

CHARITY NO: SC027669

COMPANY NO: SCO184248

SCOTTISH BOOK TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

SCOTTISH BOOK TRUST

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SCOTTISH BOOK TRUST
Report of the Board of Trustees for the Year Ended 31 March 2023

Reference and Administrative Information

Trustees

Andy Marchant
Hilde Frydnes
Laura van der Hoeven
Morag Dunlop
Udita Banerjee
Pippa Johnston
Sandy Richardson (retired 21st March 2023)
Sue Ellis

Chief Executive

Marc Lambert

Principal Office

Sandeman House
Trunk's Close
55 High Street
Edinburgh
EH1 1SR

Charity Number: SC027669

Company Number: SCO184248

Independent Auditors

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

Bankers

Bank of Scotland
235 Sauchiehall Street
Glasgow
G2 3EY

Solicitors

Anderson Strathern WS
1 Rutland Court
Edinburgh
EH3 8EY

SCOTTISH BOOK TRUST

Report of the Board of Trustees for the Year Ended 31 March 2023

The Trustees present the annual report and financial statements for the year ended 31 March 2023. 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, 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

In 2022-23 we have been delighted to see our programmes reintroducing face-to-face activity following the COVID 19 pandemic. The quality of our programmes depends on working with valued partners and it has been pleasing to re-establish those relationships in libraries, schools and community settings across Scotland.

In January 2023, we ran our annual New Writers Awards Showcase as an in-person event for the first time in three years. We had 200 attendees from across the industry. Ten writers completed their year on the New Writers Awards programme, and a further eleven writers have been awarded places in the next intake. Seventeen titles by twenty New Writers Award recipients were published during this period.

In 2022 Book Week Scotland had the theme "Scotland's Stories" linking to Scotland's Year of Stories 2022. We were able to launch Book Week Scotland with a special live-streamed event at the Glasgow Film Theatre highlighting stories created at four Community residences held across the country in partnership with Event Scotland. We gifted 70,000 copies of the free Scotland's Stories book during the week as well as partnering with RNIB Scotland to provide audio versions of the stories. In total over 870 events and activities were held during Book Week Scotland with audiences of nearly 25,000 people.

Thanks to funding from Creative Scotland, we launched our "Back to Bookbug" training and marketing campaign in September to re-establish Bookbug Sessions in every local authority in Scotland, and support families with babies and young children to re-engage with Bookbug. During 2022-23, practitioners delivered over 19,334 in person Bookbug Sessions, with 204,122 child attendances and 169,702 parent attendances.

We were also able to return to the classroom with our *Scottish Friendly Children's Book Tour* offering live author events in schools. Meanwhile, with the continued support of the Walter Scott Giving Committee, we were able to provide ten in-school writer residencies for schools in high areas of deprivation. The Mohn Westlake foundation supported four residencies to empower children with additional special needs. Over 80,000 pupils in primary, secondary and ASN schools across Scotland participated in events delivered by the charity's Schools Programme. These events and residencies provide meaningful learning experiences through the magic of storytelling, reading and writing.

Our book gifting programmes continued, supported by Scottish Government, with 759,750 books distributed as part of the Bookbug programme. We distributed 215,177 Bookbug Bags, as part of our universal book gifting offer ensuring that babies, toddlers, three year olds and P1 children in Scotland had books of their own at home. Families who opted to receive Scottish Government's Baby box also received two Bookbug books. We also gifted Read Write Count bags to all 130,000 children in Primary 2 & 3 in November 2022. In addition, 4,531 tactile books were provided to support families with additional support needs, 3,048 families benefited from Gaelic translated versions of the Bookbug books and Family Nurse practitioners gifted packs to 904 young parents-to-be including copies of Julia Donaldson's '*The Snail & the Whale*', and a supporting leaflet with advice on reading, singing and rhyming pre-birth.

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Report of the Board of Trustees for the Year Ended 31 March 2023

Of note is the renewed fundraising appeal we ran in 2022 in collaboration with British publishers, Local Authorities and Third Sector partners to provide over 60,000 free books at Christmas to families using foodbanks, schools, libraries, other charities and Ukrainian refugees. We also made good progress with our fundraising strategy, meeting our annual target while continuing to develop our individual donors scheme.

Our well-developed digital capabilities continue to allow us to extend the accessibility, range and impact of our programmes. In 2022-23 over 75,000 children viewed the Authors Live series of programmes that included sessions with UK Children's Laureate Cressida Cowell, Tom Percival and Catherine Johnson. Our Bookbug app continued to be an invaluable asset to many families and we added new content including songs and rhymes in Punjabi and Polish. We continued our work to improve the accessibility of our website and our Bookbug and Bookzilla apps. More than one hundred online training events were delivered to over 3,500 participants, including teachers, librarians, parents/carers, Bookbug session leaders and other learning professionals.

We completed a third year of our Digital Storytelling programme with Macmillan Cancer to support, train and mentor Macmillan Digital Storytelling Champions and explore with participants how they would like their stories used to effect change in cancer support services. We are also working with participants with Scottish Adoption and MS Society to allow people to share their stories and experiences.

We continue to develop our Reading is Caring programme which specifically targets the needs and experiences of older people living with dementia and the people who care for them. This year we have developed the model to have multiple pathways by which people can participate in shared reading because the circumstances of people living with dementia and those who care for them are challenging and changing.

Our contribution to the attainment and creative education agendas, funded by the Scottish Government, also continued apace, most especially with the national rollout of our Reading Schools programme. This focuses on system change in education by encouraging schools to create a whole school reading culture. Over 350 schools now have an accreditation with a further 500 working towards an accreditation. Meanwhile 9% of primary schools and 16% of secondary schools in Scotland participated in the First Minister's Reading Challenge.

Evidence is important to us. We have completed work on our Impact framework that will strengthen our evaluation processes and provide compelling data for our fundraising and advocacy work. At the same time our Research and Evaluation team commissioned external evaluations of our Reading is Caring and Reading Schools programmes.

We continue to embed equality, diversity and inclusion in our programmes, organisational structure and culture. We were one of the sponsors of and contributors to the Inklusion Guide, summarising best practice in making literature events accessible for disabled people. Our EDI Advisory Group focuses on ensuring that our principles are proactively embedded in all aspects of our work and that we are alive to making changes and improvements where we see we can do better.

As part of our good governance, we completed an effectiveness review for each Trustee, adding in regular opportunities for Trustees to meet staff and take part in staff meetings, as well as creating regular occasions to talk to the Senior team outside of the Board meeting schedule. In all our activities this year, we have championed creativity, self-expression, equality, and personal fulfilment, through an engagement with the world of books. In doing so, we have endeavoured to deliver programmes of the highest quality and impact.

Andy Marchant
Chair

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SCOTTISH BOOK TRUST

Report of the Board of Trustees for the Year Ended 31 March 2023

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 2022-2025 Business Plan and subsequent Strategic Framework.

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 and in 2022-23 we published evaluations for Reading Schools, FMRC and Reading is Caring.

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Report of the Board of Trustees for the Year Ended 31 March 2023

Key achievements during 2022-23

1. Building a reading culture

Schools Programmes

Reading Schools

Our Reading Schools accreditation programme, supported by Scottish Government, was delivered nationally from August 2022. Reading Schools provides a three-tiered framework for schools to deliver reading for pleasure to the whole school. Over 350 schools now have an accreditation with a further 500 working towards an accreditation. A bespoke website allows schools to upload their evidence and features resources, case studies and interactive participation map.

First Minister's Reading Challenge

The First Minister's Reading Challenge encourages children to read for pleasure and introduces reading for pleasure into the classroom. The challenge is open to primary schools, secondary schools, libraries and community groups. 9% of primary schools and 16% of secondary schools took part in the Challenge. Challenge winners were presented with their trophies in their school. There was also a celebration of reading event held in Glasgow for 150 children from across Scotland featuring author events, creative activities and a show case of good practice.

Read Write Count

As part of our annual gifting programme we gifted Read Write Count bags to all 130,000 children in Primary 2 & 3 in November 2023. The bags contained two books, a family activity guide and other materials. The programme is funded by Scottish Government and delivered in partnership with Education Scotland.

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 2022-23 over 75,000 children viewed the Authors Live series of programmes that included sessions with UK Children's Laureate Cressida Cowell, Tom Percival and Catherine Johnson. 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 Bitesize Lockdown Learning offer. Our on-demand library has been viewed 45,694 times in 2021-22.

Scottish Friendly Children's Book Tour

Scottish Friendly has sponsored the tour for 23 years and tens of thousands of children across Scotland are given the opportunity to meet the best children's authors in their classroom or through digital events.

Sharing Sensory Stories

Sharing Sensory Stories project empowers children with Additional Support Needs (ASN) to have their voices heard.

Four fifteen-session residencies took place in the following settings:

- o Frances Wright Nursery, Dundee
- o Dales Park School, Peterhead
- o Oaklands School, Edinburgh
- o The Donaldson Trust, Linlithgow

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Each residency was tailored to the specific needs of the young people and to help provide meaningful, positive learning experiences through the magic of storytelling and books.

Sixteen grants of £500 were also distributed to break down barriers to participation and access to books for young people.

The project also featured an online Inclusive Stories Festival and a two-day online training course for authors to improve their knowledge and understanding of working with ASN groups.

2. Reading Programmes: Inspiring Readers – Young and Old

Book Week Scotland

Book Week Scotland is an annual Scotland-wide celebration of books and reading delivered in collaboration with funded partners, libraries, community groups, and schools. In 2022 Book Week Scotland had the theme “Scotland’s Stories” linking to Scotland’s Year of Stories 2022. With the support of the Scottish Library and Information Council we were once again able to offer support to each Scottish Library service to take part, and in the wider programme we supported 70 partners to put on Book Week Scotland events and activities, 3 Emerging Programmers, and in partnership with Event Scotland we delivered 4 week-long, community residencies in the Spring.

We showcased the stories made during those residencies at a live streamed special event at the Glasgow Film Theatre, compered by Sally Magnusson, on the first day of Book Week Scotland. Our Book Week Scotland digital festival included a mix of pieces from our public Scotland’s Stories campaign, newly commissioned pieces from comics artists Sabba Khan and Ver and the stories gathered in the community residencies, showcasing work from members of the public in film, digital story, and podcast formats, working with artists Jarvis Gray, Paul Bristow, and Chris Dooks respectively.

In total over 870 events and activities were held during Book Week Scotland with audiences of nearly 25,000 people and far more engaging with the Book Week Scotland through the digital offerings and social media. We gifted 70,000 copies of the free Scotland’s Stories book during the week and, as well as partnering with RNIB Scotland to provide audio versions of the stories.

Digital Storytelling

We completed a third year of working with Macmillan Cancer support, developing the partnership by training and mentoring Macmillan Digital Storytelling Champions and exploring with participants how they would like their stories used to effect change in cancer support services.

We continued to work with Scottish Adoption, to support adoption experience young people and their families to make digital stories about their experience and we also began new work with Scottish Adoption, using Digital Storytelling with birth parents. In 2022-23 we also began work with the MS Society, supporting people living with Multiple Sclerosis to tell their stories.

3. Building a writing culture - Writing Programmes

New Writers Awards

In 2022-23, 10 writers completed their year on the New Writers Awards programme, and a further 11 writers started the programme in May 2023. In January 2023, we ran our annual New Writers Awards Showcase as an in-person event for the first time in three years. We had 200 attendees from across the industry. The event was also live streamed, and we captured recordings to share on YouTube. The New Writing Sampler was distributed digitally to 551 contacts, and we distributed 200 printed copies at the Showcase. We received 9 notes of interest from agents and publishers. 17 titles by 20 New Writers Award recipients

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were published during this period.

Ignite Fellowship

In 2022-23, 3 writers completed their year on the Ignite Fellowship programme, and a further 3 writers started the programme in April 2023. Awardees receive a bursary, writing retreat, mentoring and training in marketing and promotion.

4. Promoting equality

Targeted interventions through the Early Years Programme

Universal book gifting and targeted resources

In 2022-23 we distributed 215,177 Bookbug Bags, as part of our universal book gifting offer ensuring that babies, toddlers, 3 year olds and P1 children in Scotland had books of their own at home. All families who opted to receive Scottish Government's Baby box also received two Bookbug books. 4,531 tactile books were provided to support families with additional support needs, and 3,048 families benefited from Gaelic translated versions of the Bookbug books. In total 759,750 books were distributed in 2022-23 as part of the Bookbug programme.

Bookbug Sessions and Bookbug for the Home

During 2022-23, practitioners delivered over 19,334 in person Bookbug Sessions, with 204,122 child attendances and 169,702 parent attendances. Our Back to Bookbug campaign supported this recovery, after a long period without in person sessions due to the pandemic.

Practitioners in local authorities led 163 online Bookbug Sessions across Scotland, with 26,677 peak views. The lower online figures are largely due to people opting to return to in person sessions. In addition, Scottish Book Trust delivered 49 sessions on the Bookbug Facebook page with 1,636 peak views. Sessions continue on a variety of platforms, including Facebook, YouTube and Zoom. The majority of local authorities were able to make a return to delivering face-to-face Bookbug Sessions but some also opted to make online Bookbug Sessions a permanent part of their offer for families.

Thousands of families continue to benefit from *Bookbug for the Home* sessions, our 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 continue to deliver these sessions online as contact was often limited with families. As part of their one to one work, the Bookbug for the Home practitioners also distributed 1,440 paired resource kits to families in most need.

Bookbug app

In 2022-23, the Bookbug app continued to be an invaluable asset to many families, standing alongside our online Bookbug sessions to support families sharing songs, rhymes and stories with their children at home. With 12,060 new downloads over the course of the year, our users engaged with the app in over 211,823 user sessions.

In 2022-23 a large refresh project of the app addressed accessibility issues, improved usability, and introduced search and filter functions. The refresh gives the app much more flexibility to curate and manage content with our new dynamic playlists. New content was filmed and added including songs and rhymes in Punjabi and Polish.

Family Nurse Partnerships – Antenatal support for young parents

In 2022-2, 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 904 young parents-to-be.

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'Giving books to clients who had never grown up with such lovely books or in fact had no memories of being read to as a child. They were so appreciative, one in particular who loves reading to her baby.'

Care-experienced and adopted children

Working in collaboration with Dolly Parton's Imagination Library, Scottish Book Trust provides targeted support for care experienced and adopted 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 2022-23 we reached 2,764 eligible children, gifting 23,351 books. We are working closely with the Imagination Library and local authorities to increase this reach over the coming year.

Targeted interventions through the Writing Programme

Live Literature Residencies

In 2022-23, funding from the Walter Scott Giving Committee provided targeted support to schools in areas of high deprivation or lacking opportunities due to location. Ten in-school residencies were supported in ten different local authorities across Scotland – from Edinburgh to Tobermory and the Isle of Uist – reaching over 500 pupils. These residencies equipped teachers with skills to embed creativity in their schools and engage pupils with storytelling, reading and writing.

Targeted interventions through the Reading Programme

Reading is Caring

We continue to develop our Reading is Caring programme which specifically targets the needs and experiences of older people living with dementia and the people who care for them by training the care partners in a highly tailored, person centered shared reading model. We currently deliver this programme in Edinburgh, East Lothian, West Lothian, Mid Lothian, and the Scottish Borders.

This year we continued to deliver one to one training, we rolled out a DVD version of the training to support accessibility and we piloted series of hour-long, drop-in training sessions in libraries. We have developed the model to have multiple pathways by which people can participate because the circumstances of people living with dementia and those who care for them are challenging and changing.

Book Week Scotland

Our aim was to ensure diverse voices and lived experience were represented throughout the Book Week Scotland programme and to ensure that our digital events were as fully accessible as we could make them. All digital content was close captioned, the Glasgow Film Theatre event was lived signed and included close captions and subtitles in English for the Gaelic pieces. We commissioned a Scotland's Stories piece in BSL as part of our representation of Scotland's languages within the digital offer. We also ensured, as always, that a range of Scotland's languages were represented in the programme.

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.

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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 2022-23, we offered a blended programme of training with in-person and online courses and webinars. We ran 110 training sessions (44 in person; 66 online) and 7 webinars with at least 1,783 attendees from all over Scotland and beyond. Webinars were recorded and available to watch on our website afterwards, to ensure greater accessibility.

Schools Communities Programme: In 2022-23, over 80,000 pupils in primary, secondary and ASN schools across Scotland, participated in events delivered by the charity's Schools 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, 350 schools now have a Reading School Accreditation while 9% of primary schools and 16% of secondary schools in Scotland participated in the First Minister's Reading Challenge. A further 180 Schools received their Reading Schools accreditation.

During this period, the charity's website resources section for teachers and librarians generated over 55,000 downloads of classroom, library and school resources. Separate websites for The First Minister's Reading Challenge and Reading Schools have over 75 unique resources, with a further 100 blogs, book lists and case studies to support schools, libraries and community group participation in the programmes. Two bi-annual Book Guides have also been produced to support teachers knowledge of contemporary fiction. The Bookzilla app has been extended to include titles for pupils between age 8-14 and has been downloaded 11,000 times since its relaunch.

More than fifty training events were delivered to over 3,500 participants, including teachers, librarians, parents/carers and other learning professionals. The vast majority of training was delivered remotely via Microsoft Teams with some in-person sessions taking place when requested.

Writer Development: 10 writers benefitted from the training and mentoring offered through the New Writers Awards. 18 writers participated in training offered through our Debut Lab, programmed in collaboration with Creative Scotland.

Reader Development/Adult Literacy: During 2022, we maintained our partnership with OpenBook to enable participation in our Your Stories – Scotland's Stories 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

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.

The next few years offers a challenging operating environment for SBT (Scottish Book Trust), 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:

- Continuing to carefully monitor our budget and fundraising plan, as we navigate the pressures associated with the cost-of-living crisis.

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- Continuing the implementation of our fundraising strategy and promotion of Scottish Book Trust as a national charity through our ongoing national fundraising campaign.
- 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 merchandise, our training programme and Early Years App content.

Key pieces of work for 2023-24 include:

- Continuing to cement our charity positioning and ensure the Scottish Book Trust name is clearly associated with all our programmes and will communicate the impact of our work effectively.
- Invest in a Learning Management platform for paid and core training programmes
- Deliver our Impact Framework and appraise all programmes against it
- Establishing long-term, strategic partnerships to embed the use of Digital Storytelling into Scottish civic society and health and wellbeing delivery.
- Our EDI Advisory Group continue to develop and deliver our Equalities, Diversity and Inclusion strategy.
- 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.
- Continue to develop commercial activity by expanding our product range.
- Focus our contribution to the anti-poverty agenda through targeted programming

Enablers

In order to realise these aims Scottish Book Trust will:

- Continue to provide our staff with an environment where they enjoy their work, have an opportunity to grow and develop, whilst playing to their strengths
- 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
we will develop our web offering to increase our reach and accessibility, improve participation and deepen audience engagement with our programmes. We will explore different technologies and media and develop the most effective means to meet audience needs.
- Improve user experience across the website and CRM by integrating more programme application processes and enhancing email communications
- Invest in our IT infrastructure and training to support our staff in the new hybrid-working environment.

Financial review

Total year-end funds of £3.5m reflect increased funding within the year (2022: £3.2m) partly offset against increased activity expenditure. Unrestricted income has reduced this year due to a decrease in the in-kind donations of books from various publishers for our fundraising campaign (following on from generous donations during the COVID pandemic). 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. We plan to continue to invest in our CRM & Website development, our fundraising programme, as well as our commercial activity. These strategically important projects will build Scottish Book Trust's future sustainability, as well as significantly improving the charity's performance and capacity.

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The £399k increase in restricted income reflects an increase in Early Years & Attainment Scottish Government funded programmes and also funding from Creative Scotland to support COVID recovery. The carried forward restricted fund of £2.7m, 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 2022-23 were as follows:

Scottish Government	64%
Creative Scotland – Regular Funding	15%
Creative Scotland – Programme Funding	8%
Other grants	1%
Donations & Sponsorship	5%
Trusts & Foundations	4%
Earned income (Live Literature)	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 5 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.

Based on budgeted expenditure for 2023-24, we need approximately £605,000 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, our Big Campaign fundraising programme and our Commercial activities programme, free reserves amounted to £624k. This is a surplus in our target free reserves of £19k which has been allocated to programme spend and future strategic developments in our 2023-24 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

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- **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

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 2023 and since, were as follows:

Andy Marchant (Chair)
Hilde Frydnes
Laura van der Hoeven
Morag Dunlop
Udita Banerjee
Pippa Johnston
Sandy Richardson (retired 21st March 2023)
Sue Ellis

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.

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Report of the Board of Trustees for the Year Ended 31 March 2023

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.

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

SCOTTISH BOOK TRUST

Report of the Board of Trustees for the Year Ended 31 March 2023

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.

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 5th September 2023 and signed on their behalf by:

DocuSigned by:
Andrew Marchant
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Name: Andy Marchant

**SCOTTISH BOOK TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
SCOTTISH BOOK TRUST
FOR THE YEAR ENDED 31 MARCH 2023**

Opinion

We have audited the financial statements of Scottish Book Trust (the 'charitable company') for the year ended 31st March 2023 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 2023, 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

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.

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 trustee's report incorporating the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustee's report incorporating 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 trustee's report incorporating 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 13, 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, 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 charitable company, 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 charitable company 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

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;

- Posting inappropriate journal entries.
- 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;
- 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.

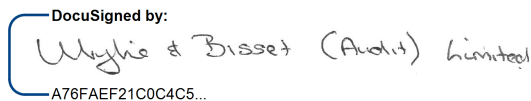
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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: <..\WorkingPaper\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.

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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Claire Dalrymple FCCA (Senior Statutory Auditor)
Date: 5 September 2023

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 2023

(Including an Income and Expenditure account)

Note	Unrestricted Funds		Restricted Funds		Total Funds		Unrestricted Funds		Restricted Funds		As Restated Total Funds	
	2023	£	2023	£	2023	£	2022	£	2022	£	2022	£
Income and endowments from:												
5	1,512,057		0		1,512,057		1,622,151		0		1,622,151	
6	0		4,533,524		4,533,524		0		4,134,808		4,134,808	
7	11,157		0		11,157		(242)		0		(242)	
8	66,395		0		66,395		49,951		0		49,951	
	1,589,609		4,533,524		6,123,133		1,671,860		4,134,808		5,806,668	
Expenditure on:												
9	276,803		0		276,803		294,759		0		294,759	
11	1,373,093		4,169,368		5,542,461		1,406,392		3,781,541		5,187,933	
	1,649,896		4,169,368		5,819,264		1,701,151		3,781,541		5,482,692	
	Net Expenditure/(Income)		364,156		303,869		(29,291)		353,267		323,976	
	Transfers between funds		58,000	(58,000)	0		105,500		(105,500)		0	
20	(2,287)		306,156		303,869		76,209		247,767		323,976	
20	810,928		2,433,349		3,244,277		734,719		2,185,582		2,920,301	
20	808,641		2,739,505		3,548,146		810,928		2,433,349		3,244,277	

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 2023**

	Note	Total Funds 2023 £	Total Funds 2022 £
Fixed assets:			
Tangible assets	15 (a)	12,842	11,869
Intangible assets	15 (b)	31,415	46,379
Current assets:			
Investments	16	100,000	300,000
Stocks	17	573,384	605,767
Debtors	18	180,408	951,581
Cash at bank and in hand	23	2,957,042	1,703,658
Total Current Assets		3,810,834	3,561,006
Current Liabilities:			
Creditors falling due within one year	19	306,945	374,977
Net Current Assets		3,503,889	3,186,029
Total Net Assets		3,548,146	3,244,277
The funds of the charity:			
Restricted income funds	20	2,739,505	2,433,349
Unrestricted funds	20	808,641	810,928
Total Charity Funds		3,548,146	3,244,277

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 5th September 2023 and signed on their behalf by:

DocuSigned by:

 95E2ED105A62494...
 Name: Andy Marchant

DocuSigned by:

 F5980FD482C246B...
 Name: Morag Dunlop

SCOTTISH BOOK TRUST**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDING 31 MARCH 2023**

	Note	Total Funds 2023 £	Total Funds 2022 £
<i>Cash flows from operating activities:</i>			
Net cash provided by/ (used in) operating activities	22	1,266,625	(447,400)
<i>Cash flows from investing activities:</i>			
Interest received	7	11,157	(242)
Purchase of property, fixtures and equipment	15	(5,009)	(13,339)
Development of Intangibles	15 (b)	(19,389)	(11,668)
		(13,241)	(25,249)
Net cash (used in) investing activities		(13,241)	(25,249)
Change in cash and cash equivalents in the year		1,253,384	(472,649)
Cash and cash equivalent brought forward		1,703,658	2,176,307
Change in cash and cash equivalents		1,253,384	(472,649)
Cash and cash equivalents carried forward	23	2,957,042	1,703,658

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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.

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 2023

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 10.

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 2023

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 2023

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 2023****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 (2022: £0). Expenses paid to the Trustees in the year totalled £0 (2022: £0). During the year Trustees waived their right to claim expenses of £166 (2022: £0). During the year no trustee had any personal interest in any contract or transaction entered into by the charity (2022: none). During the year there were Trustee donations received of £563 (2022: £456).

5. Income from donations and grants

	2023	2022
	£	£
Donations	121,215	145,274
In kind donations	530,911	616,946
General grants – Creative Scotland Regular Funding	859,931	859,931
	<u>1,512,057</u>	<u>1,622,151</u>

6. Income from charitable activities

	2023	2022
	£	£
Writing Communities & Live Literature Events	210,290	297,001
Schools Communities Programme	193,429	73,110
Reading Communities Programme	387,865	471,047
Early Years Programme	2,048,262	1,838,492
Attainment programme	1,693,678	1,455,158
	<u>4,533,524</u>	<u>4,134,808</u>

7. Investment income

	2023	2022
	£	£
Interest on all cash deposits held during the year	11,157	(242)

8. Other income

	2023	2022
	£	£
Other Income	66,395	49,951

9. Cost of raising funds

	Direct Costs	Support Costs	Total 2023
	£	£	£
Staff time, cost of events and marketing	64,463	212,340	276,803
	<u>64,463</u>	<u>212,340</u>	<u>276,803</u>
	Direct Costs	Support Costs	Total 2022
	£	£	£
Staff time, cost of events and marketing	67,187	227,572	294,759
	<u>67,187</u>	<u>227,572</u>	<u>294,759</u>

SCOTTISH BOOK TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****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 2023 £	Governance related £	Other support costs £	Basis of apportionment
Staff costs	732,070	8,492	723,578	Staff time
Office rental and costs	304,049	2,812	301,237	Staff time
Repairs	7,423	86	7,337	Staff time
Depreciation	110,032	1,276	108,756	Staff time
Total	1,153,574	12,666	1,140,908	

Cost type	Total Allocated 2022 £	Governance related £	Other support costs £	Basis of apportionment
Staff costs	641,218	7,748	633,470	Staff time
Office rental and costs	288,689	2,388	286,301	Staff time
Repairs	35,740	432	35,308	Staff time
Depreciation	75,178	908	74,270	Staff time
Total	1,040,825	11,476	1,029,349	

Governance costs:	2023 £	2022 £
Trustee expenses	0	0
Auditor's remuneration	6,150	5,146
Support costs (see above)	12,666	11,476
Total	18,816	16,622

Breakdown of governance and other support costs by activity

	Support Costs £	Governance £	2023 Total £
Raising Funds	212,340	0	212,340
Writing Communities	124,916	2,531	127,447
Schools Communities	157,237	3,186	160,423
Reading Communities	176,453	3,576	180,029
Early Years Programme	288,266	5,841	294,107
Attainment Programmes	181,696	3,682	185,378
Total	1,140,908	18,816	1,159,724

SCOTTISH BOOK TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****10. Allocation of governance and support costs (cont)**

	Support Costs	Governance	2022 Total
	£	£	£
Raising Funds	227,572	0	227,572
Writing Communities	100,123	2,076	102,199
Schools Communities	129,012	2,675	131,687
Reading Communities	148,800	3,085	151,885
Early Years Programme	261,191	5,415	266,606
Attainment Programmes	162,651	3,371	166,022
Total	<u>1,029,349</u>	<u>16,622</u>	<u>1,045,971</u>

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

11. Analysis of expenditure on charitable activities

	Writing Communities £	Schools Communities £	Reading Communities £	Early Years Programme £	Attainment Programmes £	Other £	2023 Total £
Staff costs	156,203	136,616	211,062	467,661	461,300	0	1,432,842
Direct programme costs	366,263	59,540	201,336	1,029,080	624,731	0	2,280,950
Office and administration costs	0	216	238	7,772	550	0	8,776
Travel & subsistence	1,025	9,662	6,933	17,133	10,927	0	45,680
Irrecoverable VAT	1,384	317	11,978	83,097	114,825	0	211,601
Marketing & publicity	4,262	228	15,441	21,351	40,970	0	82,252
Other costs	294	2,989	0	217	75	0	3,575
In kind donations direct expenditure	0	0	0	0	0	529,401	529,401
Governance costs (note 10)	2,531	3,186	3,576	5,841	3,682	0	18,816
Support costs (note 10)	124,916	157,237	176,453	288,266	181,696	0	928,568
	656,878	369,991	627,017	1,920,418	1,438,756	529,401	5,542,461
	Writing Communities £	Schools Communities £	Reading Communities £	Early Years Programme £	Attainment Programmes £	Other £	2022 Total £
Staff costs	156,760	151,979	172,233	391,570	410,863	0	1,283,405
Direct programme costs	337,340	41,835	179,955	1,062,612	533,759	0	2,155,501
Office and administration costs	19	160	190	5,892	6,602	0	12,863
Travel & subsistence	405	7,936	1,805	10,377	1,314	0	21,837
Irrecoverable VAT	2,105	261	6,774	79,197	102,811	0	191,148
Marketing & publicity	1,492	440	25,069	6,727	40,264	0	73,992
Other costs	431	234	115	15,634	77	0	16,491
In kind donations direct expenditure	0	0	0	0	0	614,297	614,297
Governance costs (note 10)	2,076	2,675	3,085	5,415	3,371	0	16,622
Support costs (note 10)	100,123	129,012	148,800	261,191	162,651	0	801,777
	600,751	334,532	538,026	1,838,615	1,261,712	614,297	5,187,933

SCOTTISH BOOK TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****12. Analysis of staff costs and remuneration of key management personnel**

	2023	2022
	£	£
Salaries and wages	1,881,513	1,681,365
Social security costs	182,451	155,313
Employer contributions to defined contribution pension scheme	165,411	155,132
Total staff costs	<u>2,229,375</u>	<u>1,991,810</u>

The charity made £165,411 of contributions to the pension plan operated by Legal & General on behalf of the employees (2022: £155,132). 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:

	2023	2022
	No.	No.
£60,000 - £69,000	3	1
£80,000 - £89,999	0	1
£90,000 - £99,999	1	0

Key Management Personnel

Total key management personnel remuneration was £321,867 (2022: £305,885).

	2023	2022
	No.	No.
The average monthly number of persons, by headcount employed by the charity during the year was:	<u>70</u>	<u>64</u>

13. Net income for the year

This is stated after charging:	2023	2022
	£	£
Depreciation	4,036	3,535
Amortisation of intangible assets	34,353	29,506
Auditor's remuneration: Audit Fees	6,150	5,146

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 £4,931,394 in the year (2022: £4,554,084)

SCOTTISH BOOK TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****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 2022	61,128	38,850	8,760	18,999	127,737
Additions	5,009	0	0	0	5,009
As at 31 March 2023	<u>66,137</u>	<u>38,850</u>	<u>8,760</u>	<u>18,999</u>	<u>132,746</u>
Depreciation					
As at 1 April 2022	54,072	34,037	8,760	18,999	115,868
Charge per year	1,629	2,407	0	0	4,036
As at 31 March 2023	<u>55,701</u>	<u>36,444</u>	<u>8,760</u>	<u>18,999</u>	<u>119,904</u>
Net book value					
At 31 March 2023	<u>10,436</u>	<u>2,406</u>	<u>0</u>	<u>0</u>	<u>12,842</u>
As at 31 March 2022	<u>7,056</u>	<u>4,813</u>	<u>0</u>	<u>0</u>	<u>11,869</u>

(b) Intangible Fixed Assets

	Software and Website
	£
Cost or valuation	
At 1 April 2022	118,022
Additions	19,389
Disposals	<u>0</u>
At 31 March 2023	<u>137,411</u>
Amortisation	
At 1 April 2022	71,643
Charge for the year	34,353
Eliminated on disposals	<u>0</u>
At 31 March 2023	<u>105,996</u>
Net book value	
At 31 March 2022	<u>46,379</u>
At 31 March 2023	<u>31,415</u>

SCOTTISH BOOK TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****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

	2023	2022
	£	£
Books and other resources	<u>573,384</u>	<u>605,767</u>

18. Debtors

	2023	2022
	£	£
Trade debtors	68,832	52,609
Other debtors	0	1,008
Prepayments and accrued income	<u>111,576</u>	<u>897,964</u>
	<u>180,408</u>	<u>951,581</u>

19. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	109,660	147,013
Other creditors and accruals	82,379	104,170
Taxation and social security costs	<u>114,906</u>	<u>123,794</u>
	<u>306,945</u>	<u>374,977</u>

Deferred Income

	£
Included in other creditors and accruals	
As at 1 st April 2022	55,000
Amount released to income earned from charitable activities	(55,000)
Amount deferred in year	<u>59,340</u>
As at 31 st March 2023	<u>59,340</u>

Deferred income comprises Trusts & Foundations income of £59,340 (2022: £55,000).

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

20. Analysis of charitable funds

Year ended 31st March 2023

Analysis of Fund movements	Balance b/fwd £	Income £	Expenditure £	Transfers £	Fund c/fwd £
Unrestricted Funds					
Fixed Assets Fund	58,249	0	(38,389)	24,398	44,258
Big Campaign	78,959	0	(61,654)	32,695	50,000
Commercial Fund	50,000	0	0	0	50,000
CRM & Web Dev. Fund	42,293	0	(29,493)	27,200	40,000
Total Designated Funds	229,501	0	(129,536)	84,293	184,258
General Funds	581,427	1,589,609	(1,520,360)	(26,293)	624,383
Total Unrestricted Funds	810,928	1,589,609	(1,649,896)	58,000	808,641
Restricted Funds					
Writing Communities	281,245	210,290	(260,008)	0	231,527
Schools Communities	24,659	193,429	(143,579)	0	74,509
Reading Communities	165,860	387,865	(408,756)	0	144,969
Early Years Programme	1,098,520	2,048,262	(1,919,421)	(14,000)	1,213,361
Attainment Programme	863,065	1,693,678	(1,437,604)	(44,000)	1,075,139
Total Restricted Funds	2,433,349	4,533,524	(4,169,368)	(58,000)	2,739,505
TOTAL FUNDS	3,244,277	6,123,133	(5,819,264)	0	3,548,146

Year ended 31st March 2022

Analysis of Fund movements	Balance b/fwd £	Income £	Expenditure £	Transfers £	Fund c/fwd £
Unrestricted Funds					
Fixed Assets Fund	66,283	0	(33,041)	25,007	58,249
Big Campaign	100,000	0	(91,041)	70,000	78,959
Commercial Fund	0	0	0	50,000	50,000
CRM & Web Dev. Fund	35,000	0	(12,467)	19,760	42,293
Total Designated Funds	201,283	0	(136,549)	164,767	229,501
General Funds	533,436	1,671,860	(1,564,602)	(59,267)	581,427
Total Unrestricted Funds	734,719	1,671,860	(1,701,151)	105,500	810,928
Restricted Funds					
Writing Communities	235,171	297,001	(250,927)	0	281,245
Schools Communities	26,166	73,110	(74,617)	0	24,659
Reading Communities	51,959	471,047	(357,146)	0	165,860
Early Years Programme	1,178,887	1,838,492	(1,837,859)	(81,000)	1,098,520
Attainment Programme	693,399	1,455,158	(1,260,992)	(24,500)	863,065
Total Restricted Funds	2,185,582	4,134,808	(3,781,541)	(105,500)	2,433,349
TOTAL FUNDS	2,920,301	5,806,668	(5,482,692)	0	3,244,277

SCOTTISH BOOK TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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 Big Campaign Fund set up in 2020-21, represents funds set aside to invest in our fundraising capability. Our national fundraising campaign launched in October 2021 and we continue to refine and develop our approach as we build experience.

The Commercial Fund has been set up in 2021-22 to support our plans to develop our commercial activity that will generate earned income to contribute to the growth and sustainability of Scottish Book Trust. Activity was launched in autumn 2022.

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 2022-23 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.

SCOTTISH BOOK TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****21. Net assets over funds****Year to 31st March 2023**

	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Fixed assets	12,842	0	12,842
Intangible fixed assets	31,415	0	31,415
Stocks	0	573,384	573,384
Debtors	180,408	0	180,408
Investments	100,000	0	100,000
Cash at bank & in hand	790,921	2,166,121	2,957,042
Creditors due in less than 1 year	(306,945)	0	(306,945)
	<u>808,641</u>	<u>2,739,505</u>	<u>3,548,146</u>

Year to 31st March 2022

	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Fixed assets	11,869	0	11,869
Intangible fixed assets	46,379	0	46,379
Stocks	0	605,767	605,767
Debtors	951,581	0	951,581
Investments	300,000	0	300,000
Cash at bank & in hand	(123,924)	1,827,582	1,703,658
Creditors due in less than 1 year	(374,977)	0	(374,977)
	<u>810,928</u>	<u>2,433,349</u>	<u>3,244,277</u>

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

	2023 £	2022 £
Net income for the year (as per the Statement of Financial Activities)	303,869	323,976
Adjustments for:		
Depreciation charges	4,036	3,535
Amortisation of intangible fixed assets	34,353	29,506
Interest received	(11,157)	242
Decrease/ (increase) in stocks	32,383	84,479
Decrease/ (increase) in investments	200,000	(200,000)
Decrease/ (increase) in debtors	771,173	(829,076)
(Increase)/ decrease in Creditors	(68,032)	139,938
Net cash provided by/ (used in) operating activities	<u>1,266,625</u>	<u>(447,400)</u>

SCOTTISH BOOK TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****23. Analysis of cash and cash equivalents**

	2023	2022
	£	£
Total cash and cash equivalents	<u>2,957,042</u>	<u>1,703,658</u>

24. Commitments under operating leases

At 31 March 2023 the charity had future lease commitments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Less than one year	55,000	55,000
Between two and five years	<u>0</u>	<u>13,750</u>

25. Contractual Commitments

As at 31 March 2023, the charity had contractual commitments in respect of website software development of £7,200 (2022: £6,600)