

Charity Registration No. SC027669

Company Registration No. SC184248 (Scotland)

SCOTTISH BOOK TRUST
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

SCOTTISH BOOK TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Board	Donald Ledingham Catherine Smith Elizabeth Burchell Alan Gibson Lucy Thomson Anne Pia Alison Paul Shalinay Raghavan Jackie Taylor Rebekah Widdowfield
Management Team	Marc Lambert, Director Alison Ferguson, General Manager Sophie Moxon, Deputy Director Marion Bourbonouze, Head of Marketing
Secretary	Marc Lambert
Charity number	SC027669
Company number	SC184248
Registered office	Sandeman House Trunk's Close 55 High Street Edinburgh EH11 1SR
Auditors	Wylie & Bisset LLP 168 Bath Street Glasgow G2 4TP
Bankers	Bank of Scotland 235 Sauchiehall Street Glasgow G2 3EY
Solicitors	Anderson Strathern WS 1 Rutland Court Edinburgh EH3 8EY

SCOTTISH BOOK TRUST

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SCOTTISH BOOK TRUST

BOARD'S REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The board presents its report and accounts for the year ended 31 March 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The charity is governed by the Board of Trustees, who are also the directors for the purpose of company law. There were thirteen Board members during the year.

Fiona Hendry	(Resigned 31 October 2014)
Donald Ledingham	
Catherine Smith	
Thomas Pow	(Resigned 31 October 2014)
Elizabeth Burchell	(Appointed 3 March 2015)
David Stewart	(Resigned 3 March 2015)
Alan Gibson	(Appointed 3 March 2015)
Lucy Thomson	
Anne Pia	(Appointed 3 March 2015)
Alison Paul	
Shalinay Raghavan	(Appointed 3 March 2015)
Jackie Taylor	(Appointed 3 March 2015)
Rebekah Widdowfield	(Appointed 2 December 2014)

The skills and expertise of Board members in the fields of finance, law, publishing, literature, marketing, human resources, strategic planning and leadership, local and central government and training reflect the current needs of the charity. The Board's skills mix is reviewed regularly to identify any gaps and new Board members are recruited via open advert and/or voluntary membership nomination. All new trustees of the Charity are elected at the Annual General Meeting.

Induction training is provided to all new trustees and a training needs assessment drawn up. Ongoing training and development is also provided to trustees throughout their term of office.

The staff team is led by the Director, Marc Lambert, who holds responsibility for strategic planning, policy and artistic vision. He is supported in his role and in the day to day operational management of the charity by the Deputy Director, Sophie Moxon, the Head of Marketing, Marion Bourbouze and the General Manager, Alison Ferguson.

SCOTTISH BOOK TRUST

BOARD'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Objectives and activities

Scottish Book Trust (SBT) is a national charity changing lives through reading and writing. We work for a Scotland where everyone has an equal opportunity to thrive through literacy, and champion the benefits of reading and writing for pleasure. We are building and sustaining a Scotland where everyone values and understands the power of reading and writing to transform lives. We believe in the fundamental right of every person in Scotland to read books they love, to develop their own voice through creative writing, and to have that voice heard. We will champion this right and ensure that literacy, imagination and creativity are acknowledged as integral to our society's wellbeing.

Scottish Book Trust does this in the following ways:-

- By connecting writers and readers
- By supporting professional practice in Scottish writing and by providing continuing professional development opportunities to writers and educationalists
- By facilitating live literature events throughout Scotland and by providing creative and organisational advice
- By delivering a free book-gifting programme for every child in Scotland from birth to five years of age
- By delivering a range of programmes targeted at those most in need
- By programming annual national reading and writing audience development campaigns
- By offering an educational outreach programme of events and projects across Scotland, focussing on areas of deprivation and/or geographical remoteness
- By providing impartial, independent information on books, writers and reading
- By advocating for literacy, the pleasures and benefits of reading and writing, and by campaigning publicly on all related matters

Achievements and performance

This report reflects performance against the business plan for the period 2011-14. During 2014 a new business plan was created while Scottish Book Trust continued to grow its activities and deepen the impact of its programmes. Our staff team increased to 41 by the end of the financial year 2015.

Key achievements during 2014-15 were:

Early Years Programme (Bookbug):

Using funding primarily from the Scottish Government but also with Creative Scotland funding, we provided free, high quality packs of books and support materials for every child in Scotland, gifted at 4 key stages between birth and five. We delivered over 23,000 free Bookbug song, story and rhyme sessions, reaching over 586,000 parents and children. The Bookbug Outreach programme was again extended to a further eight local authority areas, enabling social workers, health visitors and family support workers to engage directly with hundreds of hard-to-reach families. Independent evaluation of year two of the outreach programme (2013 - 14) confirmed the impact, benefits and positive outcomes achieved.

Schools:

We continued to provide a high quality programme of events and creative learning opportunities which inspired over 200,000 children to enjoy books and develop their reading and writing skills. We connected children and writers through our national touring programme, supported by Scottish Friendly sponsorship. We worked with the BBC to further develop our pioneering digital partnership Authors Live, refreshing the broadcast production and negotiating the availability of some broadcasts on iPlayer. We continued to support teachers to develop creative teaching practices which engage young readers and writers, and gave children the opportunity to explore and share their opinions on Scottish writing through the Scottish Children's Book Awards.

SCOTTISH BOOK TRUST

BOARD'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Adult Learners:

During 2014 - 15 we built on our ability to develop innovative graphic novels which enable adult learners to develop their literacy skills and confidence, whilst exploring social issues. After an intensive process of research and design, we produced *Walk the Walk*, a new graphic novel, with funding from the Scottish Government. This literacy tool also explored the difficult subject of sectarian attitudes in Scottish society. We continued to manage the partnership delivery of our highly successful financial literacy programme *Skint!* in England, with funding from Standard Life Charitable Trust, while managing the ongoing evaluation of the project. Working with the Schools team, we also delivered the graphic novel *John Muir: Earth, Planet - Universe* to all Secondary schools in Scotland, in partnership with Scottish Natural Heritage and Creative Scotland funding.

Reader Development:

In the third year of Book Week Scotland, funded by Creative Scotland, we continued to develop the programme nationally with a wide range of partners and stakeholders, reaching an audience of over 370,000 people of all backgrounds and reading abilities. Over 500 events were held, 150,000 books given away and we produced new digital content to support the programme, including podcasts, blogs and booklists, greatly enhancing Book Week's media and public profile, UK wide. From this platform we championed the role of public libraries in society, and called for every child to be automatically enrolled as a member of their local library, a policy since adopted by all of Scotland's local authorities.

Writer Development:

We continued to develop our support for writers in Scotland at various stages of their career. Our New Writers Awards continued to be recognised as the foremost opportunity for emerging writers in Scotland, supporting 12 writers to gain the skills and confidence they need to fulfil their ambitions. Taking on the management of the Robert Louis Stevenson Fellowship programme from Creative Scotland enabled us to offer an exceptional creative opportunity to 4 more established writers annually. Our national writing campaign provided a platform for a wide range of people to explore their voice and share their stories, and we continued to develop free writing related resources online.

Live Literature Funding (LLF):

We empowered communities across the country to programme and host events with writers. Using a Creative Scotland grant, we funded 1,200 events, giving writers in Scotland the opportunity to meet and develop diverse audiences and generate an income from their craft.

SCOTTISH BOOK TRUST

BOARD'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Financial review

Overall, Unrestricted Income used to support the charity's central costs and not restricted to specific projects stayed in line with the previous year at around £500,000, the majority of which comes from Creative Scotland Foundation Organisation funding which remained at £489,097. Total Restricted Income reduced by approximately £183,000 compared to last year. This is due chiefly to new Standard Life Foundation funding for one of our Adult Learner graphic novel projects, being received in 2014: that project is now concluding. Other restricted programme funding remained at similar levels to last year, at around £2.8 million.

Major funding sources during 2014-15 were as follows:

Scottish Government - Early Years	53%
Creative Scotland - core	14%
Creative Scotland - programmes	19%
Other grants	6%
Earned income	4%
Donations & sponsorship	2%
Trusts & foundations	2%

Expenditure levels have remained largely in line with the previous year. The charity has renewed some of its older IT equipment during the year as part of a rolling plan to maintain up to date systems. It has also continued to develop its contact and events database. These investments will bring increased efficiency and facilitate more informed and targeted audience development. This expenditure is reflected in increased fixed assets at the year end. The small reduction in unrestricted funds of £40,748 represents the investment in programmes during the year where restricted funding is insufficient to meet all of the direct costs.

Reserves policy

The Board wishes to ensure the charity has sufficient free (Unrestricted) reserves to fund the organisation during any future period of uncertainty as a result of significant changes in funding or direction. It is the policy of the charity that unrestricted funds should be maintained at a level equivalent to approximately 3 months of central costs and 1.5 months of restricted staff costs (in line with notice period commitments). There are 13 years remaining on our office building lease: two years rental charges have been incorporated into reserves as a reasonable provision, should it be necessary to move from our current location and negotiate a reassignment. To meet this level of provision requires approximately £390,000 of free reserves, a current shortfall of approximately £45,000. However, £88,000 of the Unrestricted Reserves relates to the Fixed Asset Designated Reserve and as such is not readily realisable. Taking this into account, the shortfall in free reserves is approximately £130,000. The Board will continue to monitor this shortfall and has in place strategies to address it such as bringing in a full time fundraising post to increase funds for restricted programmes and keeping the management fee in new bids and contracts at a level which will help to close the gap over the next two to three years.

Risk assessment

The Board of Trustees has assessed the major risks to which the charity is exposed and systems have been established to mitigate these risks. The Board reviews the risks facing the charity on a regular basis and has a detailed risk register with documented responsibilities and actions required.

Going concern

In 2014 we secured a new Regular Funded Organisation funding deal from Creative Scotland for the period 2015 - 18, and continued to develop and deepen our relationship with the Scottish Government. Yet even with these key relationship re-affirmed, we are aware that the funding and operating environment we face over the next period will continue to be very challenging. However, we review our resources on an on-going basis. Allied with careful budgeting and planning we are confident that the financial resources available to the charity are adequate to meet its operational needs for the foreseeable future.

SCOTTISH BOOK TRUST

BOARD'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Plans for the future

Over the next three years, we will build on our growth and success to transform the lives and unlock the imaginations of a total of over 6.7 million people. We will continue to be the creative catalyst for a national network of partnerships, working collaboratively to ensure equality of access and targeting those whose need and potential are greatest.

We have three major aims for 2015-2018:

1. To extend the scope and deepen the impact of our work to reach 6.7 million people over the next three years
2. To be the leading advocate in Scotland for the power, value and joy of reading and writing, contributing to an increase in literacy levels
3. To design and implement structures and strategies to ensure SBT's future sustainability

To achieve this we will deliver an ambitious national programme, incorporating seven major strands of work:

Early Years (Bookbug)

We will provide four free, high quality packs of books for every child in Scotland, gifted at key stages between birth and five. We will reach over 500,000 families every year through Bookbug song, story and rhyme sessions. We will continue to develop and extend the Assertive Outreach programme. We will build on our antenatal work and our work in prisons. We will develop our dialogue with parents and carers and increase the profile and reach of Bookbug Week. We will commission major independent research into the impact of the Bookbug programme to provide a strong base for our advocacy and influencing.

Schools

We will champion reading and writing as fun, not just a focus for attainment, and will inspire over 686,000 children to enjoy books and develop their reading skills. We will grow our SCBA Shared Reading programme to reach 5,000 pupils over 10 local authorities annually. We will increase provision in Gaelic and Scots across our programmes. We will roll out our Teacher Champions initiative, and work with teacher training colleges to promote the power of increasing literacy through inspiring a love of reading.

Read, Write, Count campaign

On behalf of the Scottish Government we will develop and deliver a new programme in support of the campaign, aimed at raising attainment in literacy and numeracy for P1, P2, and P3 pupils, especially for those from deprived backgrounds. Our programme will include the universal provision of books to every child in early primary, CPD support for teachers, quality advice and support for parents, and an intensive outreach programme targeted at those most in need.

Adult Learners

We will continue to develop innovative graphic novels which empower adult literacy learners, exploring themes like employability, and identity and multiculturalism. We will continue to extend the impact of our existing resources, which are celebrated for their accessibility and originality. We will commission independent research into the impact of our graphic novels to make a robust case for how inspiring a love of reading impacts on literacy levels, and develop accessible online versions of all our graphic novels.

SCOTTISH BOOK TRUST

BOARD'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Reader Development

We will increase our current audience of over 370,000 people for Book Week Scotland and develop new and existing partnerships and outreach to increase engagement with under-represented audiences. We will develop a BWS volunteer programme to coordinate and drive outreach work in specific communities. We will increase Gaelic and Scots provision across the programme, in addition to increasing the representation of other languages spoken in Scotland. Year round, we will challenge readers to debate, discuss and broaden their reading horizons through our ever-evolving digital content.

Writer Development

We will support writers in Scotland to gain the skills and confidence they need to fulfil their ambitions. Our national writing campaigns will give everyone a platform to explore their voice and share their stories. Our Robert Louis Stevenson Fellowship programme will offer time and space to established writers, while our New Writers Awards will continue to be recognised as the foremost opportunity for emerging writers. We will work in partnership with Emergents to reach more writers in the Highlands and Islands, and we will deliver Time to Shine, a Creative Scotland funded initiative that aims to develop creative writing opportunities and skills amongst young adults.

Live Literature Funding (LLF)

We will empower communities across the country to programme and host events with writers. We will fund 1,200 events every year, giving writers in Scotland the opportunity to meet and develop diverse audiences and generate an income from their craft.

Key developments to enable us to meet our aims will include:

- Developing our partnership with the Scottish Government and Education Scotland in delivering the Read, Write, Count programme;
- Developing the Scottish Children's Book Awards and the associated shared reading programme
- Delivering a new national programme for young writers, in partnership with youth art hubs;
- A new graphic novel for adult learners on the theme of identity;
- A national volunteer programme to support wider engagement in Book Week Scotland;
- Development of the Live Literature programme, increasing writer residency opportunities in a variety of educational and community settings

Our advocacy work will target policy/decision makers and the general public and be underpinned by robust evidence. Our impact assessment strategy will continue to be embedded across the organisation and we will work with partners to create shared evaluation and advocacy frameworks.

Digital provision will be integrated into all our work as a platform for experimentation and audience development. We will consolidate our position as a producer of innovative content including apps, digital events, masterclasses and resources.

To realise our strategic aims, SBT must also focus on increasing organisational resilience and sustainability. We will redesign our business model to maximise opportunities and create a Fundraising

SCOTTISH BOOK TRUST

BOARD'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Strategy which diversifies our income sources. We will also develop a People Strategy which nurtures our team's skills and talents and recognises and celebrates our values.

Scottish Book Trust looks forward to enriching millions of lives over the next three years.

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that Wylie & Bisset LLP be reappointed as auditors of the company will be put to the members.

On behalf of the board of directors



Lucy Thomson

Director

Dated: 18 August 2015

SCOTTISH BOOK TRUST

STATEMENT OF BOARD'S RESPONSIBILITIES

The trustees who are also the directors of Scottish Book Trust for the purpose of company law, are responsible for preparing the Trustees' Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the board to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

SCOTTISH BOOK TRUST

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES AND MEMBERS OF SCOTTISH BOOK TRUST

We have audited the financial statements of Scottish Book Trust for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of board and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

SCOTTISH BOOK TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES AND MEMBERS OF SCOTTISH BOOK TRUST

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 March 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended); and

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report.



Jenny Simpson (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset LLP

Chartered Accountants

Statutory Auditor

168 Bath Street

Glasgow

G2 4TP

Dated: 18 August 2015

Wylie & Bisset LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

SCOTTISH BOOK TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Incoming resources from generated funds					
Core Funding and donations	2	495,740	57,157	552,897	767,467
Investment income	3	9,076	-	9,076	11,368
		<u>504,816</u>	<u>57,157</u>	<u>561,973</u>	<u>778,835</u>
Incoming resources from charitable/programme activities	4	-	2,829,604	2,829,604	2,796,158
Other incoming resources	5	207	-	207	3,018
		<u>505,023</u>	<u>2,886,761</u>	<u>3,391,784</u>	<u>3,578,011</u>
Total incoming resources					
Resources expended					
Costs of generating funds					
Costs of generating donations and core funds	6	149,241	-	149,241	125,302
Charitable activities					
Writer Development & LLF	6	165,269	348,186	513,455	332,112
Adult Learners	6	50,727	155,260	205,987	620,099
Schools	6	229,929	156,408	386,337	382,485
Reader Development	6	148,733	277,487	426,220	420,196
Early years	6	182,373	1,537,088	1,719,461	1,661,646
		<u>777,031</u>	<u>2,474,429</u>	<u>3,251,460</u>	<u>3,416,538</u>
Total charitable expenditure					
Governance costs	6	5,126	-	5,126	4,930
		<u>931,398</u>	<u>2,474,429</u>	<u>3,405,827</u>	<u>3,546,770</u>
Total resources expended					
Net (outgoing)/incoming resources before transfers		<u>(426,375)</u>	<u>412,332</u>	<u>(14,043)</u>	<u>31,241</u>
Gross transfers between funds	10	385,628	(385,628)	-	-
		<u>(40,747)</u>	<u>26,704</u>	<u>(14,043)</u>	<u>31,241</u>
Net (expenditure)/income for the year/ Net movement in funds					
Fund balances at 1 April 2014		<u>385,350</u>	<u>1,464,314</u>	<u>1,849,664</u>	<u>1,818,423</u>
Fund balances at 31 March 2015		<u><u>344,603</u></u>	<u><u>1,491,018</u></u>	<u><u>1,835,621</u></u>	<u><u>1,849,664</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SCOTTISH BOOK TRUST

BALANCE SHEET

AS AT 31 MARCH 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	11		87,982		64,161
Current assets					
Stocks		590,303		580,180	
Debtors	12	229,494		215,208	
Cash at bank and in hand		1,143,458		1,199,073	
		<u>1,963,255</u>		<u>1,994,461</u>	
Creditors: amounts falling due within one year	13	<u>(215,616)</u>		<u>(208,958)</u>	
Net current assets			<u>1,747,639</u>		<u>1,785,503</u>
Total assets less current liabilities			<u>1,835,621</u>		<u>1,849,664</u>
Income funds					
Restricted funds	15		1,491,018		1,464,314
Designated funds	16		87,982		160,659
Unrestricted funds	16		256,621		224,691
			<u>1,835,621</u>		<u>1,849,664</u>

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by charities (issued March 2005) and in accordance with the provisions applicable subject to the small companies regime of the Companies Act 2006.

The accounts were approved by the Board on 18 August 2015



Lucy Thomson
Director



Jackie Taylor
Director

Company Registration No. SC184248

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

1.2 Incoming resources

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:-

When funders specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods. When funders impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions of use have been met.

When funders specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable

1.3 Resources expended

Expenditure is recognised when a liability is incurred. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Charitable activities include expenditure associated with the Writer Development, Learning, Children & Young People, Audience Development and Early Years Programmes and include both direct and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to the charitable activity on a basis consistent with their use.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Tenant's Improvements	10% straight line
Computer equipment	33.3% straight line
Office equipment	25% straight line
Motor vehicles	25% straight line

Tangible fixed assets costing more than £1,500 are capitalised, including any incidental expenses of acquisition.

1.5 Leasing and hire purchase commitments

Rentals paid under operating leases are charged to the statement of financial activities. The obligation to pay future rentals on operating leases is shown by way of a note to the Accounts.

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting Policies (continued)

1.6 Stock

Stock is valued at cost less any provision for obsolescence.

1.7 Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

1.8 Taxation

The company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

1.9 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the funder.

2 Core Funding and donations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Donations and gifts	6,643	57,157	63,800	278,370
Grants receivable for core activities	489,097	-	489,097	489,097
	<u>495,740</u>	<u>57,157</u>	<u>552,897</u>	<u>767,467</u>

3 Investment income

	2015 £	2014 £
Interest receivable	<u>9,076</u>	<u>11,368</u>

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

4 Incoming resources from charitable/programme activities

	2015 £	2014 £
Writer Development & LLF	330,454	318,917
Adult Learners	125,076	165,469
Schools	133,642	184,505
Reader Development	275,875	301,738
Early Years	1,964,557	1,825,529
	<u>2,829,604</u>	<u>2,796,158</u>

5 Other incoming resources

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other income	207	-	207	3,018
	<u>207</u>	<u>-</u>	<u>207</u>	<u>3,018</u>

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

6 Total resources expended

	Note	Staff costs £	Depreciation £	Other costs £	Total 2015 £	Total 2014 £
Costs of generating funds						
Costs of generating donations and core funds		132,922	3,219	13,100	149,241	125,302
Charitable activities						
<u>Writer Development & LLF</u>						
Activities undertaken directly		79,909	-	350,176	430,085	269,620
Support costs	7	56,024	5,395	21,951	83,370	62,492
Total		135,933	5,395	372,127	513,455	332,112
<u>Adult Learners</u>						
Activities undertaken directly		49,326	-	105,934	155,260	547,514
Support costs	7	35,664	2,972	12,091	50,727	72,585
Total		84,990	2,972	118,025	205,987	620,099
<u>Schools</u>						
Activities undertaken directly		175,806	-	97,533	273,339	259,015
Support costs	7	68,252	8,827	35,919	112,998	123,470
Total		244,058	8,827	133,452	386,337	382,485
<u>Reader Development</u>						
Activities undertaken directly		79,168	-	232,726	311,894	315,754
Support costs	7	79,129	6,943	28,254	114,326	104,442
Total		158,297	6,943	260,980	426,220	420,196
<u>Early years</u>						
Activities undertaken directly		259,632	-	1,277,456	1,537,088	1,553,467
Support costs	7	100,511	16,149	65,713	182,373	108,179
		360,143	16,149	1,343,169	1,719,461	1,661,646
		983,421	40,286	2,227,753	3,251,460	3,416,538
Governance costs		-	-	5,126	5,126	4,930
		1,116,343	43,505	2,245,979	3,405,827	3,546,770

Governance costs include payments to the auditors of £3,525 (2014: £3,495) for audit fees as well as £1,599 (2014 - £1,435) for accountancy and payroll services.

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

7 Support costs

	Writer Development & LLF £	Adult Learners £	Schools £	Reader Development £
Premises Costs	13,948	7,683	22,823	17,953
General Office Costs	8,003	4,408	13,096	10,301
Staff costs	56,024	35,664	68,252	79,129
Depreciation	5,395	2,972	8,827	6,943
	<u>83,370</u>	<u>50,727</u>	<u>112,998</u>	<u>114,326</u>

	Early Years £	Fundraising & Publicity £	Total 2015 £
Premises Costs	41,755	8,324	112,486
General Office Costs	23,958	4,776	64,542
Staff costs	100,511	132,922	472,502
Depreciation	16,149	3,219	43,505
	<u>182,373</u>	<u>149,241</u>	<u>693,035</u>

All support costs are allocated on the basis of staff time.

8 Board Payments

None of the board (or any persons connected with them) received any remuneration during the year. No Trustees were reimbursed travelling expenses in the year (2014 - one Trustee - £167).

David Stewart, who resigned as trustee on 3 March 2015, is a director of McFadden Associates Limited who provided accountancy services to the charity in the sum of £1,560 (2014 - £1,640).

In addition, trustees' indemnity insurance of £350 (2014 - £640) was paid during the year.

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2015 Number	2014 Number
Writer Development & LLF	5	5
Adult Learners	6	6
Schools	9	9
Reader Development	5	5
Early Years	11	11
Administration	3	3
	<u>39</u>	<u>39</u>

Employment costs

	2015 £	2014 £
Wages and salaries	997,223	901,681
Social security costs	94,764	84,681
Other pension costs	24,356	24,247
	<u>1,116,343</u>	<u>1,010,609</u>

The number of employees whose annual emoluments were £60,000 or more were:

	2015 Number	2014 Number
£60,000 - £70,000	<u>1</u>	<u>1</u>

Contributions totalling £2,644 (2014: £2,567) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

Scottish Book Trust provides a defined pension contribution scheme for its employees.

10 Transfers

The transfers shown on the Statement of Financial Activities represent Management fees and contributions from projects subject to Restricted Funding, in respect of central support costs used in the delivery of these projects.

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

11 Tangible fixed assets

	Tenant's Improve- ments £	Computer equipment £	Office equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2014	49,845	-	123,555	18,182	191,582
Additions	-	50,710	16,616	-	67,326
At 31 March 2015	49,845	50,710	140,171	18,182	258,908
Depreciation					
At 1 April 2014	19,405	-	89,834	18,182	127,421
Charge for the year	4,985	16,903	21,617	-	43,505
At 31 March 2015	24,390	16,903	111,451	18,182	170,926
Net book value					
At 31 March 2015	25,455	33,807	28,720	-	87,982
At 31 March 2014	30,440	-	33,721	-	64,161

12 Debtors

	2015 £	2014 £
Trade debtors	24,635	22,236
Other debtors	190,315	180,265
Prepayments and accrued income	14,544	12,707
	229,494	215,208

13 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	146,343	138,867
Taxes and social security costs	55,982	35,344
Other creditors	1,136	1,468
Accruals	12,155	10,779
Deferred income	-	22,500
	215,616	208,958

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

14 Deferred income

	2015	2014
	£	£
Amounts deferred in year	-	22,500
Total deferred income at 31 March 2015	<u>-</u>	<u>22,500</u>

Prior year deferred Income represents income paid in advance for our 2014-15 Touring programme.

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 March 2015
	Balance at 1 April 2014	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Writers Development & LLF	56,229	330,454	(348,186)	(8,252)	30,245
Adult Learners	66,418	182,233	(155,260)	(37,735)	55,656
Schools	110,081	133,642	(156,408)	(23,162)	64,153
Reader Development	63,581	275,875	(277,487)	2,725	64,694
Early years	1,168,005	1,964,557	(1,537,088)	(319,204)	1,276,270
	<u>1,464,314</u>	<u>2,886,761</u>	<u>(2,474,429)</u>	<u>(385,628)</u>	<u>1,491,018</u>

Writer Development & LLF programme – grant and core investment from SBT is allocated to support writers in Scotland at all stages of their careers by equipping them with the skills needed to find an audience for their work and make a living from their words, and to support live literature events, residencies and awards to promote Scottish writing worldwide. Unspent amounts relate to LLF claims to be received in the coming financial year and amounts allocated to various new writer award programmes which by their nature cross one or two financial years.

Adult Learners programme – grant and sponsorship funds are allocated to work with teachers, librarians and learning professionals across Scotland to create innovative and effective learning resources, projects and events which promote literacy through literature. These carried forward balances mainly represent monies received in advance for extending our anti-sectarianism programme which will be spent in the coming financial year.

Schools programme – grant and sponsorship funds are allocated to promoting children's literature and the joys of reading and writing through a Scotland-wide programme of awards, events, author visits and creative writing opportunities. Carried forward amounts relate to the Touring Programme and outstanding Authors Live expenditure and will be spent in the coming year.

Reader Development programme – grant funding is allocated to an annual national campaign to encourage readers and writers from all backgrounds in Scotland to share their experiences by writing, reading and listening to broadcasts of stories on a new theme each year. Carried forward amounts relate to Reader in Residence Programmes supported through the Book Week Scotland project. These projects by their nature cross financial years. The monies will be spent in the coming financial year.

Early Years book-gifting programme – Bookbug – grant funding and earned income is allocated to allow SBT to provide a free book-gifting programme for every child in Scotland from birth – five years of age, supported by a national outreach and training programme aimed at encouraging parents and carers to enjoy books with children and instilling a lifelong love of books and reading. Carried forward balances relate to the stock holding of books for the coming year's Bookbug programme, the evaluation work to be done in the coming year and contingency amounts held for irrecoverable VAT and to ease cashflows around the profile of expenditure in the programme.

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

16 Unrestricted funds

	Movement in funds				Balance at 31 March 2015
	Balance at 1 April 2014	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
General Fund	224,691	505,023	(887,893)	414,800	256,621
Contingency Fund	96,499	-	-	(96,499)	-
Fixed Assets	64,160	-	(43,505)	67,327	87,982
	<u>385,350</u>	<u>505,023</u>	<u>(931,398)</u>	<u>385,628</u>	<u>344,603</u>

Included in Designated Funds are the following:

The Contingency Fund represented a designated reserve set up at the end of March 2014 to allow Scottish Book Trust to manage the potential impact of major funding allocations which were awaited at the end of last financial year. This funding has now been received and is at adequate levels, therefore the Board no longer sees the need to maintain a separately designated fund. The fund has therefore been written back to the General Fund in line with the Reserves Policy set out in the Board's Report.

The designated fund in respect of fixed assets represents the funds tied up in the charity's tangible fixed assets.

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2015 are represented by:			
Tangible fixed assets	87,982	-	87,982
Current assets	472,237	1,491,018	1,963,255
Creditors: amounts falling due within one year	(215,616)	-	(215,616)
	<u>344,603</u>	<u>1,491,018</u>	<u>1,835,621</u>

18 Commitments under operating leases

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
In over five years	<u>50,000</u>	<u>50,000</u>