE)	25-30 (50-55 FYE)	-	11	35-40 (60-65 FYE)
Mr B McMaster (Non Executive Member)	5-10	-	-	5-10	5-10	-	-	5-10

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by Forest Service and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No benefits in kind were paid or received during the year (2022-2023: NIL).

Pay Ratios [Audited]

Forest Service is required to disclose the relationship between the remuneration of the highest paid Board Member in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid Board Member in Forest Service in the financial year 2023-2024 was £85K - £90K (2022-2023, £75K - £80K). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2023-2024	25th Percentile	Median	75th Percentile
Remuneration	27,134	27,227	38,238
Ratio	3.2:1	3.1:1	2.2:1

2022-2023	25th Percentile	Median	75th Percentile
Remuneration	23,863	26,295	34,437
Ratio	3.3:1	3:1	2.3:1

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

In 2023-2024, NIL (2022-2023: NIL) employees received remuneration in excess of the highest-paid Board Member.

Remuneration ranged from £27,134 to £85,570 (2022-23 £11,978 to £77,981).

Percentage Change in Remuneration

Forest Service is required to disclose the percentage change from the previous Financial Year in Salary & Allowances, and Performance Pay and Bonuses of the employees of the entity taken as a whole. The percentage changes are based on the (mean) average movement.

Percentage change for:	2023-24 v 2022-23	2022-23 v 2021-22
Average employee salary and allowance	33,639	29,976
Highest paid director's salary and allowances	9.7%	0%
Average employee performance pay and bonuses	-100% ¹	-100% ¹
Highest paid director's performance pay and bonuses	N/a ²	N/a ²

¹ The Northern Ireland Civil Service special bonus scheme was withdrawn with effect from 31 March 2021.

² No performance pay or bonuses were payable to the highest paid director in these years.

Percentage movements from last year are due to a combination of annual incremental pay increases; pay scale progressions; and changes in staff composition and grades.

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the classic, premium, classic plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. At that time, members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha (full protection) and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

McCloud Judgement

In 2018, the Court of Appeal found that the transitional protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps have been taken by the Department of Finance to remedy this discrimination.

The Department has now made regulations which remedy the discrimination by:

- ensuring all active members are treated equally for future service as members of the reformed alpha scheme only from 1 April 2022, and
- providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the remedy period) retrospectively calculated under either the current (reformed) scheme rules, or the old (pre-reform) legacy rules which existed before 2015.

This means that all active NICS Pension Scheme members are in the same pension scheme, alpha, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forwards in providing equal pension provision for all scheme members.

The Department is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period. i.e. calculated under the pre-reformed PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' rules or alternatively calculated under the reformed alpha rules. As part of this 'retrospective' remedy most active members will now receive a choice about their remedy period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice which will be issued by 31 March 2025.

At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

As part of the remedy involves rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits may change for affected members and some figures previously reported may change. The 2023-2024 pension disclosures above are calculated based on HM Treasury guidance using;

- Rolled back opening balance
- Rolled back closing balance
- CETV calculated by CSP on the rolled back basis
- No restatement of prior year figures were disclosed.

Alpha

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

From 1 April 2015, all new entrants joining the NICS can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

Information on the PCSPS(NI) - Closed Scheme

Staff in post prior to 30 July 2007 were eligible to be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of premium or joining the Partnership Pension Account.

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Benefits in Classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' 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 (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

Partnership Pension Account

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. 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).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member’s State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy Classic, Premium, and Classic Plus arrangements and 65 for any benefits accrued in Nuvos. Further details about the NICS pension schemes can be found at the website www.finance-ni.gov.uk/civilservicepensions-ni.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2023 was 6.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2024.

Employee contribution rates for all members for the period covering 1 April 2024 to 31 March 2025 are as follows:

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates - All members
From	To	1 April 2024 to 31 March 2025
£0	£26,302.49	4.6%
£26,302.50	£59,849.99	5.45%
£59,850.00	£160,964.99	7.35%
£160,965.00 and above		8.05%

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the

other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may have been due when pension benefits are taken. The Lifetime Allowance will end in April 2024 and will be replaced by the Lump Sum Allowance and The Lump Sum And Death Benefit Allowance.

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes. In their guidance of 27 April 2023, HM Treasury advised that, with immediate effect, the discount rate adopted for calculating CETVs should be in line with the new SCAPE discount rate of 1.7% above CPI inflation, superseding the previous SCAPE discount rate of 2.4% above CPI inflation. All else being the same, a lower SCAPE discount rate leads to higher CETVs. The HM Treasury Guidance of 27 April 2023 can be found at <https://www.gov.uk/government/publications/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes>

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 (which therefore disregards the effect of any changes in factors).

Pension Entitlements (Audited)

Officials	Accrued pension at pension age as at 31/03/24 £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/03/24 £000	CETV at 31/03/23 ** £000	Real increase in CETV £000
Mr JJ O'Boyle (Chief Executive)	40 - 45 plus lump sum of 115 - 120	-	905	886	(21)
Mr J Crummie (Executive Member)	35 - 40 plus lump sum of 95 -100	-	737	725	(20)
Mr D Larkin (Executive Member)	15 - 20	0 - 2.5	230	193	10
Ms F Johnston (Executive Member)	15 - 20	0 - 2.5	347	304	14
Mr M Fairgrieve (Executive Member)	20 - 25 plus lump sum of 60 - 65	0 - 2.5	500	468	(11)
Mr JJ Cassidy (Executive Member)	20 - 25 plus lump sum of 60 - 65	0 - 2.5	543	510	(12)
Mr Ben Searle (Executive Member) <i>(Executive Member 1 Apr - Apr 23)</i>	15 - 20	0 - 2.5	297	277	19
Mr Ben Searle (Executive Member) <i>(Executive Member 1 Aug - Sept 23)</i>	15 - 20	-	308	300	(3)
Dr R Schaible (Executive Member) <i>May - 31 July 23</i>	25 - 30 plus lump sum of 70 - 75	0 - 2.5	579	565	-

** 31 March 2023 CETV values included above will not match those disclosed in 2022-2023 Annual Report and Accounts due to the McCloud remedy and subsequent rollback of the system.

A negative pension benefit represents a decrease in pension entitlements in real terms. A number of factors may have contributed to this including the effects of any pay increases or extra service being insufficient to offset the inflation increase; the age of the official and whether they are older than their normal pension age; and the type of pension scheme the official is a member of.

Compensation for loss of office [Audited]

No compensation payments were made or due to any of the senior management of Forest Service under Civil Service Compensation Scheme (NI) (CSCS (NI)) in the year ending 31 March 2024 or 31 March 2023.

Number of SCS staff by band

The Forest Service Chief Executive, at Grade 5, is the organisation's only Senior Civil Servant.

Staff Costs [Audited]

Staff costs comprise:

2023-2024	Permanent Staff £000	Temporary Staff £000	2023-2024 Total £000	2022-2023 Total £000
Wages & Salaries	7,266	391	7,657	6,643
Social Security Costs	644	-	644	640
Other Pension Costs	1,770	-	1,770	1,696
Total Staff Costs	9,680	391	10,071	8,979

Of which:

Charged to Administration	NIL	NIL
Charged to Programme	10,071	8,979

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but Forest Service is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which was applied to the 2020 scheme valuations and included the introduction of a reformed-scheme-only cost control mechanism which

assesses just the costs relating to reformed schemes (alpha for the NICS) and introduced an economic check. Prior to the cost control mechanism reforms, legacy scheme (PCSPS(NI)) costs associated with active members were also captured in the mechanism. The reformed-scheme-only design and the economic check were applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The 2020 scheme valuation outcome was that the core cost cap cost of the scheme lies within the 3% cost cap corridor. As there is no breach of the cost control mechanism, there is no requirement for the Department of Finance to consult on changes to the scheme. Further information can be found on the Department of Finance website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

For 2023-2024, employers' contributions of £1,770,070 were payable to the NICS pension arrangements (2022-2023 £1,695,594) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £NIL (2022-2023 £NIL) were paid to one or more of the panel of two appointed stakeholder pension providers.

Employer contributions are age-related and range from 8% to 14.75% (2022-2023, 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £NIL, 0.5% (2022-2023 £NIL, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £NIL. Contributions prepaid at that date were £Nil.

Average Number of Persons Employed [Audited]

The average number of full time equivalent persons employed during the year was as follows:

	2023-2024			2022-2023
	Permanent staff	Others	Total	Total
Industrial	80.82	-	80.82	81.13
Non Industrial	102.40	13.08	115.48	109.13
Total	183.22	13.08	196.30	190.26

Staff Turnover

Staff turnover rates for 2023-24 are shown below. The Agency continues to monitor turnover rates and support initiatives to maintain a healthy level of turnover. When available, the annual Civil Service People Survey, coupled with other research, helps us to understand our people’s experience of working in the Agency and take appropriate action to improve effectiveness, including where turnover could potentially become problematic.

*Departmental Turnover Rate		Agency Turnover Rate		General Turnover Rate	
Turnover Rate	Turnover %	Turnover Rate	Turnover %	Turnover Rate	Turnover %
0.066	6.6%	0.056	5.6%	0.052	5.2%

**Excludes Agency’s.*

The Forest Service Departmental Turnover percentage (the total number of people that have left the Agency including those who have moved within the NICS) for 2023-24 is 5.6%, and the General Turnover percentage (the people who have left the Agency and have not gone elsewhere in the NICS) is 5.2%. This has been calculated by NICS HR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

Turnover includes permanent and temporary staff, and those who left the NICS while on career break.

Ill Health Retirement

Forest Service had no early retirements on ill health grounds in 2023-2024 (2022-2023, 1 with accrued pension liabilities in the year amounting to £3,833).

Staff composition (Male, Female - SCS, Board Members and employees)

The Forest Service Management Board comprises the Chief Executive (male), seven Executive Members (6 male and 1 female) and one non-Executive Member (male). Staff composition at 31 March 2024 (including temporary promotion arrangements) is as per the table below.

	G5	G6	G7	DP	SO	EO1	EO2	AO	AA	IND	TOTAL
Female	0	0	2	3	6	8	7	7	0	5	38
Male	1	0	2	13	13	35	3	4	0	86	157
Total	1	0	4	16	19	43	10	11	0	91	195

Workforce Development & Training

Forest Service staff are civil servants and are covered by all NICS Human Resource (HR) policies.

Operational training is provided through the College of Agriculture, Food, and Rural Enterprise (CAFRE) under a Service Level Agreement. Other training is available to all staff from the NICS Centre of Applied Learning and external providers where appropriate.

The Agency places a high priority on staff training, and professional development in order to enhance the knowledge and skills necessary to achieve its business objectives by:

- ensuring that staff have the necessary competencies to meet current and future policy delivery demands;
- encouraging staff to pursue their personal development and communicate all opportunities available to them, consistent with NICS policies on an equal opportunity basis;
- supporting membership of professional bodies directly connected with the work of the Agency; and
- committing to achieve business excellence through continuous improvement, in line with Investors In People standards.

Forest Service agreed a Corporate Training Plan, in March 2024, to identify and address current and future training needs for staff across all disciplines and grades, and is committed to deliver this plan over a 5 year period. The Forest Service Management Board, supported by a HR Business partner is responsible for monitoring HR issues including corporate training needs.

Staffing & Employee Engagement

Forest Service is a multidisciplinary organisation with a dedicated workforce drawn from forestry, agriculture, industrial and administrative disciplines. Throughout the reporting period, Forest Service continued to invest in developing its staff to meet changing work pressures and managing vacancies. This is in the context of wider NICS resourcing pressures and capacity deficits of qualified professional and technical officers within the forestry and plant health sectors. In 2023-2024, Forest Service developed and launched a number of external recruitment competitions and internal temporary promotion opportunities, targeted towards priority work areas. The Agency also completed a feasibility study to assess the potential of forestry apprenticeship schemes to address forestry sector resourcing and training deficits. Opportunities identified to be taken forward are to be progressed in the coming business year.

Forest Service Management Board encourages communication and engagement, and exchange of information within the Agency. Forest Service do this through team briefings, circulars and its Intranet. There are also well-established arrangements for formal consultation with representatives of the trade unions (both non-industrial and industrial) on all significant developments likely to impact on staff. Forest Service consults regularly with representatives of industrial and non industrial staff through Joint Industrial Council and NI Public Service Alliance (NIPSA) respectively.

The Agency promotes dialogue with staff to ensure that they understand how they contribute to the business objectives. Accordingly, they are responsible, in consultation with their line managers, for planning and reviewing their personal objectives and development needs to contribute effectively to current work demands and future programmes. Forest Service utilises the NICS Performance Management System whereby individual Personal Performance Agreements and Personal Development Plans are constructed, and staff performance reviewed in-year and at year end.

The 2023 NICS People Survey is the most recent staff survey and was conducted by NISRA across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey. For DAERA there were 3,564 (2021: 3,442) permanent staff invited to complete the survey, of which 1,817 (2021: 1,686) participated, a response rate of 48.3% (2021: 49%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employment engagement questions, and it ranges from 0% to 100%. DAERA responses indicated an Employee Engagement Index of 57% (2021: 62%) and Forest Service 48% (2021: 58%) compared to the NICS average of 54% (2021: 57%). The full survey can be accessed at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>

Expenditure on consultancy

The Agency had no external consultancy expenditure during the year.

Off-payroll engagements

The Agency had no off-payroll engagements during the year.

Regularity of Expenditure [Audited]

As Forest Service's Accounting Officer, I am content that the expenditure and income of my Agency have been applied to the purposes intended by the NI Assembly. Furthermore, I am content that the Agency's transactions are within the scope of the authorities that govern them, and that there are no material weaknesses in the design and implementation of the Agency's internal controls to prevent and detect fraud.

A breakdown of losses incurred during the year can be found at Note 23 to the Financial Statements.

Fees and Charges [Audited]

The Agency is required to review the services that it provides and supply a Memorandum Trading Account (MTA) detailing forecast income and expenditure in support of the charging proposals for schemes/services.

The main activities that attract charges are timber sales, recreation; both commercial and non-commercial and Plant Health Inspections.

The financial objective of Commercial Recreation and Plant Health Inspection is full cost recovery. However, in the case of Non-Commercial Recreation, 100% recovery cannot realistically be achieved in the foreseeable future and the short-term objective is to recover at the maximum level that the market will bear.

The financial objective of timber sales is the sale of approximately 400,000 cubic metres annually to the timber industry at market value through the arrangement of Long-Term Contracts, Tender Sales or Negotiated Sales.

A breakdown of the income and expenditure for each activity can be found at Note 3 to the Financial Statements.

Remote Contingent Liabilities [Audited]

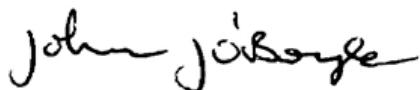
The Agency has no remote contingent liabilities as at 31 March 2024 (31 March 2023:NIL).

Losses and Special Payments [Audited]

	2023-24 £000	Number of cases	2022-23 £000	Number of cases
Losses				
Forest Fires	540	4	59	1
Fraud / Theft / Vandalism	-	-	-	-
	540	4	59	1

Special Payments

There was one special payment paid in 2023-24 amounting to £460. (2022-23: NIL).



John Joe O'Boyle
Chief Executive

2nd July 2024

Forest Service

The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly

Opinion on financial statements

I certify that I have audited the financial statements of the Forest Service for the year ended 31 March 2024 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Forest Service's financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Forest Service's affairs as at 31 March 2024 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

My staff and I are independent of the Forest Service in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited and my audit certificate and report. The Accounting Officer is responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report I do not express any form of assurance conclusion thereon.

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

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Forest Service and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remunerations and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Forest Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Forest Service will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

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

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Forest Service through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Government Resources and Accounts Act (Northern Ireland) 2001;
- making enquires of management and those charged with governance on Forest Service's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Forest Service's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and significant transactions;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and

- investigating significant or unusual transactions made outside of the normal course of business.

A further description of my 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 my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transaction recorded in the financial statements conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

3rd July 2024

Financial Statements



Financial Statements

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

For the year ended 31 March 2024

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

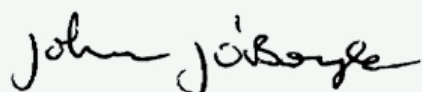
	Note	2023-24 £000	2022-23 £000
Operating Income			
Resource funding from DAERA	2	(8,366)	(791)
Capital grants from DAERA	2	(4,360)	(794)
Operating Income	2	(12,218)	(15,536)
EU Income	2	(1,817)	(2,275)
		(26,761)	(19,396)
Operating Expenditure			
Staff Costs	4	10,071	8,980
Grants	4	2,826	3,052
Other Operating Expenditure	4	5,670	5,997
Non-Cash Items	4	4,661	4,915
Revaluation	4	35,764	(121,361)
Total Operating (Income)/Expenditure		58,992	(98,417)
Net deficit/(surplus) for the year		32,231	(117,813)
All income and expenditure is derived from continuing operations.			
Other Comprehensive Net Expenditure			
Items that will not be reclassified to net operating costs:			
Net (gain)/loss on revaluation of Property, Plant & Equipment	7.1	9,396	(40,846)
Net (gain)/loss on revaluation of Intangible assets	8	(2)	(4)
Comprehensive Net (Surplus)/Expenditure for year		41,625	(158,663)

The notes on pages 65 to 90 form part of these accounts.

STATEMENT OF FINANCIAL POSITION
as at 31 March 2024

This statement presents the financial position of Forest Service. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	2023-24 £000	2022-23 £000
Non-current assets:			
Heritage assets	6	597	597
Property, plant and equipment	7	181,367	191,088
Intangible assets	8	573	588
Biological assets	10	403,402	439,263
Net Investment in Finance Lease	21	219	226
Total non-current assets		586,158	631,762
Current assets:			
Assets classified as held for sale	11	3,003	2,900
Inventories	14	37	44
Trade and other receivables	15	9,846	4,078
Cash and cash equivalents	16	19,294	18,513
Total current assets		32,180	25,535
Total assets		618,338	657,297
Current liabilities			
Trade and other payables	17	(2,457)	(1,998)
Provisions	18	(1,585)	(1,721)
Total current liabilities		(4,042)	(3,719)
Total assets less current liabilities		614,296	653,578
Taxpayers' equity and other reserves:			
General fund		498,999	527,426
Revaluation reserve		115,297	126,152
Total equity		614,296	653,578



John Joe O'Boyle, Accounting Officer
2nd July 2024

The notes on pages 65 to 90 form part of these accounts.

STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Agency during the reporting period. The statement shows how the Agency generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Agency. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Agency's future public service delivery.

	Note	2023-24 £000	2022-23 £000
Cash flows from operating activities			
Net operating deficit		(32,231)	117,813
Adjustments for non-cash transactions	4	40,425	(116,446)
(Increase) / Decrease in trade and other receivables	15	(5,768)	(1,032)
(Increase) / Decrease in Inventories	14	7	4
Increase in trade and other payables	17	459	120
Use of provisions	18	(75)	(72)
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure		6	29
Net cash inflow/(outflow) from operating activities		2,823	416
Cash flows from investing activities			
Purchase of non-financial assets	7	(2,101)	(634)
Proceeds from disposal of non-financial assets	7	59	66
Net cash (outflow) / inflow from investing activities		(2,042)	(568)
Cash flows from financing activities			
Funding from parent department		-	-
Net cash inflow from financing activities		-	-
Net increase / (decrease) in cash and cash equivalents in the period after adjustments for receipts and payments to the Consolidated Fund		781	(152)
Cash and cash equivalents at the beginning of the year	16	18,513	18,665
Cash and cash equivalents at the end of the year	16	19,294	18,513

The notes on pages 65 to 90 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
for the year ending 31 March 2024

This statement shows the movement in the year on the different reserves held by Forest Service, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of an Agency, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers Equity £000
Balance at 31 March 2022		406,362	86,459	492,821
Comprehensive Net Expenditure for the Year - Net surplus	SOCNE	117,813		117,813
Adjustments for non-cash transactions	7.2,8.2	-	40,850	40,850
Non-cash charges - other notional costs	5	2,075	-	2,075
Non-cash charges - auditor's remuneration	5	19	-	19
Transfers between reserves		1,157	(1,157)	-
Balance at 31 March 2023		527,426	126,152	653,578
Comprehensive Net Expenditure for the Year - Net surplus	SOCNE	(32,231)	-	(32,231)
Non-Cash Adjustments	7.1, 8.1	-	(9,394)	(9,394)
Non-cash charges - other notional costs	5	2,323	-	2,323
Non-cash charges - auditor's remuneration	5	20	-	20
Transfers between reserves		1,461	(1,461)	-
Asset Transfer		-	-	-
Balance at 31 March 2024		498,999	115,297	614,296

The notes on pages 65 to 90 form part of these accounts.

NOTES TO THE AGENCY’S ACCOUNTS

1 STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the accounts direction issued by the Department of Finance in accordance with Section 11(1) and (2) of the Government Resources and Accounts Act (NI) 2001 and shall be consistent with the accounting principles and disclosure requirements of the 2023-24 Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS’s) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Forest Service for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Forest Service are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets, biological assets and certain financial assets and liabilities.

1.2a Funding

Funding has been received from the Department of Agriculture, Environment and Rural Affairs and is accounted for through the Statement of Comprehensive Income to cover operating expenditure. Any income that Forest Service has received during the year that is not required to cover operating or capital expenditure can be held as Reserves.

1.2b Public Corporation Dividend

Forest Service pay a dividend to the Department of Agriculture, Environment and Rural Affairs, reflecting the expected rate of return on funding provided. This is disclosed in the Statement of Comprehensive Income. The dividend rate has been agreed with DoF and is currently set at zero percent whilst Forest Service is loss-making. If Forest Service make a surplus before revaluation gains and funding from DAERA, HMT’s real rate of 3.5 percent will apply.

	2023-24	2022-23
	£000	£000
Operating Income before DAERA Subsidy	14,035	17,811
Operating expenditure before revaluation	(23,228)	(22,944)
Net operating Surplus/(Expenditure)	(9,193)	(5,133)

1.3 Property, plant and equipment

Capitalisation

Expenditure on property, plant and equipment of over £5,000 is capitalised. Within DAERA the grouping of computer equipment in respect of items falling below this threshold has also been undertaken.

On initial recognition property, plant and equipment and intangible assets are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as “under construction” are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

Subsequent expenditure on an asset that meets the criteria in compliance with IAS 16 is capitalised; otherwise it is expensed.

Valuation

Buildings are carried at the last professional valuation, in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenues Rating and Valuation (IRRV). Professional revaluations of buildings are undertaken every five years, with the valuations used in these accounts provided by Land and Property Services (LPS) as at 1 April 2019. Buildings are revalued annually, between professional valuations, using indices provided by LPS. From 1 April 2012 the Agency's buildings have been revalued using the Building Cost Information Service (BCIS) index provided by LPS. In prior years the index used to revalue buildings was the One-Percent Price Index (OPI) as provided by the Office for National Statistics.

Properties surplus to requirements are valued on the basis of open market value less any material, directly attributable, selling costs.

In previous years, the Valuation Office Agency (VOA) collated and analysed market activity to support calculation of the biological and land asset portfolio value for the financial statements of Forestry and Land Scotland (FLS). For 2023/2024 FLS have engaged a contractor to carry out this data interpretation function and FLS has shared the outputs with LPS, who have used the information as the basis to arrive at the Fair Value of the Forest Service land and the biological asset that represents the forest crops thereon.

It is emphasised that this is an informal apportionment produced solely for the purposes of depreciation accounting and does not represent a formal valuation of the separate elements of the asset. The figures detailed should not be relied upon for any other purpose (RICS UK National Supplement 2017, UK VPGA 1.10).

The valuations have been undertaken having regard to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RICS) Global Standards.

The value of trees grown for commercial purposes is included in non-current assets on a fair value basis less estimated selling costs. The comparative method of valuation, based

on market-based evidence, has been used to support assessment of value. Revaluations are directly charged to the Statement of Comprehensive Net Expenditure.

For property occupied, but not owned or leased by Forest Service a notional charge for accommodation costs is included in the Statement of Comprehensive Net Expenditure.

Assets under construction are carried at cost.

Plant, Machinery and IT assets are capitalised at their cost of acquisition and installation and are restated to current value annually with reference to indices compiled by the Office for National Statistics (ONS).

Depreciation

Depreciation is charged on a straight line basis, to write off the cost or valuation, less estimated residual value, where relevant, of each asset over its estimated useful life. The useful lives, which are reviewed regularly, and are aligned with the parent department's policy are:

Plant, machinery, equipment and computers	3 - 40 years
Motor vehicles	5 - 15 years
Buildings	10 - 75 years

Land at Baronscourt is being handed back to its owner in stages up to the year 2024, therefore depreciation is charged over the period. There is no depreciation charge on the Agency's own land.

Heritage Assets will be maintained in perpetuity and consequently have not been depreciated.

Assets under construction are not depreciated until they are commissioned.

1.4 Intangible Assets

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

Land Rights

Land rights (shooting and turbary rights) are valued every 5 years by a professional valuer. The valuation of land rights used in these accounts were provided by the Land and Property Services (LPS) as at 1 April 2019 in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenues Rating and Valuation (IRRV). There is no in-year amortisation charge as the life span is land-based and therefore assumed to be infinite.

Software Licences

Purchased computer software licenses are capitalised as intangible assets where expenditure of £5,000 or more is incurred. In addition, similar licenses falling below this threshold, which when grouped exceed the threshold, are also capitalised. The value of

the capitalised licenses is restated at fair value at the Statement of Financial Position date in accordance with the movement in the Retail Price Index (RPI). Software licenses are amortised over their expected useful life, which can be from 1 to 7 years, depending on the license.

Developed Software

Developed Software is a combination of automated digital data collection facilities including that used for vehicle and inspection management as well as independently commissioned reports on the usage of the forests. These are amortised over the expected useful life of the asset, which can be from 1 to 15 years.

1.5 Biological Assets

Biological assets include all forested areas where there is potential to recover timber, regardless of whether timber production is a primary objective, excluding natural reserves. The extent of forest area is maintained on an electronic database.

The fair value of biological assets is derived from the market-based evidence from the sales value of woodlands and forests in GB collated and analysed by the Valuation Office Agency and LPS.

Revaluations are charged directly to the Statement of Comprehensive Net Expenditure, with timber held for sale disclosed as a current asset.

1.6 Heritage Assets

Forest Service replaced the walkway in Glenariff Forest Park reflecting its historical value in providing access to and recreational use of the forest. This is included in the Statement of Financial Position as a Heritage Asset.

Heritage assets are operational and are recorded at historical cost. Heritage assets are maintained in perpetuity, and consequently are not depreciated.

1.7 Non-Current Assets reclassified as Current Assets held for Sale

Forest Service classifies a non-current asset as held for sale where its value is expected to be realised principally through a sale transaction rather than through continuing use. In order to meet this definition, IFRS 5 requires that the asset must be immediately available for sale in its current condition and that its sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset through appropriate marketing at a reasonable price and the sale is considered likely to be concluded within one year. Non-current assets that are held for sale are valued on the basis of open market value less any material directly attributable selling costs and are reclassified as current assets held for sale. Current assets held for sale are regularly reviewed to ascertain whether they continue to meet the above criteria. Where a current asset held for sale no longer meets the criteria, the asset is reclassified as a non-current asset.

1.8 Inventories

Consumable materials and supplies are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling prices, less further costs to be incurred to completion and disposal.

1.9 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, Forest Service discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities, which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

1.10 Provisions

Forest Service provides for present legal and constructive obligations, which are of an uncertain timing, or amount at the Statement of Financial Position date, on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the real rate set by HM Treasury.

Legal claims and other provisions are provided for at the full assessed amount in each case.

1.11 Revenue recognition

In line with IFRS 15, Forest Service recognises its income as either Revenue from contracts with customers or other operating income. Revenue from contracts with customers is income that relates directly to operating activities of Forest Service and comprises fees and charges to be recovered for services provided to external customers for the sale of timber. It includes the agencies accruing resources. Other operating income is income received from the European Union under the Common Agricultural Policy for Peace and Reconciliation and other EU initiatives.

1.12 Grants payable and EU funding

Grants payable to individuals and bodies are accounted for as they are approved for payment. No provision is made in the financial statements for grant offers made but not yet approved for payment.

During the year forestry grant schemes for the creation of new woodland, the restocking of previously felled areas and the management of existing mature and semi-mature woodlands were co-funded by the European Agricultural Fund (EAF).

If grants are subsequently recovered because of the failure to fulfil the conditions of the relevant woodland grant scheme, the amount of co-financing may be repayable to the EU.

1.13 Administration and Programme Income and Expenditure

The Statement of Comprehensive Net Expenditure shows only programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs set out in the Consolidated Budgeting Guidance issued by HM Treasury and adopted by the Department of Finance for Northern Ireland.

All of the Agency's income and expenditure relates directly to service delivery and as such is designated as programme.

1.14 Employee Benefits including Pension Costs

Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS)[NI]. The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. Forest Service recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS(NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS(NI). In respect of the defined contribution schemes, the Agency recognises the contributions payable for the year.

Short-term employee benefits

Under the requirements of IAS 19 Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been derived by using a specific report run from HR Connect which calculates the year end balance using actual leave balances on the system.

1.15 Functional Currency / Foreign Exchange / Roundings

The functional currency is Sterling and, except where otherwise stated, figures have been rounded to the nearest thousand pounds.

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction. Balances at the year end are restated using the exchange rate on 31 March, as provided by Account NI, and any exchange gain or loss is treated as income or expenditure.

1.16 Value Added Tax

The Forest Service is registered for VAT. In order to comply with government accounting regulations and normal commercial practice, income and expenditure shown in the Statement of Comprehensive Net Expenditure is net of VAT.

Any VAT due to or from HM Revenue and Customs at the year end is included in the accounts as a receivable or payable in the Statement of Financial Position. Irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure in the year in which it is occurred.

1.17 Taxation

No taxation is chargeable on the financial results of Forest Service.

1.18 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is de-recognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for de-recognition. A financial liability is de-recognised when, and only when, it is extinguished.

Forest Service has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

In accordance with "IFRS 9 Financial Instruments" trade receivables, cash and other receivables are classified as 'loans and receivables'. Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost less any expected loss.

Forest Service assesses at each Statement of Financial Position date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired. With the adoption of IFRS 9 the Agency has moved to an expected credit loss model based on historical write off projected forward.

Forest Service measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics.

Impairment losses are recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable the amount of the asset is reduced directly and the impairment loss is recognised in the Statement of Comprehensive Net Expenditure to the extent that a provision was not previously recognised.

Financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

1.19 Related Party Transactions

The Department of Agriculture, Environment and Rural Affairs is regarded as a related party. During the year, Forest Service has had various material transactions with DAERA.

In addition, Forest Service has had a small number of transactions with other government departments and other central government bodies. Most of these transactions have been with Northern Ireland Departments, their Executive Agencies and Arms Length Bodies.

In terms of related party interests of the Agency's officials, in the interests of transparency the Agency considers it necessary that its top managerial officials and members of the Forest Service Management Board (FSMB) declare all of the following: -

- i) Any interests in Forest Service other than through the normal relationship of employee / employer, e.g. receipt of grants for woodland expansion;
- ii) Any interest in any body with which Forest Service has dealings including membership of Boards of those bodies even when such membership is part of the officer's job; and
- iii) Any such interest held by a close family member.

1.20 Segmental Reporting

Under IFRS 8, Forest Service has one operating segment whose results are regularly reviewed by the Accounting Officer to make decisions about resources to be allocated to the segment and assess its performance. The operating aim of Forest Service is to promote forestry and enhance plant health for a thriving and sustainable rural economy, community and environment to promote social and economic equality.

1.21 Critical accounting estimates and key adjustments

As a result of the uncertainties inherent in all business activities, many items in financial statements cannot be measured with precision but can only be estimated. Where estimates have been required in order to prepare these financial statements in conformity with FReM, management have used judgements based on the latest available, reliable information. Management continually review estimates to take account of any changes in the circumstances on which the estimate was based or as a result of new information or more experience.

Land and Timber and Buildings have been valued by an external advisor and have been undertaken having regard to International Financial Reporting Standards (IFRS) and International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors Valuation - Global Standards 2017. These include estimates of growth, sales price and costs. Forest service have made an estimation of the useful economic lives of property, plant and equipment and Intangible assets. Management believes that the assigned values and useful lives, as well as the underlying assumptions, are reasonable. These estimates are discussed in notes 1.3 to 1.5 above.

1.22 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2024

Forest Service has reviewed the standards, interpretations and amendments to published standards that became effective during 2023-24 and which are relevant to its operations. Forest Service anticipates that the adoption of these standards will have no material impact on the Forest Service's financial position or results of operations.

1.23 Impending application of newly issued accounting standards not yet effective

Management has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. These standards include:

IFRS 18 (Presentation and Disclosure in Financial Statements) was issued in April 2024, replacing IAS 1 (Presentation of Financial Statements), and is effective for accounting periods beginning on or after 1 January 2027. IFRS 18 will be implemented, as interpreted and adapted for the public sector if required, from a future date (not before 2027-28) that will be determined by the UK Financial Reporting Advisory Board in conjunction with HM Treasury following analysis of this new standard.

2. Income

	2023-24 £000	2022-23 £000
Revenue within the scope of IR35		
Timber sales	10,412	13,994
Other forest products	75	66
Recreation	876	763
Rentals	714	652
Other activities	141	61
	12,218	15,536
Other Operating Income		
EU Income	1,817	2,275
	1,817	2,275

Funding from DAERA

From 1 April 2020 the Forest Service was reclassified as a Public Corporation and received funding from DAERA in year as follows:

	2023-24 £000	2022-23 £000
Capital Funding	4,360	794
Departmental Subsidy	8,366	791
Funding to cover costs so that trading income can be allocated to reserves*	-	-
	12,726	1,585
Total Income	26,761	19,396

3. Business Activities Attracting Fees And Charges

The purpose of this note is to provide fees and charges information.

- i) Commercial Recreation encompasses camping and caravanning, as well as game shooting.
- ii) Non-Commercial Recreation refers to visits to all of our forests. Parking charges are only levied at four Forest Parks.
- iii) The financial objective of Commercial Recreation is full cost recovery. In the case of Non-Commercial Recreation, 100% recovery cannot realistically be achieved in the foreseeable future and the short term objective is to recover at the maximum level that the market will bear.
- iv) Plant Health Inspection Branch charge fees for Potato Growing Crop and Tuber Inspections. These relate to costs for inspections carried out under the Seed Potato Certification Scheme.
- v) Timber sales refers to the sale of timber from the forest estate to customers, through the arrangement of long-term contracts, tender sales or negotiated sales.

	2023-24			2022-23		
	Income £000	Cost £000	Surplus/ (Deficit) £000	Income £000	Cost £000	Surplus/ (Deficit) £000
Timber Sales	10,412	1,447	8,965	13,994	1,370	12,624
Commercial Recreation	425	302	123	401	307	94
Non-Commercial Recreation	446	940	(494)	360	873	(513)
Potato Growing Crop and Tuber Inspections	37	47	(10)	34	49	(15)
	11,320	2,736	8,584	14,789	2,599	12,190

4. Programme Costs

	Note	2023-24 £000	2022-23 £000
Grant Payments			
National element		972	795
EU element		1,854	2,257
		2,826	3,052
Staff Costs			
Wages and Salaries		7,657	6,644
Social Security Costs		644	640
Other Pension Costs		1,770	1,696
		10,071	8,980
Other Expenditure			
Contracted out services		2,893	2,817
Road Materials		592	777
Plants and horticultural consumables		450	556
Fuel costs		309	385
Equipment costs		331	340
Accommodation costs		244	299
Other costs		142	189
Staff related costs		261	240
Professional costs		248	245
Office Services		183	135
Rentals under operating leases		8	8
Non-capital purchases		9	6
		5,670	5,997
Non-cash items:			
Transfer of Land to DAERA		-	-
Depreciation	7	2,232	1,569
Amortisation	8	17	14
Liability provisions provided for / (released in year) in year	18	(61)	283
(Profit) / Loss on Disposal		130	956
Finance Lease Receivable	21	-	-
Bad debts written off		-	-
Bad debts provided for / (released in year)		-	-
Notional charges	5	2,343	2,093
		4,661	4,915

	Note	2023-24 £000	2022-23 £000
Other non-cash items:			
Revaluation - Timber	12	35,758	(121,286)
Revaluation - Other assets	7 12	6	(75)
		35,764	(121,361)
Total Programme Costs		58,992	(98,417)

Grant Payments

The total of grant payments for 2023-24 included £15,596 paid to public bodies (2022-23: £42,469) and £2,810,223 (2022-23: £3,009,527) paid to private sector recipients.

Growing Timber Revaluation

Included within Programme Costs is the movement in the fair value of the biological growing timber asset, which is explained in more detail at Note 10.

Staff Costs

Further analysis of staff costs is located in the Staff Report within the Accountability Report.

5. Notional Costs

	2023-24 £000	2022-23 £000
Services provided by parent department:		
Central Support	1,664	1,428
	1,664	1,428
Services Provided by other Departments:		
DoF Accommodation	306	326
NICS HR	127	105
Departmental Solicitor's Office	35	29
Account NI	50	42
IT Assist	141	145
Auditor's remuneration and expenses	20	19
	679	666
Total Notional Costs	2,343	2,094

Notional Costs

Notional Costs relate to services received for which no actual payment is made. They are included in the accounts so as to reflect the full economic cost of provision.

6. Heritage Assets

6.1 2023-24

	Heritage Assets £000
Cost or Valuation	
At 1 April 2023	597
Disposals	-
At 31 March 2024	597
Carrying amount at 31 March 2024	597
Carrying amount at 31 March 2023	597

The Agency holds Glenariff Walkway as a heritage asset. The asset is recorded at historical cost and is maintained in perpetuity, and consequently is not depreciated.

6.2 2022-23

	Heritage Assets £000
Cost or Valuation	
At 1 April 2022	1,167
Disposals	(570)
At 31 March 2023	597
Carrying amount at 31 March 2023	597
Carrying amount at 31 March 2022	1,167

During 2022-23 the Castlewellan Peace Maze transferred to the Local Council. This is part of a wider lease with the Local Council in respect of Castlewellan Forest Park.

7. Property, Plant And Equipment

7.1 2023-24

	Land £000	Buildings £000	Plant and Mach- inery £000	Inform- ation Technology £000	Assets under Const- ruction £000	Total £000
Cost or Valuation						
At 1 April 2023	178,440	12,518	8,615	785	81	200,439
Additions	1,547	97	370	87	-	2,101
Disposals	(123)	(491)	(643)	-	-	(1,257)
Reclassifications and transfers	-	81	-	-	(81)	-
Revaluations through SoCNE	(6)	2	(1)	-	-	(5)
Revaluations through Reserves	(10,604)	352	(10)	6	-	(10,256)
At 31 March 2024	169,254	12,559	8,331	878	-	191,022
Depreciation						
At 1 April 2023	-	3,603	5,120	628	-	9,351
Charge in year	968	751	476	37	-	2,232
Disposals	-	(491)	(578)	-	-	(1,069)
Revaluations through SoCNE	-	1	-	-	-	1
Revaluations through Reserves	(968)	110	(7)	5	-	(860)
At 31 March 2024	-	3,974	5,011	670	-	9,655
Carrying amount at 31 March 2024	169,254	8,585	3,320	208	-	181,367
Carrying amount at 31 March 2023	178,440	8,915	3,495	157	81	191,088
Asset financing:						
Owned	169,254	8,585	3,320	208	-	181,367
Finance leased	-	-	-	-	-	-
Carrying amount at 31 March 2024	169,254	8,585	3,320	208	-	181,367

Forest Service land is valued annually by Land Property Services (LPS). The comparative method of valuation, based on market-based evidence, has been used to support assessment of value. Research has been undertaken into comparative capital value transactions to enable valuation of the forest estate. The most appropriate market-based evidence is the sale of woodland and forests in excess of 50 hectares. However, there is no such market of any significance in Northern Ireland as over 90% of coniferous forest of this size sits within the ownership of the public sector. There is a significant forest and woodland market in Great Britain and the UK Forest Market Report 2023 states that the value of transactional sales over the preceding 12 months exceeded £200M for the fourth consecutive year.

In previous years, the Valuation Office Agency (VOA) collated and analysed market activity to support calculation of the biological and land asset portfolio value for the financial statements of Forestry and Land Scotland (FLS). For 2023-2024 FLS have engaged Strutt & Parker to carry out this data interpretation function and FLS has shared the outputs with LPS, who have used the information as the basis to arrive at the Fair Value of the client portfolio as detailed herein. LPS has not been made aware of any change in methodology or calculation techniques employed by the current supplier that may account for the difference in the valuation figures arrived at this year in comparison to 2022/2023.

The combined value of land and timber on the Forest Service estate at 31 March 2024 of £571.6m has decreased by £46.1m (7.4%) on the 2023 value of £617.7m. Within this combined value the timber has been valued at £403.4m (note 10), a decrease of £35.9m (8.2%) on the 2023 value of £439.3m and the Land at £168.2m (note 7.1 above includes an additional £1M of land additions at year end that completed after LPS valuation), a 5.7% decrease of £10.2m on 2023 value of £178.4m.

Forest Service buildings were valued as at 1 April 2019 on an existing use basis by LPS. Properties surplus to requirements are valued on the basis of open market value less any material, directly attributable, selling costs.

Plant, Machinery and IT assets are capitalised at their cost of acquisition and installation and are restated to current value annually with reference to indices compiled by the Office for National Statistics (ONS).

There were right of use assets with £10.8m net book value at 31 March 2024, reported under Land above.

7.2 2022-23

	Land £000	Buildings £000	Plant and Machin- inery £000	Inform- ation Technology £000	Assets under Const- ruction £000	Total £000
Cost or Valuation						
At 1 April 2022	139,032	11,660	7,494	785	453	159,424
Additions	-	146	455	-	33	634
Disposals	(91)	(650)	(132)	(28)	-	(901)
Reclassifications and transfers	-	405	-	-	(405)	-
Revaluations through SoCNE	71	4	-	3	-	78
Revaluations through Reserves	39,428	953	798	25	-	41,204
At 31 March 2023	178,440	12,518	8,615	785	81	200,439
Depreciation						
At 1 April 2022	-	2,665	4,397	588	-	7,650
Charge in year	379	733	411	46	-	1,569
Disposals	-	(70)	(131)	(28)	-	(229)
Revaluations through SoCNE	-	2	-	1	-	3
Revaluations through Reserves	(379)	273	443	21	-	358
At 31 March 2024	-	3,603	5,120	628	-	9,351
Carrying amount at 31 March 2023	178,440	8,915	3,495	157	81	191,088
Carrying amount at 31 March 2022	139,032	8,995	3,097	197	453	151,774
Asset financing:						
Owned	178,440	8,915	3,495	157	81	191,088
Finance leased	-	-	-	-	-	-
Carrying amount at 31 March 2023	178,440	8,915	3,495	157	81	191,088

8. Intangible Assets

8.1 2023-24

	Land Rights £000	Software Licenses £000	Developed Software £000	Total £000
Cost or Valuation				
At 1 April 2023	554	58	51	663
Revaluations through reserves	-	3	3	6
At 31 March 2024	554	61	54	669
Amortisation				
At 1 April 2023	-	37	38	75
Charge in year	-	10	7	17
Revaluations through reserves	-	2	2	4
At 31 March 2024	-	49	47	96
Carrying amount at 31 March 2024	554	12	7	573
Carrying amount at 31 March 2023	554	21	13	588

Land Rights held by the Forest Service relate to shooting, turbarry rights and wayleaves. They are valued at 5-yearly intervals by the Land and Property Services (LPS), the latest being at 1 April 2019.

8.2 2022-23

	Land Rights £000	Software Licenses £000	Developed Software £000	Total £000
Cost or Valuation				
At 1 April 2022	554	51	45	650
Revaluations through reserves	-	7	6	13
At 31 March 2023	554	58	51	663
Amortisation				
At 1 April 2022	-	24	28	52
Charge in year	-	8	6	14
Revaluations through reserves	-	5	4	9
At 31 March 2023	-	37	38	75
Carrying amount at 31 March 2023	554	21	13	588
Carrying amount at 31 March 2022	554	27	17	598

9. Donated Assets

Any assets donated to the Agency have a value below £5,000 and as this is below the threshold they are not capitalised.

There were no donated assets during 2023-24 (2022-23: NIL).

10. Biological Assets

	Note	2023-24 £000	2022-23 £000
Value at 1 April		439,263	318,768
<i>Movement in timber valuation</i>			
Transfer to assets held for sale	11	(3,003)	(2,900)
Timber removals		(9,472)	(13,398)
Timber lost to fire		(540)	(59)
Price / Growth increment		(22,846)	136,852
Carrying amount at 31 March		403,402	439,263
Movement in timber valuation:			
Revaluation adjustment credited to Statement of Comprehensive Net Expenditure	4	(35,758)	121,286
In year movement in assets held for sale	11	(103)	(791)
Movement in timber valuation		(35,861)	120,495

Growing timber is valued as per note 1.5. Timber lost to fire and disease is also valued on the same basis.

Timber identified as having been allocated under contract and removed from the estate database being available for sale in 2023-24 is valued at the expected sales price. Timber removals in year are valued at the sales price achieved.

The revaluation movement, except for the movement in the asset held for sale value, is taken directly to the Statement of Comprehensive Net Expenditure.

11. Current Assets - Assets Classified as Held For Sale

	Note	2023-24 £000	2022-23 £000
Land		-	-
Timber			
Opening balance		2,900	2,109
Additions		3,003	2,900
Disposals		(2,900)	(2,109)
Carrying amount at 31 March	10	3,003	2,900

There are no assets surplus to requirements as at 31 March 2024.

Assets held for sale include timber allocated for sale under contract which has been removed from the forest estate database and not therefore valued as part of the non-current timber asset per note 10. This timber held for sale at year end will be sold in the following financial year and therefore is disclosed as a current asset held for sale valued at the expected sales price.

12. Revaluations

	Note	2023-24 £000	2022-23 £000
Property, plant & equipment	4,7	6	(75)
Growing timber revaluation	4,10	35,758	(121,286)
Total Revaluation credit charged to the Statement of Comprehensive Net Expenditure	4	35,764	(121,361)

13. Financial Instruments

As the cash requirements of Forest Service are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Agency's expected purchase and usage requirements and the Agency is therefore exposed to little credit, liquidity or market risk.

14. Inventories

	2023-24 £000	2022-23 £000
Stock	37	44
Balance at 31 March	37	44

15. Trade Receivables and Other Current Assets

	2023-24 £000	2022-23 £000
Amounts falling due within one year:		
Trade receivables	2,468	3,060
Other receivables	7,155	771
Prepayments and accrued income	209	233
Net Investment in Finance lease	14	14
Total receivables at 31 March	9,846	4,078

16. Cash and Cash Equivalents

	2023-24 £000	2022-23 £000
Balance at 1 April	18,513	18,665
Net change in cash and cash equivalent balances	781	(152)
Balance at 31 March	19,294	18,513

The following balances as at 31 March were held at:

Commercial banks and cash in hand	19,294	18,513
Balance at 31 March	19,294	18,513

17. Trade Payables And Other Current Liabilities

	2023-24 £000	2022-23 £000
Amounts falling due within one year:		
Trade payables	44	21
Taxation & Social Security	5	5
Other payables	26	24
Accruals and deferred income	2,148	1,729
VAT	234	219
Total payables at 31 March	2,457	1,998

18. Provisions for Liabilities and Charges**2023-24**

	Legal Claims £000	Total £000
Balance at 1 April 2023	1,721	1,721
Provided in the year	-	-
Provisions utilised in the year	(75)	(75)
Provisions not required written back	(61)	(61)
Total payables at 31 March 2024	1,585	1,585

Analysis of expected timing of discounted cash flows

Not later than one year	1,585	1,585
Later than one year and not later than five years	-	-
Later than five years	-	-
Balance at 31 March 2024	1,585	1,585

2022-23

	Legal Claims £000	Total £000
Balance at 1 April 2022	1,510	1,510
Provided in the year	295	295
Provisions utilised in the year	(72)	(72)
Provisions not required written back	(12)	(12)
Balance at 31 March 2023	1,721	1,721

Analysis of expected timing of discounted cash flows

Not later than one year	1,721	1,721
Later than one year and not later than five years	-	-
Later than five years	-	-
Balance at 31 March 2023	1,721	1,721

Legal Claims

Provision has been made for various legal claims against the Agency. The provision reflects all known claims where legal advice indicates that the claim will be successful and the amount of the claim can be reliably estimated. The amount recognised as a provision

is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. It is assumed that all legal claims will be settled within 12 months.

Legal claims where the legal advice is that the claims are either not probable, or the liability cannot be estimated reliably, are disclosed as contingent liabilities in Note 22.

19. Grant Commitments

The agency has entered into non-cancellable contracts (which are not leases or PFI and other service concession arrangement contracts) for grants for the creation and management of woodlands which are payable annually in arrears, so long as specific objectives and criteria are met. The payments to which the agency is committed, based upon co-finance rate of 75% EU and 25% National for afforestation support and 63% EU and 37% National for other schemes to 31 December 2023. All forestry grant schemes are 100% nationally funded from 1 January 2024 are as follows:

	2023-24 £000	2022-23 £000
EU Grant Schemes		
Not later than one year	-	2,870
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	2,870
National Grant Schemes		
Not later than one year	4,155	995
Later than one year and not later than five years	5,182	4,904
Later than five years	2,134	2,334
	11,471	8,233
Total EU/National Grant Schemes		
Not later than one year	4,155	3,865
Later than one year and not later than five years	5,185	4,904
Later than five years	2,134	2,334
Present value of obligations	11,474	11,103

20. Capital Commitments

There are no contracted capital commitments at 31 March 2024 (2022-23: NIL).

21. Commitments Under Leases

Right of Use Assets

Total future minimum lease payments are given in the table below for each of the following periods:

	2023-24 £000	2022-23 £000
Land		
Not later than one year	2	2
Later than one year and not later than five years	8	8
Later than five years	163	165
	173	175

During 2021-22, The Department of Agriculture Environment and Rural Affairs entered into a lease arrangement (DAERA as Lessor) with a Local Council in respect to Castlewellan Forest Park for a number of right-of-use assets- property, plant and equipment. The lease is made up a four phases with phase 1 of the lease commencing on 01 January 2022 and lasting until 31 December 2045. Phase 2 commenced on 01 April 2022.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2023-24 £000	2022-23 £000
The following table summarises the components of the net investment in Leases:		
Future Minimum Lease Payment Receivable	332	346
Gross lease receivables	332	346
Unearned Finance Income	(99)	(106)
Net Investment in leases	233	240

Maturities of Forest Service gross lease receivables subsequent to 31 March 2024 are as follows:	£000
2025	14
2026 to 2029	44
2030 and thereafter	274
	332

22. Contingent Liabilities Disclosed Under Ias 37

There were no contingent liabilities at 31 March 2024. (31 March 2023: NIL)

The Court of Appeal (CoA) judgment 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can extend as far back as 1998. However, the PSNI appealed the CoA judgment to the Supreme Court. The hearing was held in December 2022 and the judgment was delivered on 4 October 2023. The 2023-24 Holiday Pay provision has been estimated by HR and covers the period from November 1998 to 31 March 2020. There are still some significant elements of uncertainty around this estimate for reasons set out below and no liability has been quantified at 31 March 2024.

1. Outstanding legal advice now required following the Supreme Court judgment;
2. Lack of accessible data for years previous to 2011; and
3. Ongoing negotiations with Trade Union and their legal representatives.

23. Related Party Transactions

Forest Service is an Executive Agency of DAERA. DAERA is regarded as a related party. During the year, the Forest Service has had various material transactions with DAERA and with other entities for which DAERA is regarded as the parent Department.

In addition, Forest Service has had a small number of transactions with other government departments and other central government bodies. Most of these transactions have been with Northern Ireland Departments, their Executive Agencies and Arms Length Bodies.

No board member, key manager or other related party has undertaken any material transactions with Forest Service during the year.

24. Third-Party Assets

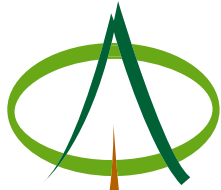
Forest Service has no third-party assets as at 31 March 2024. (31 March 2023: NIL).

25. Events After The Reporting Period

There were no events after the reporting period requiring disclosure.

Date of authorisation for issue

The Accounting Officer authorised these financial statements for issue on 3rd July 2024.



FOREST SERVICE

An tSeirbhís Foraoisí

Corporate Finance & Governance

Forest Service

Inishkeen House

Killyhevin

Enniskillen

Fermanagh

BT74 4EJ

<https://www.daera-ni.gov.uk/forest-service>



An Agency within the Department of
**Agriculture, Environment
and Rural Affairs**

www.daera-ni.gov.uk

Gníomhaireacht de chuid na Roinne
**Talmhaíochta, Comhshaoil
agus Gnóthaí Tuaithe**

An Agency wí'in the Department o
**Fairmin, Environment
an' Kintra Matthers**