

CHARITY NO: SC027669

COMPANY NO: SCO184248

SCOTTISH BOOK TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

SCOTTISH BOOK TRUST

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SCOTTISH BOOK TRUST
Report of the Board of Trustees for the Year Ended 31 March 2021

Reference and Administrative Information

Trustees

Keir Bloomer
Andy Marchant
Hilde Frydnes
Laura van der Hoeven
Morag Dunlop
Udita Banerjee
Pippa Johnston
Sandy Richardson

Chief Executive

Marc Lambert

Principal Office

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Charity Number: SC027669

Company Number: SCO184248

Independent Auditors

Wylie & Bisset (Audit) Limited
Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

Bankers

Bank of Scotland
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Glasgow
G2 3EY

Solicitors

Anderson Strathern WS
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Edinburgh
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SCOTTISH BOOK TRUST

Report of the Board of Trustees for the Year Ended 31 March 2021

The Trustees present the annual report and financial statements for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland. The legal and administrative information on page 1 forms part of this report.

Chair's Report

2020-21 was a particularly challenging year for our charitable operations as a result of the COVID 19 pandemic. Nevertheless, due to prior strategic investments in our digital capabilities, and the quality of our organisational culture, Scottish Book Trust was able to react quickly to the crisis, putting in place measures that not only maintained delivery of our programmes, but in many cases extended their accessibility, range and impact. We appointed three new trustees to strengthen the Board with two of these appointments having particular expertise in fundraising. Of particular note were the two appeals we ran in 2020 in collaboration with Local Authorities and Third Sector partners. These enabled us to provide well over 100,000 free books to families using foodbanks during the summer and at Christmas.

While the physical face-to-face delivery of aspects of our creative programme was for the most part difficult, and at times impossible, much of our programme was delivered online with outstanding success. For example we repurposed our Authors Live content to create Authors Live on Lockdown, which has had almost 60,000 page views; we created our hugely popular Home Activities Hub for families to access under lockdown; over 1,978 online Bookbug Sessions were delivered by practitioners across Scotland, with over 542,231 views; and we delivered the Scottish Friendly Children's Book Tour virtually, so that over 12,000 pupils from 273 schools across Scotland continued to benefit from author visits.

Book Week Scotland 2020 pivoted to focus delivery on remote events, supporting our partners to deliver either digital events or socially distanced community activities. 100+ partners took part, including library services with support from SLIC, 50,000 copies of our free book Future were given away and 292,000 people engaged with 448 events.

The development of our contribution to the attainment and creative education agendas, funded by the Scottish Government, also continued apace. While the delivery of Arts Alive in its first year was complicated, some allocation of school residencies and remote sessions was possible, and we were also able to deepen our collaborative relationship with the national performing companies. Our Reading Schools pilot also proved successful, and this important strategic programme will now gradually be rolled out, taking the place of The First Minister's Reading Challenge, allowing us to support the development of reading culture in schools and the curriculum. During 2020-2021, our website resources section for teachers and librarians generated over 54,000 downloads of classroom, library and school resources. Meanwhile, we refreshed and improved our Bookzilla app for reading teenagers.

Our support for writers also continued successfully. In 2020-21, 14 writers completed their initial year on the New Writers Awards programme, and a further 12 writers started the programme in January 2021. We ran our annual New Writers Awards Showcase as a digital event for the first time and this attracted over 35,000 views on Twitter. 13 titles by 12 New Writers Award recipients were published during this period.

Work continued on a whole-organisation outcomes framework alongside a strengthening of processes around individual programme evaluation. At the same time our Research and Evaluation team conducted an illuminating enquiry into reading habits during lockdown.

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During 2020-21 we also continued to strengthen our digital and marketing operations by further developing a new CRM system, and our new website.

Our commitment to diversity and equality deepened during this period as well, as expressed in our programming, by our appeals, our programming relationships, and the steps we have taken to strengthen our Board's diversity.

We continued to develop services for older people and those afflicted by illness. Working with Macmillan Cancer support, we trained people living with cancer to make their own digital stories about what matters to them, and this programme will now will expand to include the training Macmillan Digital Storytelling Champions.

We delivered the pilot year of Reading is Caring to explore shared reading as a methodology to enable people living with dementia and their carers to maintain their personal relationships and support their own mental health.

We made good progress with our fundraising strategy, meeting our annual target while continuing to develop our individual donors scheme. We are also proud to have hit our audience targets, reaching well over 3m people in Scotland with our charitable services. In all our achievements this year, we championed creativity, self-expression, equality, and personal fulfilment, and endeavoured to deliver the highest quality and most impactful programmes of work.

Keir Bloomer
Chairperson

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Objectives and activities

Scottish Book Trust is a national charity, which aims to change, lives through reading and writing. The charity champions the benefits of reading and writing for pleasure and works towards a Scotland where everyone has an equal opportunity to thrive through literacy. The charity seeks to build and sustain a Scotland where everyone values and understands the power of reading and writing to transform lives. We believe in and promote the fundamental right of every person in Scotland to read books they love, to develop their own voice through creative writing, and have that voice heard. Scottish Book Trust champions this right, so that literacy, imagination and creativity are acknowledged as integral to our society's success and wellbeing.

Scottish Book Trust achieves its objectives in the following ways:

By connecting writers and readers

By supporting professional practice for writers in Scotland

By providing continuing professional development opportunities for writers and learning professionals

By facilitating and delivering author events throughout Scotland, in schools, libraries and other community spaces

By delivering fully-funded book-gifting programmes for every child in Scotland from birth to eight years of age

By gifting learning resources to families to support attainment through parental involvement

By programming annual national reading and writing campaigns, supporting local groups to involve diverse communities and audiences

By running an educational outreach programme of events and projects across Scotland, focussing on areas of deprivation and/or geographical remoteness

By providing independent information on books, writers and reading

By advocating for the pleasures and benefits of reading and writing, and by campaigning publicly on these matters

By maintaining and promoting a huge range of innovative and inspiring materials and resources on our website

Review of achievements and performance

This report reviews performance against the priorities identified Scottish Book Trust's 2018-2021 Business Plan and subsequent Strategic Framework. The charity's annual target to reach 3.1 million people with our programmes was exceeded, as our cumulative digital audience figures reached over 6 million by the end of March 2021 through the work of our programmes and digital resources.

Monitoring and evaluation

The diverse nature of Scottish Book Trust's programmes demands a tailored approach to the evaluation of impact. In some programme areas quantitative outputs are identified and measured (e.g. numbers of books delivered or sessions held) and in others, deeper impacts and more complex outcomes are achieved through targeted work with specific groups (and tracked for example through case studies or attitudinal surveys). The charity also commissions programme-specific independent evaluation reports e.g. our Reading is Caring pilot programme has been evaluated by Birmingham City University.

Key achievements during 2020-21

Over the last year, Scottish Book Trust has re-purposed existing programmes for digital delivery in response to the Covid 19 lockdown. Programme highlights were:

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Report of the Board of Trustees for the Year Ended 31 March 2021

1. Building a reading culture

Schools Programmes

Scottish Friendly Children's Book Tour

We deliver this hugely successful programme, which has now been sponsored by Scottish Friendly for 22 years and takes the very best children's authors directly into schools across Scotland and parts of the UK. Traditionally this takes the form of in-person visits but in 2020-21 we delivered the tour virtually using Microsoft Teams to engage safely with schools. This allowed us greater flexibility in terms of authors and special guests, with a week-long world tour featuring authors from every continent, a space-themed tour and guest talk from an astronaut and a Polar tour with a scientist from Antarctica Research station in South Georgia chatting to pupils in Scotland. In 2020-2021, over 12,000 pupils from 273 schools across Scotland enjoyed author visits and social media content has been viewed over 100,000 times. The tour included Wales for the first time with storyteller Mara Menzies. We have developed new partnerships with Dynamic Earth, Edinburgh Sick Kids Hospital and Historic Environment Scotland as we seek to expand our audience outwith school-settings.

Authors Live

Delivered in collaboration with BBC Scotland, this annual programme gives schools, libraries and families, access to children's author and illustrator events live on the web. In 2020-21, 70,617 children viewed the Authors Live series of programmes that included sessions with Ross MacKenzie Catherine Rayner, Gill Lewis and a Scot's language event with James Robertson and Lari Don. Over forty Authors Live broadcasts from the past 10 years are now available to watch on-demand on the BBC IPlayer and have featured as part of BBC Scotland's Bitsize Lockdown Learning offer. Three Authors Live programme were selected to feature in BBC Learning UK-wide offer.

First Minister's Reading Challenge

The First Minister's Reading Challenge encourages children to read for pleasure, develop a love of reading and helps schools build positive reading cultures. The challenge is open to primary schools, secondary schools, libraries and community groups. Over 25% of primary schools and 38% secondary schools took part in the Challenge. An online Festival to celebrate the end of the Challenge was held with 6 author events for schools to enjoy. The events have been viewed 2,865 times to date. The UK Children's Laureate, Cressida Cowell, announced the winners in a video that was viewed 2,574 times. The First Minister's message of support had 21,488 impressions on social media.

As part of the Challenge we have piloted a Reading Schools accreditation programme and are rolling it out nationally with Scottish government's support. Timelines were impacted due to Covid school closures but the 30 original pilot schools have now been accredited and a further 68 schools from the second phase pilot, are working towards their accreditation. The programme will be extended in 2021-2022 to engage 44% of schools and will be rolled out nationally in 2022-2023.

2. Reading Programmes: Inspiring Readers – Young and Old

Book Week Scotland

Delivered in collaboration with funded partners, schools, libraries and community groups, Book Week Scotland is an annual Scotland-wide celebration of books and reading. In 2020-21, delivery had to pivot to accommodate Covid restrictions – all partners, including Library services delivered either digital events, socially distanced community activities or a mix of both. At Scottish Book Trust we focussed on our Digital Festival and both grew, and diversified the offer, ensuring that we had fully accessible online panel events alongside a walking tour exploring Edinburgh's history with the Slave Trade. Also included was, a documentary on Louise Welsh's first novel, *The Cutting Room* and interactive online content such as a downloadable murder mystery pack, a draw-along on Twitch, an 8-bit style game and an online

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Treasure Hunt. Altogether 292,000 audience members engaged with 448 events across the programme. We also worked with the National Library of Scotland to commission an artist made time capsule which will house unseen works from 6 young Scottish writers and a piece from Val McDermid until it is opened in 2030.

We gifted 50,000 copies of the free Future book during the week and, as well as partnering with RNIB Scotland to provide audio versions of the stories, also made 4 short filmed pieces based on contributions to the book

Research in 2020 - 21 tells us that 49% of the population is aware of Book Week Scotland as the annual national celebration of books, reading and writing.

Digital Storytelling

We completed a first year of working with Macmillan Cancer support, training people living with cancer to make their own digital stories about what matters to them. This partnership began its second year towards the end of 2020-21, and will expand to include the training Macmillan Digital Storytelling Champions and exploring with participants how they would like their stories to be used to effect change in cancer support services.

Towards the end of the year, we undertook a pilot project working with Scottish Adoption to support young adopted people to make digital stories about their experiences. From this, we secured funding from the Youth Arts Fund at Creative Scotland to further develop digital storytelling with Scottish Adoption.

Reading is Caring

We delivered the pilot year of Reading is Caring to explore shared reading as a methodology to enable people living with dementia and their carers to maintain their personal relationships and support their own mental health. Evaluation demonstrates that the approach is impactful for people living with dementia – providing comfort and occupation, offering inclusion, attachment and deeper connection than experienced through day-to-day interactions. The methodology also enable carers (both professional and familial) to build confidence in this kind of person centred activity, and participation in reading together has positive mental health impacts for carers as well as those they care for.

3. Building a writing culture - Writing Programmes

New Writers Awards

In 2020-21, 14 writers completed their initial year on the New Writers Awards programme, and a further 12 writers started the programme in January 2021. We ran our annual New Writers Awards Showcase as a digital event for the first time and this attracted over 35,000 views on Twitter. We received 8 notes of interest from agents and publishers and a 2020 awardee has signed with an agent as a result. 13 titles by 12 New Writers Award recipients were published during this period.

Arts Alive

The Arts Alive pilot was delayed by Covid-19 lockdowns and launched for school applications in autumn 2020. We held evaluation-mapping workshops with Scottish Government and National Company representatives, and submitted an evaluation framework to government in Dec 2020. We worked with SG to allocate more residencies (10 fully-funded residencies, artists working in teams) and less part-funded sessions in response to demand. We held a series of successful funding panels with national companies in December 2020.

Progress with the pilot has been impacted by Covid-19 measures, but the programme has had significant success in building connections with partners, learning about their work, refining our offer and developing our evaluation framework. Arts Alive is well placed to contribute to Covid-19 recovery work in schools across Scotland in the next financial year.

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4. Promoting equality - Targeted interventions through the Early Years Programme

Bookbug for the Home and Bookbug Sessions

During the lockdown in 2020-21 practitioners delivered over 1,978 online Bookbug Sessions across Scotland, with over 542,231 views. This also includes the 1,972 sessions run every Friday by Scottish Book Trust on the Bookbug Facebook page. Sessions were delivered on a variety of platforms, including Facebook, YouTube and Zoom and were a mixture of live and pre-records.

Thousands of families continue to benefit from *Bookbug for the Home* sessions, the charity's targeted outreach programme that supports families affected by barriers including social isolation and poverty. These sessions promote bonding, social skills and early literacy in the home. Many practitioners continued to deliver these sessions online throughout the lockdown. We also distributed 800 paired resource kits to Bookbug for the Home practitioners to use with families in most need, who they continued to support with Bookbug for the Home sessions during socially distanced visits.

Bookbug app

In 2020-21, the Bookbug app proved an invaluable asset to many families during lockdown, standing alongside our online Bookbug sessions to support families sharing songs, rhymes and stories with their children at home. With over 12,000 new downloads over the course of the year, the app was used to access nearly 1.5 million songs, rhymes and stories. The app was developed to include new Scots and Gaelic content, a new book-sharing section, an animated book *That's Not My Owl* and our first BSL video *Mac, Pip and the Falling Stars*, all of which were particularly popular. User feedback showed overwhelmingly positive responses, with 89% of parents/carers telling us that the app had helped them with the activities they did with their children.

Family Nurse Partnerships – Supporting Young Ante Natal Parents

In 2020-21, 3000 copies of Julia Donaldson's '*The Snail & the Whale*', and a supporting leaflet with advice on reading, singing and rhyming pre-birth, were distributed to FNPs across the country, to gift to young parents-to-be. Early evaluation data suggests that receiving a book at this stage is encouraging young parents to read and sing with their bumps. '*During gifting the book, a client shared that she had always wanted books as a child but never had them, and she became very emotional when she shared that she had been gifted a book at primary school.*'

Looked after Children

Working in collaboration with Dolly Parton's Imagination Library, Scottish Book Trust provides targeted support for Looked after Children and their caregivers. Grant funding from Scottish Government enables the charity to provide a free book every month to all Looked After and adopted children in Scotland up to the age of five. Having access to their own personal library encourages caregivers to read regularly to the children, forming attachments and improving children's social and literacy skills. In 2020-21 we reached 73% of eligible children, gifting a total of 25,946 books, and are working closely with the Imagination Library and local authorities to increase this take up over the coming year.

Targeted interventions through the Writing Programme

Live Literature Residencies

In 2020-21 the charity secured funding from the Walter Scott Giving Committee to provide targeted support to schools in areas of high deprivation or lacking opportunities due to location. 10 schools were granted fully funded author residencies. Over 200 pupils experienced, and

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enjoyed, these sessions, which were developed to suit their needs and interests. Activity was blended with some digital and in-person engagement, with schools and authors tailoring their approach depending on local restrictions.

Targeted interventions through the Reading Programme

Reading is Caring is a programme, which specifically targets the needs and experiences of older people living with dementia and those who care for them. The programme seeks to support those in caring relationships to maintain the human, personal, equal aspects of those relationships, while living with the needs of the functional aspects of care.

Book Week Scotland was delivered digitally this year. Throughout our aim was to ensure that diverse voices and lived experience were represented as a matter of course across the programme and to ensure that our digital events were as fully accessible as we could make them. All panel events were signed and close captioned and all films were close captioned.

Within the Macmillan *Digital Storytelling* partnership we delivered a targeted set of workshops for Deaf people living with cancer – these were designed in consultation with the group. Workshops and any follow up sessions were delivered with full BSL interpretation throughout.

5. Professional leadership and development

National training programmes

Scottish Book Trust delivers a broad and diverse number of training and development sessions to professionals working across Scotland.

Early Years: Scottish Book Trust offers courses to professionals working across the early year's sector, from health, education and social work professionals, to libraries and third-sector partners. In 2020-21, all Early Years training was delivered online due to the pandemic. We ran 64 training sessions and webinars with at least 1,304 attendees from all over Scotland and beyond. The webinars were pre-recorded, with the videos of those available to watch on our website afterwards, to ensure greater accessibility.

Schools Communities Programme: In 2020-21, over 82,000 pupils in primary, secondary and ASN schools across Scotland, participated in events delivered by the charity's School Programme. Additionally every child in primaries 1-3 (195,000) received a Bookbug P1 Family Bag, P2 Read Write Count or P3 Read Write Count bag of books and learning materials. Furthermore, 25% of primary schools and 38% of secondary schools in Scotland participated in the First Minister's Reading Challenge. A further 39 Schools in Forth Valley and West Lothian completed their Reading Schools accreditation in the first pilot and 68 schools across FVWL and Tayside participated in the second phase pilot, with 12 completing their accreditation.

During this period, the charity's website resources section for teachers and librarians generated over 54,000 downloads of classroom, library and school resources. A separate website for The First Minister's Reading Challenge has over 55 unique resources, with a further 100 blogs, book lists and case studies to support schools, libraries and community group participation in the programme. Two bi-annual Book Guides have also been produced to support teachers knowledge of contemporary fiction and Bookzilla app has been extended to include titles for pupils between age 8-14. The app has been downloaded 500 times since its relaunch.

A new website to support Reading Schools has also been developed and has almost 400 sign-ups to date. It also features learning resources and videos to help schools through the process of accreditation. Resources will continue to be added to the site as well as transferred over from FMRC site.

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Fifty-six training events were delivered to over 2,300 participants, including teachers, librarians, parents/carers and other learning professionals. All training was delivered remotely via Zoom or Microsoft Teams due to Covid restrictions with a hybrid model being proposed for future training delivery.

Writer Development: In 2020-21, we ran StoryCon, our annual conference for young writers online. Over 400 teenagers registered for the event, with 189 attending the zoom workshops and an average of 92 learners per workshop. There were 6,000 lines of chat in Zoom sessions. 14 writers benefitted from the training and mentoring offered through the New Writers Awards and 13 writers participated in training offered through our Industry Labs programme.

Reader Development/Adult Literacy: During 2020, we maintained our partnership with OpenBook to enable participation in our Future story project with all of their groups. This includes groups working in prison, multicultural groups, support groups for homeless people, people in recovery, people living with cancer and adult learners.

Plans for the future

Having significantly developed the charity's programmes, partnerships and national reach over the previous year, in 2021-22 Scottish Book Trust will build on these foundations to engage with 3.8 million people of all ages, in Scotland, annually. The charity will continue to pursue its strategic aims:

1. To extend the scope and deepen the impact of our work to reach currently under-represented audiences.
2. To be the leading advocate in Scotland for the power, value and joy of reading and writing, empowering the people of Scotland and enhancing their lives.
3. To implement organisational strategies to promote a sustainable future for Scottish Book Trust.

Key pieces of work for 2021-22 include:

- Continuing the implementation of our fundraising strategy and promotion of Scottish Book Trust as a national charity through the launch of an ambitious national fundraising campaign.
- Applying a blended approach to our programme delivery while the country adapts to the further easing of restrictions; meetings, CLPL and Bookbug training and webinars will continue to be delivered digitally to increase reach and accessibility.
- Delivering the Book Week Scotland programme online, using lessons learned from lockdown delivery to ensure that our digital programme evolves to be as accessible and adaptable as possible.
- Developing the Bookbug App to reach more of Scotland's families by increasing Scots and Gaelic and other community languages content, and increasing BSL video content.
- Establishing long-term, strategic partnerships to embed the use of Digital Storytelling into Scottish civic society and health and wellbeing delivery.
- Publishing the Equalities, Diversity and Inclusion statement developed by our EDI Advisory Group on the SBT website.
- Continuing to identify, develop and support writing talent in Scotland, from teenagers to established writers, with an emphasis on assisting writers who face additional barriers to ensure they can access and benefit from the charity's work
- Fundraising to grow, develop and increase the capacity Reading is Caring, a programme working with dementia kinship carers to incorporate reading into their caring strategies for the person they care for and for their own self-care.
- Extending access to the Reading Schools programme to 44% of all schools in Scotland and evaluating a Reading Nurseries Local Authority pilot.

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Enablers

In order to realise these aims Scottish Book Trust will:

- Improve user experience across the website and CRM by integrating more programme application processes and enhancing email communications.
- Deliver a rolling programme of training and support workshops for line managers to ensure they understand the purpose of the policies and have the skills and knowledge to implement them effectively
- Continue to drive forward the charity's digital and social media strategy, to support our organisational aim to continue to be a digital leader in our field and extend our digital reach to new audiences
- Implement the next phase of the charity's Fundraising Strategy by continuing to grow individual donor supporters and by developing and launching a National Fundraising Campaign.

Financial review

Total year-end funds of £2.9m reflects decreased expenditure due to delayed programme activity and digital sessions replacing face to face meetings and events, as a result of Covid restrictions (2020: £2.4m). Unrestricted income has increased this year due to an increase in unrestricted donations for our summer and Christmas appeals and the in-kind donation from Google Advertising. The Creative Scotland Regular Funding makes up the majority of the unrestricted income that pays for core staffing and operations, as well as for specific programmes. The £214k excess of unrestricted costs over income reflects increased unrestricted donations. We plan to continue to invest in our CRM & Website development and develop our fundraising capabilities. These strategically important projects will build Scottish Book Trust's future sustainability, as well as significantly improving the charity's performance and capacity.

The £190k decrease in restricted income reflects a decrease in Early Years & Attainment Scottish Government funded programmes. The reduced expenditure also relates to reduced programme activity in these areas as well as the impact of Covid restrictions. The carried forward restricted fund of £2.2m, represents funding received in advance for programmes where book stocks and other resources must be purchased ahead of programme delivery. See Note 20 to the Accounts for further detail.

Income sources during 2020-21 were as follows:

Scottish Government	65%
Creative Scotland – Regular Funding	18%
Creative Scotland – Programme Funding	7%
Other grants	1%
Earned income (Live Literature)	1%
Donations & Sponsorship	5%
Trusts & Foundations	3%

Overall, the Trustees are satisfied that Scottish Book Trust has managed its finances appropriately and that it is in an acceptable position to be able to manage the risks of a tougher funding climate in the coming few years.

Reserves policy

It is the policy of the Board that unrestricted funds should be maintained to meet any sudden drop in funding or other unforeseen event impacting negatively on the financial situation of the charity. The Board has decided an appropriate level of reserves to hold is 3 months' of central costs and 1.5 months' of programme-specific staff costs. Since there are also 7 years remaining on our office building lease, two years' rental charges have also been included as a reasonable estimate of the cost likely to be incurred should it be necessary to move from our current location and negotiate a lease reassignment.

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Based on budgeted expenditure in 2020-21, we need approximately £488,000 of free reserves to meet this target. After allowing for funds tied up in fixed assets (and therefore not readily available to spend) and amounts designated for and committed to expenditure on our CRM and Website Development project and our Big Campaign fundraising programme, general reserves amounted to £533k. This is a surplus in our target general reserves of £45k which has been allocated to programme spend and future strategic developments in our 2021-22 budget.

Risk Management

The Trustees have a risk management strategy that comprises:

- A biannual review of the principal risks and uncertainties the charity faces – captured in its Risk Register
- Any significant changes to the risk profile of the organisation during the year are brought to the quarterly Board meetings to agree any change to risk management
- Investment in strategic development and maintenance activity which addresses the risks identified
- Establishment of policies, systems and procedures to mitigate those risks identified
- Implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise

The biannual review of the Risk Register has identified the following as key risks for the charity:

- **Direct funding risks:** Loss of or significant reduction in income from one or more of our major funders
- **Independence risk:** Scottish Book Trust's charitable and/or financial independence is compromised by insufficiently diversified income streams
- **Key partner risk or risk to collaborations:** Programme delivery is adversely affected by funding cuts to local authorities

These risks are being managed in the following ways:

Direct Funding Risks:

- Lead staff maintain effective relationships with major funders to promote alignment of Scottish Book Trust aims and priorities with funder interests
- Evaluation of impact of funded programmes is carried out and shared with funders
- Funding streams are diversified through development of our fundraising operation and strategic collaboration with other agencies and organisations
- Longer term financial planning considers scenarios which include loss/reduction of key funding
- Appropriate levels of Unrestricted Reserves are maintained

Independence Risk:

- Programme design and delivery is robustly negotiated to ensure Scottish Book Trust's aims and objectives are fulfilled within agreed programme/services contracts
- Research supporting Scottish Book Trust's aims and objectives is shared with funders to influence policy development and strategic priority decisions
- Effective relationships with key strategic groups and forums are built and maintained in order to influence policy and decision making within Scottish Government and local authorities

Key Partner/Risk to Collaborations:

- Continue to diversify our range of stakeholders and partners to embrace a wide variety of local and national organisations and interests
- Support advocacy for public and school libraries, local authority partnerships

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Impact of coronavirus

Overall, the charity is in good health and has reacted swiftly and well to the crisis. Since entering lockdown, Scottish Book Trust has made a number of changes to delivery of its programmes and events, moving much of this online.

Lockdown has shown that the need for our work has never been greater. It became very apparent early on in the first lockdown that many families would have no books at home and no access to books through schools or libraries. We launched an Urgent Children's Book Appeal to raise funds to distribute books to vulnerable families during lockdown. We liaised with publishers and worked with local authorities to develop relationships with food banks and other charities to ensure that more than 100,000 books were distributed directly to those most in need all over Scotland, from Shetland to the Borders.

Our existing digital capability and presence has been integral to supporting the charity throughout lockdown and will continue to play a key role into the future. Programmes and events have had to adapt quickly and reach audiences in different ways. Our staff have been pro-active and creative, adjusting well to new ways of working from home. While challenging, the situation has also created opportunities to further build our communities.

Examples of our activity include:

- A Home Learning Hub was introduced to our website and parents and learning practitioners were signposted to the wealth of creative learning content that was available to support them keep their young people engaged with learning.
- Book Week Scotland In 2020-21, delivery had to be redesigned to accommodate Covid restrictions – all partners, including Library services delivered either digital events, socially distanced community activities or a mix of both. Altogether 292,000 audience members engaged with 448 events across the programme.
- Practitioners delivered over 1,978 online Bookbug Sessions across Scotland, with over 542,231 views. Sessions were delivered on a variety of platforms, including Facebook, YouTube and Zoom.
- We also distributed 800 paired resource kits to Bookbug for the Home practitioners to use with families in most need, who they continued to support with Bookbug for the Home sessions during socially distanced visits.
- The Bookbug app proved an invaluable asset to many families during lockdown with over 12,000 new downloads over the course of the year, the app was used to access nearly 1.5 million songs, rhymes and stories.
- Over 82,000 pupils in primary, secondary and ASN schools across Scotland, participated in events delivered by the charity's School Programme.
- Every child in primaries 1-3 (195,000) received a Bookbug P1 Family Bag.
- Over 54,000 downloads of classroom, library and school resources from our website section for teachers and librarians.
- Our young writers programme delivered StoryCon, our annual conference for young writers online. Over 400 teenagers registered for the event, with 189 attending the zoom workshops and an average of 92 learners per workshop.
- We ran our annual New Writers Awards Showcase as a digital event for the first time and this attracted over 35,000 views on Twitter.
- Launching a Live Literature Remote Fund. We received 110 applications for the fully funded remote sessions and awarded 55 sessions.
- We have worked closely with our sponsors, Scottish Friendly, to launch a digital version of our children's book tour. Over 12,000 pupils from 273 schools across Scotland enjoyed author visits and social media content has been viewed over 100,000 times.
- We repurposed our Authors Live content and over 70,617 children viewed the Authors these programmes in 2020-21. Over forty Authors Live broadcasts from the past 10 years are now available to watch on-demand on the BBC IPlayer and have featured as

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part of BBC Scotland's Bitsize Lockdown Learning offer. Three Authors Live programme were selected to feature in BBC Learning UK-wide offer.

- Our Research and Evaluation team established a Reading in Scotland Survey at the start of lockdown to measure the impact / importance of reading to help people deal with lockdown. Over 200 (new to SBT) participants volunteered to complete a weekly survey over a period of 10 weeks. Key findings from this study were highlighted throughout BWS. NLS will retain and archive the survey findings.

Scottish Book Trust also delivered a broad and diverse number of training and development sessions to professionals working across Scotland:

- In 2020-21, all Early Years training was delivered online due to the pandemic. We ran 64 training sessions and webinars with over 1,300 attendees from all over Scotland and beyond.
- Fifty-six CLPL training events were delivered to over 2,300 participants, including teachers, librarians, parents/carers and other learning professional.
- 84 participants in 3 author-led workshops to support the annual *Your Stories* public writing campaign.
- 104 participants benefitted from 14 Digital Storytelling workshops as part of our MacMillan Cancer, Scottish Adoption and CILIPS training offer.
- Our 14 New Writers (2020) took part in 4 training sessions on Press, Media and Online Protocols and Creative Performance.
- 5 workshops on delivering digital events and accessing funding were delivered to 51 writers.
- 7 workshops were delivered in partnership with National Parent Forum of Scotland to support families with home learning.
- 11 workshops were delivered to pre-service teachers from the universities of Dundee, Aberdeen, Strathclyde and the West of Scotland on the importance of reading.

While we are aware of the challenges associated with the digital divide, our re-purposing of our programme content for digital delivery during lockdown, opened our programmes up to new audiences, increased the impact and reach of our training offer, and broke down the barriers of rural / community isolation, with participants in all 32 local authorities across Scotland engaging with most of our programme offers. We have demonstrated there is a demand for online activities and our capability to deliver this. We anticipate that going forwards our offering will be a blend of face-to-face and online activities depending on the needs of our partners. In future, a hybrid model will allow us to focus our face-to-face offer in the future in areas / communities where need is greatest, digital connectivity is limited and poverty is a barrier to participation

Throughout lockdown, there have been regular meetings between the Board and Senior Management team. The CEO has also been participating in regular meetings with Scottish Government officials and Creative Scotland. The budget and reserves policy have been thoroughly reviewed by the Finance committee and Board to assess the impact of coronavirus and we will continue to monitor changes closely over the coming months. The 2021-22 budget has projected unrestricted reserves of £400k, which is 82% of the reserve target of £488k. A number of projects will only progress if funding is secured and further adjustments may be needed to expenditure should fundraising prove difficult in the current economic climate. Support from funders has been extremely positive with many allowing for funds to be used for organisational priorities and offering support to our public appeal.

The next few years offers a challenging operating environment for SBT, with a probable reduction in funds publicly available. However, there will never be a greater need for our services. To prepare for and address this we are already doing the following:

SCOTTISH BOOK TRUST

Report of the Board of Trustees for the Year Ended 31 March 2021

- Continuing to monitor our budget and fundraising plan, taking into account the impact of coronavirus.
- Developing the skills to fundraise successfully is a key priority and we have recruited two additional trustees to the Board with fundraising expertise and expanded our fundraising team.
- Continuing to develop our plans for a national fundraising campaign in 2020-21.
- Continuing to develop our digital capacity and capability through the work of our digital development group, with the aim of underlining SBT's leading position in online content.
- Investigating the monetisation of certain services, such as in our training programme and Early Years App content.
- Reassessing and initiating new HR/working practices in the light of Covid-19 experience.

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. Members of the Trustee Board during the year to 31st March 2020 and since, were as follows:

Keir Bloomer
Professor Willy Maley (resigned 31/08/2020)
Catherine Smith (resigned 25/5/2020)
Rebekah Widdowfield (resigned 09/6/2020)
Andy Marchant
Hilde Frydnes
Laura van der Hoeven
Morag Dunlop
Udita Banerjee (appointed 23/6/2020)
Pippa Johnston (appointed 23/6/2020)
Sandy Richardson (appointed 23/6/2020)

The skills and expertise of Board members in the fields of finance, education, literature, marketing, strategic planning and leadership, local and central government, 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 by invitation to address identified skills gaps.

Induction training is provided to all new Trustees. Ongoing training and development is also provided to Trustees throughout their term of office.

The Board of Trustees, which can have up to 15 members, administers the charity. The Board usually meets quarterly. There is also a quarterly finance sub-committee for financial management and monitoring. A Chief Executive (CEO) is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority within terms of delegation approved by the Trustees. This delegation covers all operational matters, including finance, employment and programme related activity.

SCOTTISH BOOK TRUST

Report of the Board of Trustees for the Year Ended 31 March 2021

Related party transactions

None of the Trustees receives remuneration or other benefit from their work with the charity. Any connection between a Trustee and a supplier or funder must be disclosed to the full Board of Trustees. A Register of Board Members' Interests is maintained and each Board meeting requires disclosure of any conflicts of interest. No related party transactions were reported in the year.

Key management personnel

The CEO, Marc Lambert, leads the staff team and holds responsibility for strategic planning, policy formation and creative vision. He is supported in his role and in the day to day operational management of the charity by the rest of the Senior Management Team (SMT): the Director of Finance & Operations, Alison Bunn, the Director of Programme, Rosemary Ward and the Director of Marketing & Communications, Sarah Bailey.

Pay policy for senior staff

The charity's Board of Trustees and the SMT comprise the key management personnel of the charity, in charge of directing, controlling and operating Scottish Book Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses are disclosed in Note 4 to the accounts. The pay of the SMT is set annually when the budget is drawn up. Any approved increases are informed by general economic conditions, relevant sector pay awards and inflation rates. A periodic benchmarking exercise is carried out along with one conducted for the rest of the staff group. The chief executive's salary represents 4 times the lowest salary in the organisation and the average for the rest of the SMT is 3 times the lowest salary.

Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also the directors of the Scottish Book Trust for the purposes of company law) are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources for that period. In preparing the financial statements, the Trustees are 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 financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SCOTTISH BOOK TRUST

Report of the Board of Trustees for the Year Ended 31 March 2021

Statement of Disclosure to the Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity 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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the Trustees on 7th September 2021 and signed on their behalf by:

DocuSigned by:

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Name: Keir Bloomer

**SCOTTISH BOOK TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
SCOTTISH BOOK TRUST
FOR THE YEAR ENDED 31 MARCH 2021**

Opinion

We have audited the financial statements of Scottish Book Trust (the 'charitable company') for the year ended 31st March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2021, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**SCOTTISH BOOK TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
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FOR THE YEAR ENDED 31 MARCH 2021**

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees (incorporating the directors report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors Report.

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

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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 and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable,

**SCOTTISH BOOK TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
SCOTTISH BOOK TRUST
FOR THE YEAR ENDED 31 MARCH 2021**

matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the charity, the environment in which it operates and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the charity and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the charity's operations.
- UK tax legislation.

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to:

**SCOTTISH BOOK TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
SCOTTISH BOOK TRUST
FOR THE YEAR ENDED 31 MARCH 2021**

- Posting inappropriate journal entries; and
- Overstated gift aid claims.

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.


A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006.

**SCOTTISH BOOK TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
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FOR THE YEAR ENDED 31 MARCH 2021**

Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Jenny Simpson (Senior Statutory Auditor)

7th September 2021

Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

For and on behalf of Wylie & Bisset (Audit) Limited, Statutory Auditor

Wylie & Bisset (Audit) Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

SCOTTISH BOOK TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2021

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income and endowments from:							
Donations and grants	5	1,107,213	0	1,107,213	920,388	0	920,388
Charitable activities	6	0	3,722,662	3,722,662	0	3,912,383	3,912,383
Investments – Bank Interest	7	2,695	0	2,695	3,545	0	3,545
Other	8	7,494	0	7,494	2,820	0	2,820
Total Income		1,117,402	3,722,662	4,840,064	926,753	3,912,383	4,839,136
Expenditure on:							
Raising funds	9	272,359	0	272,359	167,378	0	167,378
Charitable activities	11	738,654	3,313,527	4,052,181	823,063	4,028,567	4,851,630
Total Expenditure		1,011,013	3,313,527	4,324,540	990,441	4,028,567	5,019,008
Net expenditure/(income)		106,389	409,135	515,524	(63,688)	(116,184)	(179,872)
Transfers between funds		107,500	(107,500)	0	41,000	(41,000)	0
Net movement in funds	20	213,889	301,635	515,524	(22,688)	(157,184)	(179,872)
Total funds brought forward	20	520,830	1,883,947	2,404,777	543,518	2,041,131	2,584,649
Total funds carried forward	20	734,719	2,185,582	2,920,301	520,830	1,883,947	2,404,777

The Statement of Financial Activities includes all gains and losses recognised in the year

All income and expenditure derives from continuing activities.

SCOTTISH BOOK TRUST**BALANCE SHEET AS AT 31 MARCH 2021**

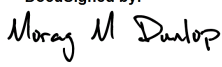
	Note	Total Funds 2021 £	Total Funds 2020 £
Fixed assets:			
Tangible assets	15 (a)	2,065	2,582
Intangible assets	15 (b)	64,217	77,742
Current assets:			
Investments	16	100,000	100,000
Stocks	17	690,246	608,823
Debtors	18	122,505	167,467
Cash at bank and in hand	23	2,176,307	1,747,477
Total Current Assets		3,089,058	2,623,767
Current Liabilities:			
Creditors falling due within one year	19	235,039	299,314
Net Current Assets		2,854,019	2,324,453
Total Net Assets		2,920,301	2,404,777
The funds of the charity:			
Restricted income funds	20	2,185,582	1,883,947
Unrestricted funds	20	734,719	520,830
Total Charity Funds		2,920,301	2,404,777

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Approved by the Trustees on 7th September 2021 and signed on their behalf by:

DocuSigned by:

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 Name: Keir Bloomer

DocuSigned by:

 29AA10BE9AA4457...
 Name: Morag Dunlop

SCOTTISH BOOK TRUST**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDING 31 MARCH 2021**

	Note	Total Funds 2021 £	Total Funds 2020 £
<i>Cash flows from operating activities:</i>			
Net cash provided by / (used in) operating activities	22	439,199	(228,345)
<i>Cash flows from investing activities:</i>			
Interest received	7	2,695	3,545
Purchase of Investments	16	-	-
Development of Intangibles	15 (b)	(13,064)	(33,312)
		(10,369)	(29,767)
Net cash (used in) investing activities		(10,369)	(29,767)
Change in cash and cash equivalents in the year		428,830	(258,112)
Cash and cash equivalent brought forward		1,747,477	2,005,589
Change in cash and cash equivalents		428,830	(258,112)
Cash and cash equivalents carried forward	23	2,176,307	1,747,477

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies

a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity's functional currency is sterling. Amounts in the financial statements are rounded to the nearest £.

Scottish Book Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b) Funds structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor, funder or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 20.

c) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

- Costs of raising funds comprise the costs of fundraising staff, management support, marketing, the website, as well as the direct costs of holding events and other fundraising related activities
- Expenditure on charitable activities includes direct staff time, books, other resources and external fees from authors and venues, as well as marketing, management and other support costs undertaken to deliver the programmes

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Board Members is not recognised. Refer to the Trustees' annual report for more information about their contribution.

f) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and other support costs relating to charitable activities have been apportioned based on staff time required to run the programmes and activities. The allocation of support and governance costs is analysed in note 9.

g) Tangible fixed assets and depreciation

All individual assets costing more than £5,000 are capitalised and valued at historical cost. Assets are depreciated when brought into use. Depreciation is charged as follows:

	Basis	
Tenant's improvements to leased buildings	10%	Straight line
Office fixtures and equipment	25%	Straight line
Motor vehicles	25%	Straight line
Computer equipment	33.3%	Straight line

h) Intangible fixed assets and amortisation

Individual assets costing more than £5,000 are capitalised and valued at historic cost. Assets are amortised when brought into use. Amortisation is charged as follows:

	Basis	
Website and CRM Software development	25%	Straight line

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

i) Stock

Stock held for distribution to beneficiaries is valued at cost less any provision for obsolescence.

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Employee Benefits

The cost of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

n) Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 11. The costs of the defined contribution scheme are included within support and governance costs and are charged to activity cost centre the staff member belongs to.

The money purchase plan is managed by Legal & General. The plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The annual management charge is 0.5% and this is deducted from the investment fund annually. Scottish Book Trust has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

o) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

p) Operating leases

The charity classifies the lease of printing equipment as operating leases; the title to the equipment remains with the lessor and the equipment is replaced every 5 years whilst the economic life of such equipment is normally 10 years. Rental charges are charged on a straight line basis over the term of the lease.

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) 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.

2. Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Amortisation of intangible assets - Intangible assets are amortised over the useful life of the asset. The useful lives of intangible assets are based on the knowledge of Senior Management, with reference to assets expected life cycle.

Depreciation of fixed assets - Fixed assets are depreciated over the useful life of the asset. The useful lives of fixed assets are based on the knowledge of Senior Management, with reference to assets expected life cycle.

Bad debt provision - Trade debtors are reviewed by appropriate experienced senior management on a case by case basis with the balance outstanding and the ageing of the debtor taken into consideration.

Allocation of expenditure between activities - Support costs are allocated between charitable activities and governance based on the time spent by staff on undertaking the charity's activities.

3. Legal status of the Trust

Scottish Book Trust is a registered Scottish charity.

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

SCOTTISH BOOK TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****4. Related party transactions and Trustees' expenses and remuneration**

All Trustees give their time and expertise freely without any form of remuneration or other benefit in cash or kind (2020: £nil). Expenses paid to the Trustees in the year totalled £0 (2020: £457). During the year Trustees waived their right to claim expenses of £0 (2020: £408). During the year no trustee had any personal interest in any contract or transaction entered into by the charity (2020: none). During the year there were Trustee donations received of £378 (2020: £nil).

5. Income from donations and grants

	2021	2020
	£	£
Donations	127,414	36,331
In kind donations	120,008	24,057
General grants – Creative Scotland Regular Funding	859,791	860,000
	<u>1,107,213</u>	<u>920,388</u>

6. Income from charitable activities

	2021	2020
	£	£
Writing Communities & Live Literature Events	300,506	360,110
Schools Communities Programme	61,882	87,993
Reading Communities Programme	260,677	311,643
Early Years Programme	1,798,331	1,829,229
Attainment programme	1,301,266	1,323,408
	<u>3,722,662</u>	<u>3,912,383</u>

7. Investment income

	2021	2020
	£	£
Interest on all cash deposits held during the year	<u>2,695</u>	<u>3,545</u>

8. Other income

	2021	2020
	£	£
Other Income	<u>7,494</u>	<u>2,820</u>

9. Cost of raising funds

	Direct Costs	Support Costs	Total 2021
	£	£	£
Staff time, cost of events and marketing	57,774	214,585	272,359
	<u>56,090</u>	<u>111,289</u>	<u>167,379</u>

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

10. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs are shown in the table below:

Cost type	Total Allocated 2021 £	Governance related £	Other support costs £	Basis of apportionment
Staff costs	607,064	8,002	599,062	Staff time
Office rental and costs	299,314	2,397	296,917	Staff time
Repairs	39,894	526	39,368	Staff time
Depreciation	42,653	562	42,091	Staff time
Total	988,925	11,487	977,438	

Cost type	Total Allocated 2020 £	Governance related £	Other support costs £	Basis of apportionment
Staff costs	603,484	8,270	595,214	Staff time
Office rental and costs	264,735	3,299	261,436	Staff time
Repairs	47,969	657	47,312	Staff time
Depreciation	24,314	333	23,981	Staff time
Total	940,502	12,559	927,943	

Governance costs:	2021 £	2020 £
Trustee expenses	0	457
Auditor's remuneration	4,978	4,006
Support costs (see above)	11,487	12,559
Total	16,465	17,022

Breakdown of governance and other support costs by activity

	Support Costs £	Governance £	2021 Total £
Raising Funds	214,585	-	214,585
Writing Communities	98,228	2,120	100,348
Schools Communities	121,201	2,616	123,817
Reading Communities	137,044	2,958	140,002
Early Years Programme	247,551	5,343	252,894
Attainment Programmes	158,829	3,428	162,257
Total	977,438	16,465	993,903

SCOTTISH BOOK TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****10. Allocation of governance and support costs (cont)**

	Support Costs	Governance	2020
	£	£	Total
			£
Raising Funds	111,289	-	111,289
Writer Development	97,075	2,023	99,098
Schools Programme	122,532	2,554	125,086
Reader Development	151,044	3,148	154,192
Early Years	271,200	5,653	276,853
Attainment Programmes	174,803	3,644	178,447
Total	<u>927,943</u>	<u>17,022</u>	<u>944,965</u>

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

11. Analysis of expenditure on charitable activities

	Writer Dev (incl. Live Lit) £	Schools Programme £	Reader Development £	Early Years Programme £	Attainment Programmes	2021 Total £
Staff costs	164,279	150,643	155,468	362,798	388,416	1,221,604
Direct programme costs	242,051	35,549	128,120	738,654	600,573	1,744,947
Office and administration costs	45	475	188	6,140	899	7,747
Travel & subsistence	2,179	720	240	-77	256	3,318
Irrecoverable VAT	1,247	690	7,491	90,050	98,606	198,084
Marketing & publicity	174	30	30	5	0	239
Other costs	3,053	1,739	23,693	16,086	52,353	96,924
Governance costs (note 10)	2,120	2,616	2,958	5,343	3,428	16,465
Support costs (note 10)	98,228	121,201	137,044	247,551	158,829	762,853
	513,376	313,663	455,232	1,466,550	1,303,360	4,052,181

	Writer Dev (incl. Live Lit) £	Schools Programme £	Reader Development £	Early Years Programme £	Attainment Programmes	2020 Total £
Staff costs	132,957	135,902	131,473	353,438	354,026	1,107,797
Direct programme costs	355,028	65,369	193,176	1,058,904	699,042	2,371,520
Office and administration costs	130	838	1	43,926	7,227	52,122
Travel & subsistence	68,336	21,128	14,116	22,378	16,992	142,950
Irrecoverable VAT	2,475	1,035	11,532	115,539	104,015	234,596
Marketing & publicity	776	1,411	1,233	13,567	3,755	20,743
Other costs	4,731	520	39,240	22,228	21,506	88,226
Governance costs (note 10)	2,023	2,554	3,148	5,653	3,644	17,022
Support costs (note 10)	97,075	122,532	151,044	271,200	174,803	816,654
	663,532	351,290	544,964	1,906,834	1,385,010	4,851,630

SCOTTISH BOOK TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****12. Analysis of staff costs and remuneration of key management personnel**

	2021	2020
	£	£
Salaries and wages	1,592,168	1,489,626
Social security costs	146,589	136,291
Employer contributions to defined contribution pension scheme	147,686	141,453
Total staff costs	<u>1,886,443</u>	<u>1,767,370</u>

The charity made £147,686 of contributions to the pension plan operated by Legal & General on behalf of the employees (2020: £141,453). For more information about the pension contributions refer to note 1(n)

The number of employees whose employee benefits fell within the following bands are as follows:

	2021	2020
	No.	No.
£80,000 - £89,999	1	1

Key Management Personnel

Total key management personnel remuneration was £298,337 (2020: £287,290).

	2021	2020
	No.	No.
The average monthly number of persons, by headcount employed by the charity during the year was:	<u>62</u>	<u>59</u>

13. Net income for the year

	2021	2020
	£	£
This is stated after charging:		
Depreciation	517	8,766
Amortisation of intangible assets	26,589	15,548
Auditor's remuneration: Audit Fees	4,978	4,006

14. Government Grants

Income from government grants comprises amounts received from the Scottish Government, Creative Scotland, SLIC, Bord na Gaidhlig and City of Edinburgh Council. These amounts totalled £4,278,206 in the year (2020: £4,375,471)

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

15. Fixed Assets

(a) Tangible Fixed Assets

	Tenant's Improve- ments	Computer Equipment	Other Office Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost or valuation					
As at 1 April 2020	55,009	31,630	8,760	18,999	114,398
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
As at 31 March 2021	<u>55,009</u>	<u>31,630</u>	<u>8,760</u>	<u>18,999</u>	<u>114,398</u>
Depreciation					
As at 1 April 2020	52,428	31,630	8,760	18,999	111,817
Charge per year	517	0	0	0	517
Eliminated on disposals	0	0	0	0	0
As at 31 March 2021	<u>52,944</u>	<u>31,630</u>	<u>8,760</u>	<u>18,999</u>	<u>112,333</u>
Net book value					
At 31 March 2020	<u>2,581</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>2,582</u>
As at 31 March 2021	<u>2,065</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>2,065</u>

(b) Intangible Fixed Assets

	Software and Website £
Cost or valuation	
At 1 April 2020	93,290
Additions	13,064
Disposals	0
At 31 March 2021	<u>106,354</u>
Amortisation	
At 1 April 2020	15,548
Charge for the year	26,589
Eliminated on disposals	-
At 31 March 2021	<u>42,137</u>
Net book value	
At 31 March 2020	<u>77,742</u>
At 31 March 2021	<u>64,217</u>

SCOTTISH BOOK TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****16. Investments**

Represents investment of cash balances with a maturity date of less than one year but more than three months after the balance sheet date.

17. Stock

	2021	2020
	£	£
Books and other resources	<u>690,246</u>	<u>608,823</u>

18. Debtors

	2021	2020
	£	£
Trade debtors	6,522	52,927
Other debtors	0	4,054
Prepayments and accrued income	<u>115,983</u>	<u>110,486</u>
	<u><u>122,505</u></u>	<u><u>167,467</u></u>

19. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	79,543	119,200
Other creditors and accruals	67,814	63,737
Taxation and social security costs	<u>87,682</u>	<u>116,377</u>
	<u><u>235,039</u></u>	<u><u>299,314</u></u>

Deferred Income

	£
Included in other creditors and accruals	
As at 1 st April 2020	52,700
Amount released to income earned from charitable activities	(52,700)
Amount deferred in year	<u>52,700</u>
As at 31 st March 2021	<u><u>52,700</u></u>

Deferred income comprises Trusts & Foundations income of £52,700 (2020: £52,700).

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

20. Analysis of charitable funds

Year ended 31st March 2021

Analysis of Fund movements	Balance b/fwd £	Income £	Expenditure £	Transfers £	Fund c/fwd £
Unrestricted Funds					
Fixed Assets Fund	80,324	0	(27,105)	13,064	66,283
Big Campaign	0	0	0	100,000	100,000
CRM & Web Dev. Fund	25,210	0	(19,481)	29,271	35,000
Total Designated Funds	105,534	0	(46,586)	142,335	201,283
General Funds	415,296	1,117,402	(964,427)	(34,835)	533,436
Total Unrestricted Funds	520,830	1,117,402	(1,011,013)	107,500	734,719
Restricted Funds					
Writing Communities	165,985	300,506	(231,320)	0	235,171
Schools Communities	19,102	61,882	(54,818)	0	26,166
Reading Communities	50,877	260,677	(259,595)	0	51,959
Early Years Programme	921,381	1,798,331	(1,465,825)	(75,000)	1,178,887
Attainment Programme	726,602	1,301,266	(1,301,969)	(32,500)	693,399
Total Restricted Funds	1,883,947	3,722,662	(3,313,527)	(107,500)	2,185,582
TOTAL FUNDS	2,404,777	4,840,064	(4,324,540)	0	2,920,301

Year ended 31st March 2020

Analysis of Fund movements	Balance b/fwd £	Income £	Expenditure £	Transfers £	Fund c/fwd £
Unrestricted Funds					
Fixed Assets Fund	71,327	-	(24,315)	33,312	80,324
CRM & Web Dev. Fund	61,553	-	(57,343)	21,000	25,210
Total Designated Funds	132,880	-	(81,658)	54,312	105,534
General Funds	410,638	926,753	(908,783)	(13,312)	415,296
Total Unrestricted Funds	543,518	926,753	(990,441)	41,000	520,830
Restricted Funds					
Writing Communities	77,790	360,110	(271,915)	-	165,985
Schools Communities	37,680	87,993	(106,571)	-	19,102
Reading Communities	103,369	311,643	(364,135)	-	50,877
Early Years Programme	1,039,883	1,829,229	(1,906,731)	(41,000)	921,381
Attainment Programme	782,409	1,323,408	(1,379,215)	-	726,602
Total Restricted Funds	2,041,131	3,912,383	(4,028,567)	(41,000)	1,883,947
TOTAL FUNDS	2,584,649	4,839,136	(5,019,008)	-	2,404,777

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

20. Analysis of charitable funds (contd)

- a) The unrestricted funds are available to be spent for any of the purposes of the charity.

The Trustees have created the following designated funds:

The Fixed Assets Fund represents the funds tied up in fixed assets and therefore not readily available for other purposes. The amount is equal to the net book value at the end of the financial year.

The Trustees set up a new fund in 2017-18 to pay for the purchase and development of a new CRM system and a new website, both of which are essential to the strategic performance, capacity and sustainability of the charity. In 2020-21 a further amount has been added to the fund for ongoing developments.

The General Funds are maintained in line with the Reserves Policy set out in the Trustees Report which provides protection for the charity against a sudden significant loss of funding or unavoidable unplanned expenditure (e.g. on buildings or IT).

- b) Restricted funds comprise funding received in advance for committed planned expenditure for specific programmes, as agreed with the funder and are not available for expenditure on any other activities.

The majority of funding carried forward for expenditure in the next financial year comes from the Scottish Government for our Early Years and Attainment programmes and represents funding earmarked for purchasing books and other resources needed to deliver the programmes to agreed timelines.

The majority of the rest of the funding carried over for expenditure in the next financial year comes from Creative Scotland and other funders and represents funding for approved programme activities which by their nature straddle more than one financial year.

Transfers from restricted to unrestricted funds represent charges for programme development and management as agreed and provided for in the funding contracts.

21. Net assets over funds

Year to 31st March 2021

	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£
Fixed assets	2,065	0	2,065
Intangible fixed assets	64,217	0	64,217
Stocks	0	690,246	690,246
Debtors	122,505	0	122,505
Investments	100,000	0	100,000
Cash at bank & in hand	680,971	1,495,336	2,176,307
Creditors due in less than 1 year	(235,039)	0	(235,039)
	<u>734,719</u>	<u>2,185,582</u>	<u>2,920,301</u>

SCOTTISH BOOK TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****21. Net assets over funds (contd)****Year to 31st March 2020**

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Fixed assets	2,582	-	2,582
Intangible fixed assets	77,742	-	77,742
Stocks	-	608,823	608,823
Debtors	167,467	-	167,467
Investments	100,000	-	100,000
Cash at bank & in hand	472,353	1,275,124	1,747,477
Creditors due in less than 1 year	(299,314)	-	(299,314)
	<u>520,830</u>	<u>1,883,947</u>	<u>2,404,777</u>

22. Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	515,524	(179,872)
Adjustments for:		
Depreciation charges	517	8,766
Amortisation of intangible fixed assets	26,589	15,548
Interest received	(2,695)	(3,545)
(Increase)/decrease in stocks	(81,423)	94,077
Decrease/(increase) in debtors	44,962	267
(Decrease)/increase in creditors	(64,275)	(163,586)
Net cash (used in)/provided by operating activities	<u>439,199</u>	<u>(228,345)</u>

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Total cash and cash equivalents	<u>2,176,307</u>	<u>1,747,477</u>

24. Commitments under operating leases

At 31 March 2020 the charity had future lease commitments under non-cancellable operating leases as follows:

	2021 £	2020 £
Less than one year	55,000	55,000
Between two and five years	<u>68,750</u>	<u>123,750</u>

25. Contractual Commitments

As at 31 March 2021, the charity had contractual commitments in respect of website software development of £6,600 (2020: £6,600)