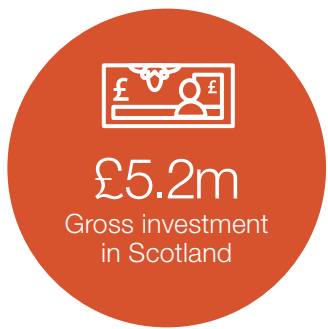




Key highlights



Inside this year's Update

What we manage	1
Commissioner's statement and General Manager's review	2
Financial performance	4
Sustainable land use	6
Coastal collaboration	8
Investing in clean energy	10
Supporting sustainable aquaculture	12
2016/17 Business objectives	14
How we work	16

What we manage

- Energy & Infrastructure
- Aquaculture
- River salmon fishing
- Local Management Agreement
- Rural Estate
- ▲ Commercial property, George St, Edinburgh
- 12 nautical mile limit

- Leasing of the seabed out to the 12 nautical mile limit and the rights to renewable energy and CCS out to the 200 nautical mile limit
- 37,000 hectares of rural land with agricultural tenancies, residential and commercial properties, and forestry
- Approximately half the foreshore including 5,800 installed moorings, 750 aquaculture sites and salmon fishing rights
- Retail and office units at 39-41 George Street in Edinburgh

Preparing for change

Scottish Commissioner's statement



Gareth Baird

Welcome to our 2016 Update. Over the coming pages the team reports on our financial performance as well as our approach to sustainable, commercial success – putting partnerships and our people at the heart of how we do business.

Our solid performance this year has been delivered in the context of major changes with the Scotland Act 2016 making provision for devolving responsibility for revenues and management of our Scottish assets to Scottish Ministers.

Over the past year, our team has responded positively to this, working closely with Scottish Government colleagues to ensure we are prepared for a smooth transition that minimises disruption and uncertainty and protects the value of the assets for the benefit of the Scottish people.

We have established a separate division called the Scotland Portfolio with an expanded five-strong leadership team, separate accounts and business plan, which will operate until transfer.

With challenges come opportunities. Our new General Manager, Ronnie Quinn, is leading the business as it reshapes and transforms, working with our staff to build on our track record of delivering commercial success that brings wider social and environmental benefits.

While it is for Scottish Ministers to decide how The Crown Estate in Scotland should be managed in the long-term, we

will continue to support the success of our customers, tenants, partners and the wider communities in which we work. Our stakeholders' feedback informs what we do and, in turn, we are keeping them updated on the transition process and the business more generally.

In recent months, I have been pleased to see politicians and other stakeholders highlight the need to protect the expertise of our team in Scotland. For me, this is a key priority. As Scottish Commissioner, I am keenly aware of how our staff's experience and skill have enabled difficult and complex projects to progress, creating new value in the process.

So change is on the horizon, but some things remain the same. As we outline in this report, our dedicated team remains firmly focused on running a commercially successful and sustainable business.

Gareth Baird
Scottish Commissioner

A sustainable commercial approach

General Manager's review

We continued to deliver strong financial returns over the last year, managing our assets in a way that provides long-term value.

This year saw a significant increase in the value of the portfolio, rising £10 million to £271.8 million, thanks to increased commercial activity in offshore renewables. Revenue has decreased slightly due to a one-off coastal payment last year and is now 3.5% of The Crown Estate UK total.

Gross capital investment was £5.2 million and includes £1.8 million as part of our £10 million commitment to the MeyGen tidal energy project, as well as £0.6 million in rural estate buildings.

As ever, our performance is underpinned by the partnerships that we have developed across the sectors in which we work.

Offshore renewables offer some good examples of this. While it has been a challenging year in this sector, we have continued to support projects such as MeyGen and the Beatrice Offshore Wind Farm in a way that has maintained the confidence of developers and investors.

Our business model allows us to take the long-term view and this in turn enables us to provide substantial support to the offshore renewables industry. It will be nearer 2020 before the returns from these investments – of time, expertise and capital – start to come to fruition.

Similarly, with coastal partners, we now have eight LMAs in place, to enable organisations to develop areas of seabed and foreshore for the benefit of their communities.



we continue to put customer service and creating long-term value at the very heart of what we do

Through these initiatives we use our expertise to help create commercial opportunities. For example, in recent years we have helped several marine leisure locations to improve their visitor facilities – there is clearly a ready and growing market for these, with marine recreation now a multi-billion pound industry.

Successful partnerships – a critical component of active asset management – have enabled us to pursue integrated land use, creating value and reinforcing the sustainability of local communities. For instance, we recognise the opportunities for agriculture to work alongside other forms of sustainable economic development such as tourism and small-scale industry.

When we transfer to Scottish Ministers, we will bring the experience of these models and ways of working, potentially offering benefits to other bodies. We also bring tools and



Ronnie Quinn

£271.8m
property value in Scotland

£14m
overall revenue in Scotland

technical skills that support decision-making and risk management. In recent years, we have invested in developing our spatial data capability, including creating a standalone Geographic Information System for the Scotland Portfolio using the latest software.

Also in readiness for transition, we have enhanced the range of skills of our people with a new finance and commercial team led by Lynne Higgins to support and drive performance across the business.

All energy & infrastructure activity is now led from Edinburgh. We've introduced our cables, pipelines and CCS customers to the team and identified where existing agreements – which tend to be UK-wide for this customer-base – may need further work ahead of transfer.

The retail and office unit in George St, Edinburgh, is also now managed from Scotland, forming a new Property Portfolio along with Rural & Coastal assets, drawing on the commercial leasing experience of our team.

I am pleased that throughout this period of change, our business and our team continue to drive projects forward, putting customer service and the creation of long-term value at the very heart of what we do.

Ronnie Quinn
General Manager



Alison Nimmo

Chief Executive's comment

I am committed to guiding the business through this change as it transfers to Scottish Ministers. The positive results of 2015/16, achieved despite the challenging and uncertain context, is testament to the dedication and commercial expertise of the team.

Over the past year, the Scotland Management Board, chaired by the Scottish Commissioner, and the recently expanded leadership team has continued to drive forward a programme of work – ranging from IT and finance to HR and customer relations – that will ensure the business is in the best shape it can be when it transfers.

Excellence in asset management and customer service lies at the heart of what we do. I thank the Scottish team for not flinching from their core task of ensuring that the land and property we invest in and manage are sustainably worked, developed and enjoyed to deliver the best value over the long term.

Alison Nimmo CBE
Chief Executive
and Second Commissioner

The value we add

By Lynne Higgins,
Head of Finance & Commercial



Last year saw a significant increase in the value of our energy & infrastructure assets in Scotland.

Revenues

Overall revenues in Scotland were £14 million, a decrease of 4.1% from 2014/15 and representing 3.5% of the UK total. This included £10 million from our rural & coastal assets, £3.2 million from energy & infrastructure and £0.8 million from our urban property.

Capital investment and receipts

Capital investment was £5.2 million. This incorporates investment into ocean energy programmes including £1.8 million for the Meygen tidal stream development. There was also investment into our rural estates and foreshores.

Capital receipts totalled £5.1 million. The most significant of these was a £3.3 million first phase payment for land at Rosewell in Midlothian to be developed for housing as part of a wider regeneration programme.

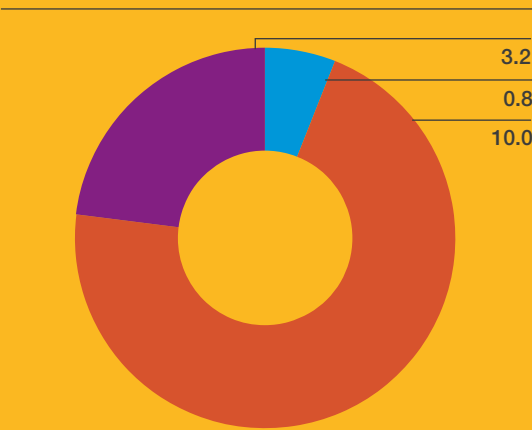
Property valuation

The total value of The Crown Estate Scotland Portfolio was £271.8 million, a 3.9% increase on the previous year. This is the result of an uplift of 14.5% in the energy & infrastructure portfolio valuation from £75.7 million to £86.7 million. This is largely attributed to the increased value of offshore renewable energy assets.

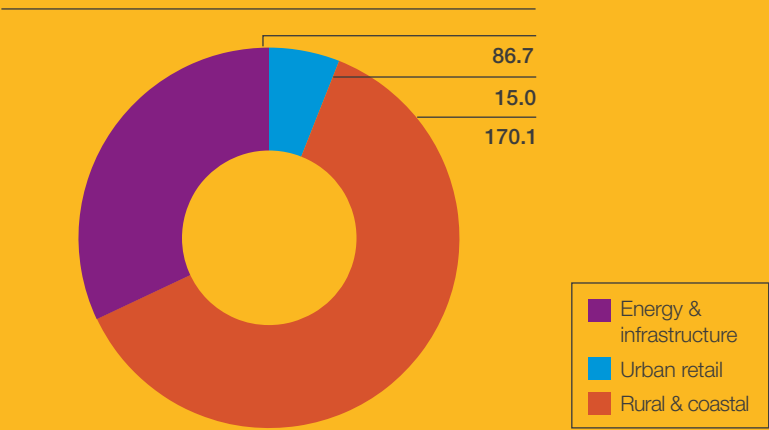
Accounting

The figures presented in this and previous accounts do not include support costs incurred centrally by The Crown Estate. In establishing the Scotland Portfolio as a stand-alone, self-accounting unit, the 2016/17 figures will take account of support costs in order to more accurately reflect the performance of the portfolio.

Revenue in Scotland by activity
2015/16 £m



Property value in Scotland by activity
2015/16 £m



	The Crown Estate Scotland 2015/16 £m	The Crown Estate Scotland 2014/15 £m	The Crown Estate Total 2015/16 £m	The Crown Estate Total 2014/15 £m	Increase/(decrease) from prior year %	Percentage of total %
Revenue	14.0	14.6	395.1	373.1	(4.1)	3.5
Gross Surplus	11.4	11.7	340.9	322.0	(2.6)	3.3
Property Value	271.8	261.5	11,073	10,192.5	3.9	2.5
Capital Investments	5.2	7.7	235.8	253.4		
Capital Receipts	5.1	4.3	633.2	451.0		

Revenue by activity	The Crown Estate Scotland 2015/16 £m	The Crown Estate Scotland 2014/15 £m	Property value by activity	The Crown Estate Scotland 2015/16 £m	The Crown Estate Scotland 2014/15 £m
Coastal	3.1	3.5	Coastal	25.9	24.4
Dredging	0.1	0.1	Dredging	0.7	0.8
Agriculture	2.3	2.3	Agriculture	96.3	98.7
Aquaculture	3.5	3.4	Aquaculture	19.5	18.0
Minerals	0.3	0.4	Minerals	3.4	4.1
Forestry	0.2	0.3	Forestry	13.5	12.1
Residential	0.5	0.5	Residential	10.8	12.9
Rural & coastal total	10.0	10.5	Rural & coastal total	170.1	171.0
Cables/pipelines	2.5	2.5	Cables/pipelines	21.5	21.3
Renewables	0.7	0.7	Renewables	65.2	54.4
Energy & infrastructure total	3.2	3.2	Energy & infrastructure total	86.7	75.7
Urban retail	0.8	0.9	Urban retail	15.0	14.8
Total	14.0	14.6	Total	271.8	261.5

Alison Nimmo CBE
Signed by the Second Commissioner and
Accounting Officer on behalf of the Board
21 June 2016

Sustainable land use

By Andy Wells,
Head of Countryside Management



In managing our four rural estates, we recognise that asset performance relies on the sustainability of rural communities, which in turn depends on an integrated and balanced approach. A range of land uses creates value and builds a more secure economic future, while also protecting the environment.

For example, we manage 5,000 hectares of commercial forestry. With plantings needing 50-70 years to mature, we take a long-term view, integrating forestry work with other land uses and economic opportunities that will deliver short- to medium-term benefits.



The ‘buy-in’ of local communities is critical to the long-term success of new developments.

This includes investing in public access and educational activities to attract visitors, as well as conservation and landscape projects that increase woodland diversity.

Local consultation and engagement continue to be at the heart of how we work. Communities have a right to help shape land use decisions and it makes commercial sense to ensure that the interests of different groups are taken into account. The ‘buy-in’ of local communities is critical to the long-term success of new developments.

Similarly, with agriculture, we continue to invest in farming businesses, working with our tenants to balance improved productivity with increased



Karen Smith is our Business Assistant at Glenlivet Estate which is visited by thousands of guests each year

biodiversity. Doing this successfully relies on partnership working and a strong landlord-tenant relationship.

2015/16 highlights include:

- Attracting 13,250 visitors to Glenlivet’s Mountain Bike Trails BikeGlenlivet – an important boost for the asset and for the local economy. We also worked with local partners to establish a Dark Sky Discovery Site on the Estate, further strengthening the tourist offering.
- Investing £40,000 in work with the Glenlivet & Tomintoul Landscape Partnership Project to develop plans for 16 projects across the area, including the restoration of Blairfindy Castle and the Scalan Seminary Mills, woodland improvement and a computer mapping tool to assist land use planning.



Peatland regeneration on the Glenlivet Estate with Andy Wells (middle)

- Collaborating with the Moredun Research Institute to promote awareness and understanding of livestock diseases and animal welfare, and improve biosecurity on farms.
- Bringing Den Farm at Fochabers to the open market. The mixed arable and stock unit represented a great opportunity for a younger farmer with drive and innovation to secure a 10 year Limited Duration Tenancy (LDT).
- Progressing a significant programme of electrical and asbestos surveys that will lead to improvement works. Our repairs budget continues at levels of recent years.
- Continuing to invest in our agricultural units, including £61,000 and £56,000 respectively towards new buildings at Applegirth and Glenlivet farms.
- £0.8 million invested in rural buildings and infrastructure.
- Concluding the sale of a site in Rosewell, Midlothian, which will enable the development of 290 homes. This is part of a broader regeneration programme, which encompasses community facilities being developed on the site we gifted to the local development trust in 2014.

“I’ve been really impressed with The Crown Estate’s approach as a landlord and business partner. I secured a lease for Den Farm in 2016 after a competitive tender exercise and I’m delighted with the support, encouragement and advice I’ve received to date.”

“Until recently, I’d been farming livestock at a small holding in Spey Bay under a short-term tenancy but wasn’t able to expand at all. The new longer-term lease with The Crown Estate means that I can now grow the business into a viable and successful farming unit and provide more security for my family.”

Richard Pettit
Tenant farmer, Den Farm (Fochabers Estate)

Coastal collaboration

By Paul Bancks,
Asset Manager



Lochmaddy on South Uist where a Local Management Agreement has helped the community develop marine tourism facilities

As manager of approximately half the coastline around Scotland, The Crown Estate is an experienced steward and investor, managing and leasing land for ports and harbours, marinas, moorings and aquaculture.

Our activity is always underpinned by long-term planning and involves engagement across different sectors and interests.

From small community projects to large port developments we recognise that each proposal has

unique characteristics. Whether it is our coastal community officers helping to set up mooring associations or our team of valuation experts negotiating commercial terms for a large infrastructure project, we take a pragmatic and flexible approach.

Increasingly, developments are taking place through Local Management Agreements (LMAs) which are designed specifically to enable community-led initiatives.¹

Indeed, collaboration with coastal communities is central to our approach. It helps them to develop facilities and enables us to manage assets for long-term success – as does partnership working with bodies such as Scottish Canals, with which we have a Memorandum of Understanding, and with the Clyde Marine Planning Partnership, of which we are a member.

2015/16 highlights include:

- Working with industry partners, we helped develop a five-year Marine Tourism Strategy for Scotland, which would see the total value of the sector grow from £360 million to £450 million by 2020. This included collaborating with Scottish Canals and Highlands & Islands Enterprise to commission updated economic analyses for sailing and identify strategic development areas around Scotland's coast. We also helped fund the Scotland's Marine Recreation and Tourism Survey, alongside Scottish Government, the Firth of Clyde Forum and the Scottish Coastal Forum, which estimated marine leisure and tourism spend at £3.7 billion each year.

“We at the Caol Regeneration Company Ltd have a very good relationship with The Crown Estate and they have been an extremely helpful and supportive partner in our project for a small transit marina and public slipway at the southern entrance of the Caledonian Canal.

“The project will bring benefits to the local area, is well-placed to strengthen the wider regional tourism infrastructure, and aligns with Scotland's recently published Marine Tourism Strategy.

“As a small community-led charity, we have found The Crown Estate's knowledge and support to be invaluable as a business partner and we look forward to working together to see the realisation of our plans.”

Douglas MacDiarmid
Chair of the Thomas Telford Corpach Marina Group
(part of Caol Regeneration Company Ltd),
which has secured an LMA with The Crown Estate.

- Completing our first foreshore sale to a community body. The Carloway Estate Trust on the Isle of Lewis completed a community land buyout this year and we were delighted to transfer the adjacent foreshore, enabling them to take an integrated approach to the management of the Estate.
- The final report from Wessex Archaeology's SAMPHIRE project, the culmination of three years of fieldwork and detecting. This reveals the rich heritage of Scotland's coastal communities told through marine wreckage and artefacts. The research, supported with over £100,000 (over three years) from The Crown Estate, involved 'crowd-sourcing' information from local communities, fishermen and sailors. The findings build on our understanding of the assets in our care and the communities who live and work on them.

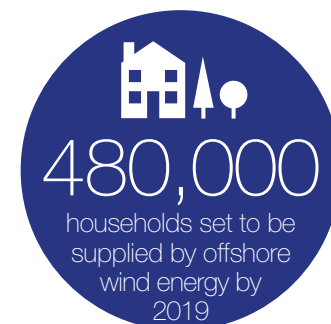
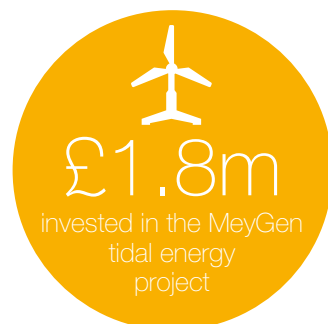


Ardfert Marina pontoons in Argyll

¹ LMAs were introduced in 2012 in response to stakeholder feedback to help organisations directly manage areas of seabed and foreshore by developing projects that provide local economic, social or environmental benefits. LMAs offer packages of support such as project management and legal advice, help in securing funding and, when appropriate, direct investment on a commercial basis. There are now eight LMAs in place.

Investing in clean energy

By John Robertson,
Senior Development Manager



As active asset managers of the seabed, we play a critical role in the development of offshore renewables and subsea infrastructure such as grid, cables and pipelines for oil & gas and the telecommunications industry.

As well as awarding and managing leases, we support developers as they navigate through pre-planning and consenting to construction, to help bring their projects into operation.

For offshore renewables, our sector expertise – covering planning and consenting, finance and commercial, environmental and legal issues – ensures the seabed is sustainably developed to deliver best value over the long term.

By working to share best practice and deploying our expertise in seabed leasing, we've been able to support the development of emerging technologies, from floating wind to tidal current energy, placing Scotland in a very strong position to secure global investment in low carbon energy.

As the industry seeks to address technological and environmental issues and the need to reduce costs, we continue to support developers and investors to build confidence and make projects more competitive. This has involved working closely with Marine Scotland, Scottish Enterprise, Highlands and Islands Enterprise, Scottish Renewables, ORE Catapult and local authorities.

The past year has seen important progress in offshore renewables and grid infrastructure.



Ronnie Quinn (second from left) visiting the MeyGen site in Caithness. The Crown Estate has committed £10 million to the tidal energy project.

2015/16 highlights include:

- Working with Statoil towards full lease (which was signed May 2016) to enable the construction of the world's largest floating wind array off the Aberdeenshire coast. Due for completion in 2017, the Hywind 2 project has the potential to demonstrate the viability of floating wind in other deepwater locations and help consolidate the position of Scotland and the UK as a global leader in the offshore renewables sector.



MeyGen subsea cable installation (credit: Atlantis Resources Ltd)

- The culmination of six years' work with SSE and partners CIP and SDIC on the 588 MW Beatrice Offshore Wind Farm in the Moray Firth (which secured a full lease from The Crown Estate in May 2016). The £2.6 billion project is thought to be one of the largest private investments ever made in Scottish infrastructure. It is set to boost the economy by £680 million with major opportunities for the local supply chain and hundreds of jobs created.
- Launching new leasing for wave and tidal projects under 3 MW, in response to industry feedback, to support technology development.
- Supporting Scottish company Nova Innovation as it secured its lease with us for a new array off the island of Yell in Shetland. Nova, with a strong Scottish supply chain, deployed its first M100 tidal turbine over the winter and first power generation was reported in March 2016.
- Investing £34,000 in the CCS Geobus Education project working with SCCS, Shell, Global CCS Institute and the University of St Andrews to bring carbon capture & storage to secondary schools across the UK.
- Our team worked closely with Total as it sold its interests in the Frigg UK (FUKA) and the Shetland Isles Regional Gas Export System (SIRGE) pipelines – alongside its interests in the St Fergus gas terminal, Aberdeenshire (where 25% of the UK's gas comes onshore) – managing the transfer of the lease to new owners North Sea Midstream Partners and Gassco AS.

"I was very grateful for the transparent, collaborative and helpful approach adopted by The Crown Estate in the (sale) process. It helped us meet our objectives within a challenging timescale."

TOTAL E&P UK Limited representative

Supporting sustainable aquaculture

By Alex Adrian,
Aquaculture Operations Manager



Aquaculture is one of Scotland’s most important industries. Farmed salmon is the largest Scottish food export, accounting for around 40% of the total value, with UK exports currently worth nearly £500 million each year, according to the Scottish Salmon Producers’ Organisation.

While the role of The Crown Estate’s team is to grant rights for approved and consented fish farm developments, importantly, we also invest in research and development to keep the industry working efficiently and sustainably.

Recently we have supported research into the development of hatchery protocols for the cultivation of wrasse. These act as ‘cleaner fish’ in salmon cages, cleaning the salmon of parasites such as sea lice.



The research was conducted over three years with an industry partner and Highlands and Islands Enterprise.

Another innovation supported through a partnership with the Scottish Aquaculture Research Forum (SARF) involved exploring alternative production models for salmon farming. Researchers investigated whether the use of onshore aquaculture for the early development of salmon, before being moved to offshore farm pens, might improve growth by reducing exposure to parasites and disease over its life-cycle. The final report was published in October 2015.

We fully adopted the recommendations from the latest five yearly independent review of our fin and shellfish lease terms, conducted in consultation with industry. The most recent review was for shellfish in 2015, resulting in rent rates being held. A 10% discount for both fin and shellfish is applied to Outer Isles producers to take account of higher production and transportation costs.



Scottish Commissioner Gareth Baird (right) presenting Best Fish/Seafood Scotland Food & Drink Award 2016 to John Ross Jr (Aberdeen) Ltd.

2015/16 highlights include:

- Joint commissioning with Marine Scotland of an Independent Review of Consenting for Scottish Aquaculture.
- Investing £30,000 towards core funding of the Scottish Aquaculture Research Forum’s work.
- Participation in Marine Scotland’s Strategic Environmental Assessment (SEA) for large scale seaweed harvesting.
- Assistance with Northern Lighthouse Board’s safety workshops for aquaculture businesses.
- Hosting the Scottish Marine Aquaculture Awards. Funded by The Crown Estate, these awards have taken place every two years and play an important role in promoting Scottish aquaculture business and products.

“The Crown Estate has taken an extremely realistic approach in working with our small rural businesses and the challenges they face in developing operations. The ASSG welcomes the continued support of The Crown Estate in this role and re-investing in our sector.”

Dr Nick Lake
CEO, Association of Scottish Shellfish Growers



A finfish farm in the west of Scotland

Our business model and objectives for 2016/17

Our overall goal this year is to achieve revenue and capital growth whilst ensuring a seamless and smooth transfer of responsibilities to Scottish Ministers, providing continuity in customer service and asset management.

The way we work aims to create significant value beyond our financial return with a positive impact on the people, organisations and communities with whom we work. In everything we do we are guided by our values – commercialism, integrity and stewardship. Here are our specific objectives with an illustration of our business model.

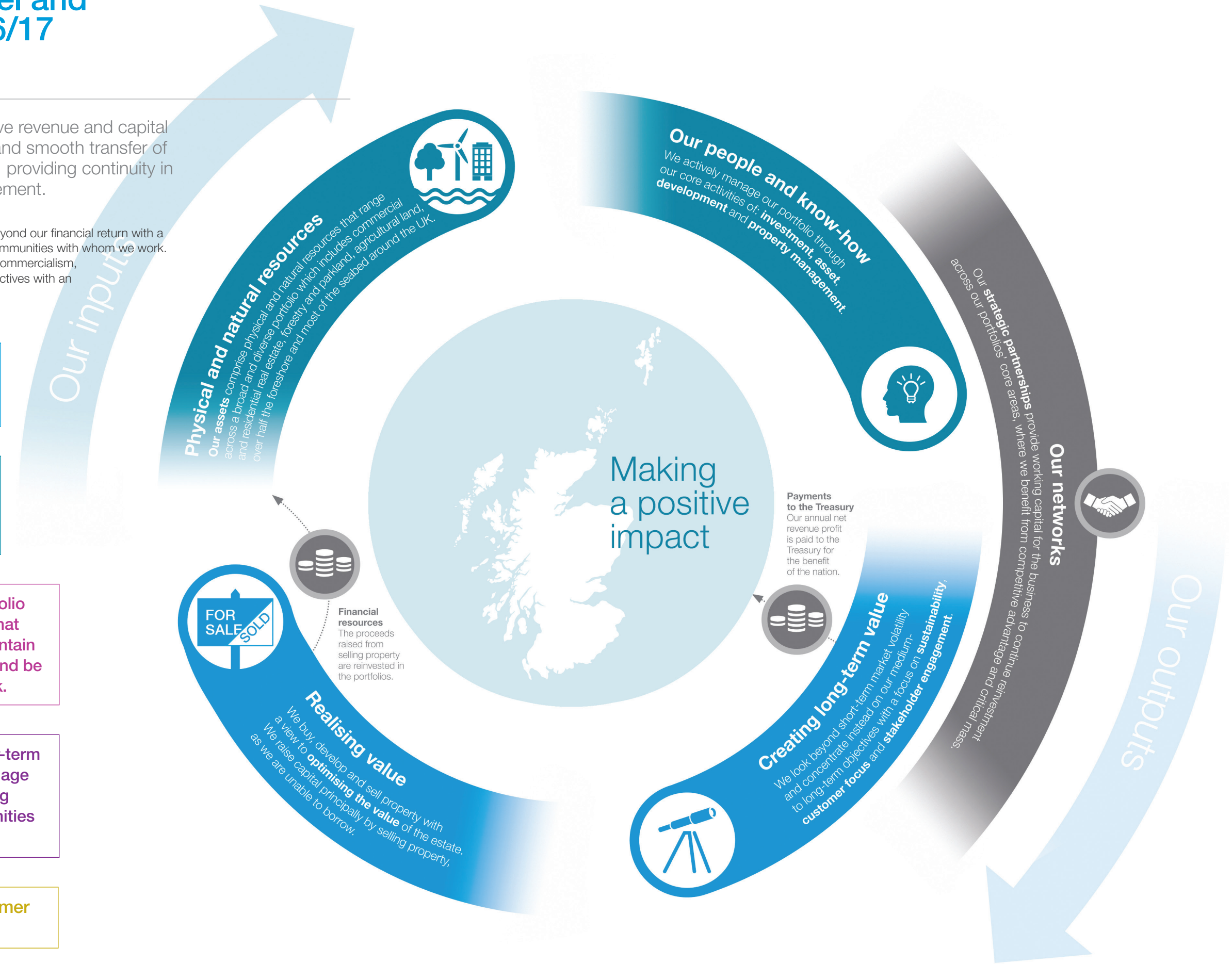
1 Achieve revenue and capital value growth across the portfolio.

2 Develop and implement a sales strategy to create sufficient capital to meet investment requirements.

3 Embed the new Scotland Portfolio structure including measures that help us to retain expertise, maintain our high performance culture and be known as a great place to work.

4 Ensure the potential for longer-term durability by continuing to engage with key stakeholders including industry bodies, local communities and politicians.

5 Maintain and enhance customer satisfaction.



How we work

By Esther Black,
Head of Corporate Affairs & Policy

The *Scotland Portfolio*, created as a separate business unit of The Crown Estate, will enable us to pursue our goals for the current financial year, namely to:

- Continue to operate a sustainable and commercially successful business, offering strong financial returns
- Pave the way for a smooth transfer of responsibility to Scottish Ministers
- Put in place an effective framework to manage the portfolio

Leadership

With these goals in mind, we have strengthened and expanded the Scottish leadership team (Scotland Committee), led by Ronnie Quinn as General Manager. Alan Laidlaw oversees the Property Portfolio, Lynne Higgins has been appointed to the new role of Head of Finance & Commercial, Maureen Price takes on HR responsibilities and I oversee Corporate Affairs & Policy.

Roy Evans, in his role as Head of Corporate Operations for the business UK-wide, co-ordinates support from the wider Crown Estate.

The Scotland Committee team reports to the Scotland Management Board, which is chaired by Scottish Commissioner Gareth Baird and includes Chief Executive Alison Nimmo, Interim Chief Finance Officer John Lelliott and General Manager Ronnie Quinn.



Our staff and managing agents will be working hard to consult people and to keep them informed.



The team outside the Edinburgh office

Managing the transfer

Our team is central to all that we do. Our approximately 40 staff will continue to be fully involved in the transfer process and we are liaising closely with the PCS union.

Joint working arrangements have been set up with the Scottish Government to manage the transition. This includes setting up new mechanisms to share information as well as the complex task of separating out Scottish data from existing UK-wide Crown Estate systems.

We know that the transfer may cause uncertainty for some of our tenants, customers and stakeholders. For this reason, communications and engagement are priorities for us. Our staff and managing agents will be working hard to consult people and to keep them informed.

Through our commitment to partnership, we will continue to be active in more than 50 groups and forums across the range of industry sectors where we work, from offshore wind developers' groups to the UK Aquaculture Forum and Scottish Environment LINK.

A key forum for our external engagement is our Scottish Liaison Group. Set up in 2008, the Group has members representing over 20 national and regional organisations with an interest in our work and meets regularly to help ensure on-going dialogue between the business and our stakeholders. Its role will be particularly important this year, as will the four sub-groups on offshore renewable energy, aquaculture, marine leisure and agriculture/rural development.

Throughout this process, our aim will be to minimise disruption and protect the interests of the staff, customers and stakeholders on whom our mutual success depends.



Our estates are enjoyed by thousands of visitors each year. Many children and young people visit to take part in outdoor learning.

Biodiversity and environmental impact

We measure the positive and negative non-financial impacts of our business activities across the UK through our Total Contribution initiative. This was first published in 2013 and a further report is due for publication later in 2016.

In Scotland, over the last year we have cut the CO₂ emissions resulting from our direct and indirect management by 32% (212 tonnes) as a result of a reduction in vehicle fuel usage, business travel and energy efficiencies.

Our work to understand and measure our impacts in relation to the natural and physical resources on which our business depends, and other non-financial 'capitals' including our people, our networks and our relationships, is on-going and will be reflected in the new UK Total Contribution report.

In managing the assets in our care, we work to protect and promote biodiversity on land and at sea. Here are just a few of the projects we either supported or led in 2015/16:

- Monitoring and conservation management projects for Scottish wildcats, wading birds, black grouse and red squirrels.
- Several habitat surveys carried out as part of the Tomintoul & Glenlivet Landscape Partnership (TGLP).

- A wide range of education activities as well as family events, our junior rangers' habitat improvement works at Glenlivet and students from Wester Hailes in Edinburgh doing 'taster' sessions on our Whitehill Estate to learn practical conservation skills.
- The Offshore Renewables Joint Industry Programmes for Ocean Energy (which also includes Welsh Government and Marine Scotland) which identified potential research projects that would help us gain a better understanding of how certain marine species interact with tidal turbines. Member organisations now aim to take these studies forward. We invested £40,000 in 2015/16.
- Renewal of our forest certification up to 2020.
- Further promotion of our Forests for the Future primary school teaching pack.
- The Highland Seashore Project, funded by the Highland Council, the Heritage Lottery Fund, SNH and The Crown Estate, encouraged local people and visitors to learn about seashore wildlife through events and activities around the coast, many targeted at disadvantaged/vulnerable people. Over 5,000 people took part over the three years of the project.

The Crown Estate
6 Bell's Brae
Edinburgh
EH4 3BJ
Tel: 0131 260 6070
scotland@thecrownestate.co.uk

Glenlivet Estate Office
Main Street
Tomintoul
Banffshire
AB37 9EX
Tel: 01479 870 070

The Crown Estate
16 New Burlington Place
London
W1S 2HX
Tel: 020 7851 5100

 @CrownEstateScot

 @TheCrownEstate

www.thecrownestate.co.uk

Report of the Comptroller and Auditor General to The Crown Estate Commissioners

I have audited the financial statements of The Crown Estate for the year ended 31 March 2016, from which the financial information on page 5 was derived, in accordance with International Standards on Auditing. In my report dated 16 June 2016, I expressed an unqualified opinion on the financial statements from which the financial information was derived.

In my opinion, the accompanying financial information has been correctly extracted, in all material respects, from the accounting records used to construct the audited financial statements from which they were derived.

For a better understanding of The Crown Estate's financial position and the results of its operations for the period and of the scope of our audit, the financial information should be read in conjunction with the financial statements from which the financial information was derived and our audit report thereon.

Sir Amyas C E Morse

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

23 June 2016