

CHARITY NO: SC027669
COMPANY NO: SC184248

SCOTTISH BOOK TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

SCOTTISH BOOK TRUST

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SCOTTISH BOOK TRUST
Report of the Board of Trustees for the Year Ended 31 March 2025

Reference and Administrative Information

Trustees

Andy Marchant
Hilde Frydnes
Morag Dunlop
Udita Banerjee
Pippa Johnston
Sue Ellis
Jo Gill
Bernadette Monaghan
Sarah English

Chief Executive

Marc Lambert

Principal Office

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

Charity Number: SC027669

Company Number: SC184248

Independent Auditors

Wbg (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

Bankers

Bank of Scotland
235 Sauchiehall Street
Glasgow
G2 3EY

Solicitors

Anderson Strathern WS
58 Morrison Street
Edinburgh
EH3 8BP

SCOTTISH BOOK TRUST

Report of the Board of Trustees for the Year Ended 31 March 2025

The Trustees present the annual report and financial statements for the year ended 31 March 2025. 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 2024–25 we focussed on our multi-year funding application to Creative Scotland, creating a business plan that demonstrated the deep need for our services while setting out how the continued development of our world class programmes would meet that need. In February 2025 we received 85% of the funding we asked for 2025-28.

In 2024-25, 12 writers completed their year on the New Writers Awards programme, and a further 12 writers started the programme in February 2025. Our annual New Writers Awards Showcase at the Traverse Theatre in Edinburgh was live streamed and had 200 attendees from across the industry. 19 titles by 18 New Writers Award recipients were published during this period.

In 2024 Book Week Scotland had the theme “Hope” for Scotland’s Stories, our public writing campaign. We were able to offer support to all 32 Local Authority Library Services to take part, with the support of the Scottish Library and Information Council, and in the wider programme we supported 50 partners to put on Book Week Scotland events and activities in their local communities. We partnered with Professor Sarah McGeown from University of Edinburgh, the Portobello Bookshop and Jackie Kay for the “Pleasures of Reading” flagship event. In total over 862 events and activities were held during Book Week Scotland with audiences of over 20,000 people reported on by partners. We gifted 65,000 copies of the free *Scotland’s Stories - Hope* book during the week as well as partnering with RNIB Scotland to provide audio versions of the stories.

Our Reading Schools programme, supported by Scottish Government, launched nationally in 2023 and schools from every local authority are participating in the programme. 1206 (49%) of primary and secondary schools in Scotland are actively engaged with the programme and over 500 schools have already achieved an accreditation. Reading Schools focuses on system change in education by encouraging schools to create a whole school reading culture.

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 continues to support our Sharing Sensory Stories project bringing books, stories and authors to children with Additional Support Needs across Scotland. We supported four residencies to empower children with additional special needs. In 2024-25 over 99,000 children turned in live to the Authors Live series that included broadcasts from Dapo Adeola, Elle McNicoll and Axel Scheffler. A selection of these events are available to watch on-demand on the BBC iPlayer and the on-demand library on our website.

Our book gifting programmes continued, supported by Scottish Government, with 712,346 books distributed as part of the Bookbug programme. We distributed 204,308 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. We also distributed Read Write Count with the First Minister bags to 125,000 children in Primary 2 & 3 in November 2024. A further 1,600 Gaelic RWC (Leugh Sgriobh Cunntais) bags were distributed to Primary 2 and 3 children in Gaelic Medium Education.

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All families who opted to receive Scottish Government's Baby box also received two Bookbug books, approximately 50,000 families. 5,910 tactile books were provided to support families with additional support needs, and 3,205 families benefited from Gaelic translated versions of the Bookbug books. 350 families with babies in neonatal intensive care received a copy of '*Jack and the Flum Flum Tree*' to read to their baby. In total 712,346 books were distributed in 2024-25 as part of the Bookbug programme.

Of note is the renewed fundraising appeal we ran in 2024 in collaboration with British publishers, Local Authorities and Third Sector partners to provide over 104,000 free books at Christmas to families using foodbanks, schools, libraries, hospitals and other charities. We also made good progress with our fundraising strategy, meeting our annual target while continuing to develop our individual donors scheme.

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 also instigated a pilot of our Flagship Care Home programme, to explore the impact of embedding Reading is Caring into a whole residential setting – training all staff and families of residents as well as reaching out to the community through the care home networks. Our Digital Storytelling programme continues to work with Scottish Adoption, to support adoption experience young people and their families and separately with birth parents to make digital stories about their experience.

During 2024-25, practitioners delivered over 28,861 in person Bookbug sessions with 630,700 child and parent/carer attendances. The majority of Bookbug Sessions are now taking place in person, with the trend for online Bookbug Sessions diminishing after the pandemic. 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

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, we have commissioned independent evaluations of our Reading Schools and Reading is Caring programmes for publication in 2025. We also carried out vital research into the impact of Scotland's libraries amidst ongoing cuts and closures to services, which we presented to the Cross-Party Group on Culture and Communities at the Scottish Parliament.

During this period, we also took the opportunity to review our Articles of Association, ensuring they are fully up to date with the charitable activities and programmes we offer, as well as in respect of charity law, regulation and best practice.

In all our activities this year, we have had a special concern for those who need our services the most, especially those living in disadvantage. We have championed creativity, self-expression, equality, and personal fulfilment for all, through an engagement with the world of books. In doing so, we have endeavoured to deliver programmes of the highest quality and impact.

DocuSigned by:

A handwritten signature in black ink, appearing to read 'Andrew Marchant'.

95E2ED105A62494...

Andy Marchant

Chair

SCOTTISH BOOK TRUST

Report of the Board of Trustees for the Year Ended 31 March 2025

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 universal book-gifting programmes for every child in Scotland from birth to eight years of age
- By gifting learning resources to families to raise attainment and encourage 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 in Scottish Book Trust's 2023-2025 Business Plan and associated 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 2024-25 we commissioned independent evaluations for our Reading Schools and Reading is Caring programmes.

Key achievements during 2024-25

1. Building a reading culture

Schools Programmes

Reading Schools

Our Reading Schools accreditation programme, supported by Scottish Government, has been delivered nationally from August 2023. Reading Schools provides a three-tiered framework for schools to encourage and support reading for pleasure across the whole school.

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By March 2025, 1,206 (49%) primary and secondary schools in Scotland were actively engaged in the Reading Schools programme and 549 schools have achieved / retained an accreditation. A bespoke website allows schools to upload their evidence and features resources, case studies and interactive participation map.

Read Write Count with the First Minister

As part of our annual book gifting programme, we distributed Read Write Count bags to 125,000 children in Primary 2 & 3 in November 2024. The bags contained two books, a family activity guide and other materials. A further 1,600 Gaelic RWC (Leugh Sgriobh Cunntais) bags were distributed to 1,600 Primary 2 and 3 children in Gaelic Medium Education. 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 2024-25 over 99,000 children turned in live to the Authors Live series of programmes that included broadcasts from Dapo Adeola, Elle McNicoll and Axel Scheffler. A selection of events is available to watch on-demand on the BBC iPlayer and on our on-demand library.

Sharing Sensory Stories

The Sharing Sensory Stories project brings books, stories, and authors to children with Additional Support Needs across Scotland. During the 2024-25 school year, the project undertook several key initiatives. The Inclusive Stories Tour with Deaf illustrator Lucy Rogers visited nine schools in Falkirk and East Dunbartonshire, including a Deaf School, reaching over 200 pupils. ASN School Residencies were held at Orchard Brae School in Aberdeen, Riverbrae School in Renfrewshire, Drumchapel Family Learning Centre in Glasgow, and The Bridge (off-site provision) in Inverness. These residencies provided tailored, immersive storytelling and creative writing experiences pupils with additional support needs.

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 2024 Book Week Scotland had the theme "Hope" for Scotland's Stories, our public writing campaign. With the support of the Scottish Library and Information Council we were once again able to offer support to all 32 local authority's Library Service to take part, and in the wider programme we supported 50 partners to put on Book Week Scotland events and activities in their local communities.

We again partnered with Professor Sarah McGeown from University of Edinburgh and the Portobello Bookshop for the Pleasures of Reading, an event which brings up to date research together with a look at a beloved writer's reading life as a lens through which to discuss the impact of reading on wellbeing. This year we were lucky enough to have Jackie Kay join us for this conversation. In total over 862 events and activities were held during Book Week Scotland with audiences of over 20,000 people reported on by partners. We gifted 65,000 copies of the free *Scotland's Stories - Hope* book during the week and, as well as partnering with RNIB Scotland to provide audio versions of the stories.

Digital Storytelling

We continued to work with Scottish Adoption, to support adoption experience young people and their families and separately with birth parents to make digital stories about their experience. We also worked throughout the year to design and deliver a series of workshop

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options that can be offered commercially to ensure that the ongoing programme delivery is sustainable.

3. Building a writing culture - *Writing Programmes*

New Writers Awards

In 2024-25, 11 writers completed their year on the New Writers Awards programme, and a further 12 writers started the programme in February 2025. In February 2025, our annual New Writers Awards Showcase at the Traverse Theatre in Edinburgh was live streamed and had 200 attendees from across the industry. The New Writing Sampler was distributed to over 600 contacts. 5 awardees were approached by industry contacts on the night. 19 titles by 18 New Writers Award recipients were published during this period.

Ignite Fellowship

In 2024-25, 3 writers completed their year on the Ignite Fellowship programme, and a further 3 writers started the programme in January 2025. 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 2024-25 we distributed 204,308 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, approx. 50,000 families. 5,910 tactile books were provided to support families with additional support needs, and 3,205 families benefited from Gaelic translated versions of the Bookbug books. 350 families with babies in neonatal intensive care received a copy of 'Jack and the Flum Flum Tree' to read to their baby. In total 712,346 books were distributed in 2024-25 as part of the Bookbug programme.

Bookbug Sessions and Bookbug for the Home

During 2024-25, practitioners delivered over 28,861 in-person Bookbug sessions with 630,700 child and parent/carer attendances. The majority of Bookbug sessions were run in person, with the trend for online Bookbug Sessions diminishing since the pandemic. 148 Bookbug sessions took place online in 2024-25 the remainder by a number of local authorities that continue to run their own online Bookbug Sessions to support families who cannot attend in-person. Views for online sessions were reported at 218,533. Approximately 84% (24,262) of Bookbug Sessions took place in libraries, with the remainder happening in other community groups or early learning and childcare settings. There were 2,368 active Bookbug Session leaders in Scotland in April 2025.

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. There are currently 501 active *Bookbug for the Home* practitioners (April 2025). Each practitioner works with an average of 9.8 children each leading to approximately 4,910 children accessing support through Bookbug for the Home.

Bookbug for the Home kits with additional books and resources packed by a team of volunteers, were distributed to 1,000 families via Bookbug for the Home practitioners.

Bookbug app

In 2024-25, 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 10,725 new downloads over the course of the year. The

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improved look, feel and functionality of the app continued to be well used in 2024-25. The Bookbug Session Finder was redeveloped ready for launch in 2025 to help families locate their nearest session. New content was filmed and added including a section of tips for parents.

Family Nurse Partnerships – Antenatal support for young parents

In 2024-25, 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 350 young parents-to-be.

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 2024-25 we reached 2,858 eligible children, gifting 22,775 books. 14,931 additional books were gifted to children to the edge of care via Children 1st and the Scottish Children's Reporter via Children's Hearing Centres. 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

The Live Literature programme has brought author events to over 19,000 audience members. This includes over 600 pupils who have taken part in our School Residency programme, supported by the Walter Scott Giving Committee, which placed authors in 10 schools across Scotland who would otherwise not have had access to author events. In partnership with Taylor Wimpey, we helped 12 schools celebrate World Book Day with an author visit. And our ongoing Live Literature programme continues to reach schools and other organisations by supporting nearly 600 author visits. We were also awarded funding to take part in Paul Hamlyn Foundation's Teacher Development Programme, which will see teachers and authors work together to develop new approaches to teaching creative writing over the next two years.

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-centred shared reading model. We currently deliver this programme in Edinburgh, East Lothian, West Lothian, Mid Lothian, Fife, and the Scottish Borders.

This year we continued to deliver one-to-one training, and we appointed a Reading is Caring trainer to help us respond to the demand to train nurses. 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. To date, we have trained 380 carers who are supporting 640 individuals living with dementia.

We also instigated a pilot of our Flagship Care Home programme, to explore the impact of embedding Reading is Caring into a whole residential setting – training all staff and families of residents as well as reaching out to the community through the care home networks.

Book Week Scotland

Our aim is to ensure diverse voices, lived experience and a range of Scotland's languages are represented throughout the Book Week Scotland programme. With Book Week Scotland

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we aim to engage individuals who might not usually attend book events, and we aim to encourage participation in book events as a connective activity. This year 66% of survey respondents were taking part for the first time and 70% reported encouraging others to take part. We will take this learning regarding in-person, hyper-local and unique content forward to inform the future of the festival and expand our reach. 790 events (remote and in-person) were run by library services: 135 events using their SLIC funding, an additional 264 events, and 391 Bookbug sessions.

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 years sector from health, education and social work professionals to libraries and third-sector partners. In 2024-25, we offered a blended programme of training with in-person and online courses and webinars. We ran 81 training sessions (in person and online) for 1,054 delegates to train new Bookbug Session Leaders and Bookbug for the Home practitioners, and to develop skills within the early years sector. We hosted 11 webinars with at least 256 attendees from all over Scotland and beyond.

Schools Communities Programme: In 2024-25, over 80,000 pupils in primary, secondary and ASN schools across Scotland, participated in a broad range of events delivered by the charity's Schools Programme. Additionally, every child in primaries 1-3 (184,500) received a Bookbug P1 Family Bag, P2 Read Write Count or P3 Read Write Count bag of books and learning materials. Gaelic Medium Education pupils in P1-P3 are included in these figures. Furthermore, 549 schools achieved a Reading School Accreditation in 2024-25.

During this period, the charity's website resources section for teachers and librarians, generated over 32,000 downloads of classroom, library and school resources and 23,000 video views. Separate websites for Reading Schools had over 75 unique resources, with blogs, book lists and case studies to support schools, libraries and community group participation in the programmes. Two bi-annual Book Discovery Guides are produced each year to support teachers' knowledge of contemporary fiction. The Bookzilla app allows children to search through over 7000 titles, track their reading and save new titles to their wish list. The app has been downloaded over 12,000 times since its launch.

Around 80 professional learning sessions were delivered to over 1,500 participants, including teachers, librarians, parents/carers and other learning professionals. Our Sharing Sensory Stories project also delivered a popular webinar to more than 100 learning professionals in collaboration with Emma Spiers. Additionally, an in-person Shared Practice Event was organised, featuring teachers, authors, and CALL Scotland, focusing on the practice of sharing sensory stories.

Writer Development: 12 writers benefitted from the training and mentoring offered through the New Writers Awards. 3 writers benefitted from mentoring and support offered through the Ignite Fellowship. We also collaborated with Edinburgh International Book Festival on their Lunch Box (Fresh) series, offering 6 writers from the New Writers Awards alumni the opportunity to share a reading of their work at the festival in August 2024.

Reader Development/Adult Literacy: During 2024, we maintained our partnership with OpenBook to enable participation in *Scotland's Stories*, our public writing campaign 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. Similarly, during Book Week Scotland, we continue to have a core partnership with Scottish Union Learning to ensure that *Scotland's Stories of Hope* and Book Week Scotland activity were available to Union learners across Scotland.

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Report of the Board of Trustees for the Year Ended 31 March 2025

Plans for the future

The charity will continue to pursue its strategic aims:

Aim 1: Creative Programmes – to create a reading and writing nation

Aim 2: Audience Engagement – to deepen our impact, increase audience diversity and tackle under-representation

Aim 3: Advocacy – to engage in effective, well-informed advocacy for our work and on behalf of our partners

Aim 4: Sustainability – to ensure we continue to be able to deliver our charitable mission

Aim 5: Staff, Governance and Operations – to invest in our staff, be well governed and to manage our operations efficiently.

Key pieces of work for 2025-26 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.
- Drive public understanding of the myriad benefits of reading and writing through showcasing our own and others' research, disseminating this widely through our comms channels and the media.
- Continue to develop and deliver our innovative, quality programmes across Scotland.
- Actively seek the perspectives and preferences of the audiences we want to reach and serve and work with our partners to develop our understanding.
- Continue our reflective practice processes aligned to our Impact Framework to evaluate and improve our creative programmes.
- Invest in and showcase our research and evaluation to stakeholders, funders, partners, and policy makers. We will influence cultural policy through advocacy with robust Scotland specific data and evidence.
- Work with key partners to defend key community assets such as libraries. We will collaborate in undertaking specific relevant research, like our current investigation into public library use in Scotland.
- Continue the development of our training offering, supporting the quality & impact of our programmes and potentially creating an income stream.
- Our Inclusion and Belonging Group will continue to support the dissemination of new equality policies and procedures and deliver our EDI action plan.
- Continue to identify, develop and support writing talent in Scotland with an emphasis on assisting writers who face additional barriers to ensure they can access and benefit from the charity's work.
- 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.

The next few years offers a challenging operating environment for SBT (Scottish Book Trust), with a reduction in funds publicly available. However, we know that the need and demand for our work has never been more evident. 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 increased operating costs, limited public funding and a challenging fundraising environment.
- Continuing the implementation of our fundraising strategy and promotion of Scottish Book Trust as a national charity through our ongoing national fundraising campaign.
- Investigating & developing the monetisation of certain services, such as our training programmes.
- Continuing the development of our online shop.

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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, CRM and LMS by integrating more programme application processes and enhancing communications
- Invest in our IT infrastructure and training to support our staff in a hybrid-working environment.

Financial review

Total year-end funds of £3.5m show a slight decrease compared to the previous year (2024: £3.6m) with an increase in income being offset by increased expenditure. Unrestricted income has increased by £281k, mainly due to an increase in donations. The Creative Scotland Regular Funding makes up most 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. We have added two new funds for programme development and building works. These strategically important projects will build Scottish Book Trust's future sustainability, as well as significantly improving the charity's performance and capacity.

The £222k decrease in restricted income reflects the completion of the First Ministers Reading Challenge programme, funded by Scottish Government, and a decrease in grant amounts for several of our programmes in a challenging fundraising environment. The carried forward restricted fund of £2.5m, represents funding received in advance for programmes where book stocks and other resources must be purchased ahead of programme delivery. See Note 19 to the Accounts for further detail.

Income sources during 2024-25 were as follows:

Scottish Government	64%
Creative Scotland – Regular Funding	16%
Creative Scotland – Programme Funding	4%
Other grants	1%
Donations, Legacies & Sponsorship	7%
Trusts & Foundations	5%
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 for 2025-26 to hold is 3 months' of central costs, 8 weeks of programme-specific staff costs and 1 year's rental charges. Based on budgeted expenditure for 2025-26, we need approximately £655,000 of free reserves to meet this target.

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After allowing for funds tied up in fixed assets and amounts designated for and committed to programme spend and future strategic developments (e.g. technology & commercial activities) our free reserves amount to £650k at March 2025, just below our £655k reserves target (see note 19 for more detail). This slight shortfall is a result of a one-off investment in essential website infrastructure during the year. Maintaining the appropriate level of free reserves is a key financial priority for the Board. Targeted fundraising efforts and careful management of expenditure in the coming months will bring the reserves back to the target level by the end of the next financial year.

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:** Sustainability of Charity undermined by 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
- **Business Continuity:** A crisis threatens business continuity and ability to deliver our services

These risks are being managed in the following ways:

Direct Funding Risks:

- Advocacy strategy in place ensuring 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 and commercial operations
- Longer term financial planning considers scenarios which include loss/reduction of key funding
- Appropriate levels of Unrestricted Reserves are managed and monitored by Finance committee

Independence Risk:

- Continue to position SBT clearly as a charity and ensure the impact of our work is communicated clearly to a diverse range of stakeholders
- Programme design and delivery is robustly negotiated to ensure Scottish Book Trust's aims and objectives are fulfilled within agreed programme/services contracts
- Position SBT as an expert in our field. Research, evaluation & impact 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 to influence policy and decision making within Scottish Government and local authorities

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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.

Business Continuity

- Business continuity plan in place to provide an agreed framework within which people can work in a concerted manner to solve problems caused by an emergency/incident
- Policies, processes and training in place to mitigate occurrence of incidents
- Programme delivery can switch to digital delivery if necessary
- Hybrid working in place so staff can work from home if necessary
- Risk assessments completed for all events in advance
- IT provider carries out daily backups and maintains firewalls, spam and virus filters proactively

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 2025 and since, were as follows:

Andy Merchant (Chair)
Hilde Frydnes
Morag Dunlop
Udita Banerjee
Pippa Johnston
Sue Ellis
Jo Gill
Bernadette Monaghan
Sarah English

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.

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

SCOTTISH BOOK TRUST

Report of the Board of Trustees for the Year Ended 31 March 2025

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 4.5 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 2019 (FRS102)
- 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.

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 16th September 2025 and signed on their behalf by:

SCOTTISH BOOK TRUST
Report of the Board of Trustees for the Year Ended 31 March 2025

DocuSigned by:



Name: Andy Marchant

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SCOTTISH BOOK TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
SCOTTISH BOOK TRUST
FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Scottish Book Trust (the 'charitable company') for the year ended 31st March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the statement of cash flows 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 2025, 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,

SCOTTISH BOOK TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
SCOTTISH BOOK TRUST
FOR THE YEAR ENDED 31 MARCH 2025

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

SCOTTISH BOOK TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
SCOTTISH BOOK TRUST
FOR THE YEAR ENDED 31 MARCH 2025

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 of 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.

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 of 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.
- Review of journals including, but was not limited to the following areas: depreciation, stock, accruals, deferred income, prepayments and accrued income;

**SCOTTISH BOOK TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
SCOTTISH BOOK TRUST
FOR THE YEAR ENDED 31 MARCH 2025**

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 FRC's website at: -
<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for> This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Signed by:

Wbg (Audit) Limited

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Alexander Hogg CA Senior Statutory Auditor
Date: 16 September 2025

168 Bath Street
Glasgow
G2 4TP

For and on behalf of Wbg (Audit) Limited, Statutory Auditor

Wbg (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 2025

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £
Income and endowments from:							
Donations and grants	5	1,742,357	-	1,742,357	1,545,972	-	1,545,972
Charitable activities	6	-	4,095,228	4,095,228	-	4,316,806	4,316,806
Investments – Bank Interest	7	53,113	-	53,113	30,927	-	30,927
Other	8	76,033	-	76,033	13,182	-	13,182
Total Income		1,871,503	4,095,228	5,966,731	1,590,081	4,316,806	5,906,887
Expenditure on:							
Raising funds	9	285,041	-	285,041	276,598	-	276,598
Charitable activities	11	1,402,302	4,471,523	5,873,825	1,357,882	4,173,589	5,531,471
Total Expenditure		1,687,343	4,471,523	6,158,866	1,634,480	4,173,589	5,808,069
Net expenditure/(income)		184,160	(376,295)	(192,135)	(44,399)	143,217	98,818
Transfers between funds		(48,506)	48,506	-	60,000	(60,000)	-
Net movement in funds		135,654	(327,789)	(192,135)	15,601	83,217	98,818
Total funds brought forward	19	824,242	2,822,722	3,646,964	808,641	2,739,505	3,548,146
Total funds carried forward	19	959,896	2,494,933	3,454,829	824,242	2,822,722	3,646,964

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

All income and expenditure derives from continuing activities.

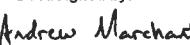
SCOTTISH BOOK TRUST

BALANCE SHEET AS AT 31 MARCH 2025

	Note	Total Funds 2025	Total Funds 2024
		£	£
Fixed assets:			
Tangible assets	15 (a)	26,131	8,806
Intangible assets	15 (b)	9,016	18,047
Current assets:			
Stocks	16	550,221	559,245
Debtors	17	663,464	199,907
Cash at bank and in hand	22	2,438,236	3,091,972
Total Current Assets		3,651,921	3,851,124
Current Liabilities:			
Creditors falling due within one year	18	232,239	231,013
Net Current Assets		3,419,682	3,620,111
Total Net Assets		3,454,829	3,646,964
The funds of the charity:			
Restricted income funds	19	2,494,933	2,822,722
Unrestricted funds	19	959,896	824,242
Total Charity Funds		3,454,829	3,646,964

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 16th September 2025 and signed on their behalf by:

DocuSigned by:

 Name: Andy Marchant
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DocuSigned by:

 Name: Morag Dunlop
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SCOTTISH BOOK TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING 31 MARCH 2025

	Note	Total Funds 2025 £	Total Funds 2024 £
Cash flows from operating activities:			
Net cash provided (used in)/ by operating activities	21	(691,393)	111,252
Cash flows from investing activities:			
Interest received	7	53,113	30,927
Proceeds from disposal of property, plant and equipment		4,631	-
Purchase of property, fixtures and equipment	15	(19,362)	-
Development of Intangibles	15 (b)	<u>(725)</u>	<u>(7,249)</u>
Net cash provided by investing activities		37,657	23,678
Change in cash and cash equivalents in the year		<u>(653,736)</u>	<u>134,930</u>
Cash and cash equivalent brought forward		3,091,972	2,957,042
Change in cash and cash equivalents		<u>(653,736)</u>	<u>134,930</u>
Cash and cash equivalents carried forward	22	<u>2,438,236</u>	<u>3,091,972</u>

SCOTTISH BOOK TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

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 19.

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 2025

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%
Office fixtures and equipment	25%
Motor vehicles	25%
Computer equipment	33.3%

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%

SCOTTISH BOOK TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

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 12. 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.

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.

SCOTTISH BOOK TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

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.

Impairment of Fixed Assets – Determine whether there are indicators of impairment of the charity's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Leases - Determine whether leases entered into by the charity either as a lessor or a lease are operating or finance leases. These decisions depend on an assessment of whether the risk and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

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.

SCOTTISH BOOK TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

3. Legal status of the Trust (cont)

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.

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 (2024: £nill). Expenses paid to the Trustees in the year totalled £92 (2024: £151). During the year Trustees waived their right to claim expenses of £111 (2024: £70). During the year no trustee had any personal interest in any contract or transaction entered into by the charity (2024: none). During the year there were Trustee donations received of £500 (2024: £611).

5. Income from donations and grants

	2025	2024
	£	£
Donations & legacies	225,969	125,223
In kind donations	656,457	560,818
General grants – Creative Scotland Regular Funding	859,931	859,931
	<hr/> <u>1,742,357</u>	<hr/> <u>1,545,972</u>

6. Income from charitable activities

	2025	2024
	£	£
Writing Communities & Live Literature Events	196,252	230,733
Schools Communities Programme	161,582	210,532
Reading Communities Programme	268,066	348,607
Early Years Programme	1,988,530	1,999,062
Attainment programme	1,480,798	1,527,872
	<hr/> <u>4,095,228</u>	<hr/> <u>4,316,806</u>

7. Investment income

	2025	2024
	£	£
Interest on all cash deposits held during the year	<hr/> <u>53,113</u>	<hr/> <u>30,927</u>

8. Other income

	2025	2024
	£	£
Other Income	<hr/> <u>76,033</u>	<hr/> <u>13,182</u>

9. Cost of raising funds

	Direct Costs	Support Costs	Total 2025
	£	£	£
Staff time, cost of events and marketing	78,297	206,744	285,041

SCOTTISH BOOK TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

9. Cost of raising funds (cont)

	Direct Costs £	Support Costs £	Total 2024 £
Staff time, cost of events and marketing	76,000	200,598	276,598

SCOTTISH BOOK TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

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 2025 £	Governance related £	Other support costs £	Basis of apportionment
Staff costs	874,033	9,989	864,044	<i>Staff time</i>
Office rental and costs	273,912	2,664	271,248	<i>Staff time</i>
Repairs	(15,905)	(182)	(15,723)	<i>Staff time</i>
Depreciation	138,406	1,582	136,824	<i>Staff time</i>
Total	1,270,446	14,053	1,256,393	

Cost type	Total Allocated 2024 £	Governance related £	Other support costs £	Basis of apportionment
Staff costs	803,938	9,188	794,750	<i>Staff time</i>
Office rental and costs	285,831	2,775	283,056	<i>Staff time</i>
Repairs	(9,745)	(111)	(9,634)	<i>Staff time</i>
Depreciation	130,649	1,493	129,156	<i>Staff time</i>
Total	1,210,673	13,345	1,197,328	

Governance costs:	2025	2024
	£	£
Trustee expenses	92	151
Auditor's remuneration	6,780	6,500
Support costs (see above)	14,053	13,345
Total	20,925	19,996

Breakdown of governance and other support costs by activity

	Support Costs £	Governance £	2025
			Total £
Raising Funds	206,744	-	206,744
Writing Communities	143,613	2,863	146,476
Schools Communities	174,356	3,475	177,831
Reading Communities	193,680	3,861	197,541
Early Years Programme	327,192	6,523	333,715
Attainment Programmes	210,808	4,203	215,011
Total	1,256,393	20,925	1,277,318

SCOTTISH BOOK TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

10. Allocation of governance and support costs (cont)

	Support Costs £	Governance £	2024 Total £
Raising Funds	200,598	-	200,598
Writing Communities	136,372	2,736	139,108
Schools Communities	165,568	3,321	168,889
Reading Communities	183,915	3,690	187,605
Early Years Programme	310,696	6,233	316,929
Attainment Programmes	200,179	4,016	204,195
Total	1,197,328	19,996	1,217,324

SCOTTISH BOOK TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

11. Analysis of expenditure on charitable activities

	Writing Communities £	Schools Communities £	Reading Communities £	Early Years Programme £	Attainment Programmes £	Other £	2025 Total £
Staff costs	141,243	91,268	252,477	521,624	556,302	-	1,562,914
Direct programme costs	279,940	70,505	116,528	1,216,753	527,761	-	2,211,487
Office and administration costs	-	203	138	2,185	1,041	-	3,567
Travel & subsistence	47,460	21,637	4,936	22,769	13,676	-	110,478
Irrecoverable VAT	1,465	1,383	6,678	74,869	94,930	-	179,325
Marketing & publicity	276	104	88	251	137	-	856
Other costs	8	2,122	23,654	28,633	23,750	-	78,167
In kind donations direct expenditure	-	-	-	-	-	656,457	656,457
Governance costs (note 10)	2,863	3,476	3,861	6,523	4,202	-	20,925
Support costs (note 10)	143,613	174,356	193,680	327,192	210,808	-	1,049,649
	616,868	365,054	602,040	2,200,799	1,432,607	656,457	5,873,825

	Writing Communities £	Schools Communities £	Reading Communities £	Early Years Programme £	Attainment Programmes £	Other £	2024 Total £
Staff costs	157,212	109,365	228,251	517,987	544,245	-	1,557,060
Direct programme costs	252,200	80,643	135,663	1,003,321	561,183	-	2,033,010
Office and administration costs	17	120	572	7,578	3,373	-	11,660
Travel & subsistence	36,346	21,954	2,760	18,105	13,491	-	92,656
Irrecoverable VAT	1,850	1,565	6,712	69,790	104,129	-	184,046
Marketing & publicity	111	2,044	18,018	28,188	25,414	-	73,775
Other costs	387	268	90	852	123	-	1,720
In kind donations direct expenditure	-	-	-	-	-	560,818	560,818
Governance costs (note 10)	2,736	3,321	3,690	6,233	4,016	-	19,996
Support costs (note 10)	136,372	165,568	183,915	310,696	200,179	-	996,730
	587,231	384,848	579,671	1,962,750	1,456,153	560,818	5,531,471

SCOTTISH BOOK TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

12. Analysis of staff costs and remuneration of key management personnel

	2025 £	2024 £
Salaries and wages	2,118,944	2,066,393
Social security costs	202,615	194,617
Employer contributions to defined contribution pension scheme	193,685	175,987
Total staff costs	2,515,244	2,436,997

The charity made £193,658 of contributions to the pension plan operated by Legal & General on behalf of the employees (2024: £175,987). 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:

	2025 No.	2024 No.
£60,000 - £69,000	3	3
£90,000 - £99,999	1	1

Key Management Personnel

Total key management personnel remuneration was £346,740 (2024: £335,583).

	2025 No.	2024 No.
The average monthly number of persons, by headcount employed by the charity during the year was:	72	72

13. Net income for the year

	2025 £	2024 £
Depreciation	2,037	4,036
Amortisation of intangible assets	9,756	20,617
Auditor's remuneration: Audit Fees	6,780	6,500

14. Government Grants

Income from government grants comprises amounts received from the Scottish Government, Creative Scotland, SLIC, Bord na Gaidhlig, DWP, Edinburgh World Heritage and City of Edinburgh Council.

These amounts totalled £4,526,485 in the year (2024: £4,623,341)

SCOTTISH BOOK TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

15. Fixed Assets

(a) Tangible Fixed Assets

	Tenant's Improvements	Computer Equipment	Other Office Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost or valuation					
As at 1 April 2024	66,137	10,219	8,760	18,999	104,115
Additions	19,362	-	-	-	19,362
Disposal	-	-	-	(18,999)	(18,999)
As at 31 March 2025	<u>85,499</u>	<u>10,219</u>	<u>8,760</u>	-	<u>104,478</u>
Depreciation					
As at 1 April 2024	57,330	10,220	8,760	18,999	95,309
Charge per year	2,037	-	-	-	2,037
Eliminated on disposals	-	-	-	(18,999)	(18,999)
As at 31 March 2025	<u>59,367</u>	<u>10,220</u>	<u>8,760</u>	-	<u>78,347</u>
Net book value					
At 31 March 2025	<u>26,132</u>	<u>(1)</u>	-	-	<u>26,131</u>
As at 31 March 2024	<u>8,807</u>	<u>(1)</u>	-	-	<u>8,806</u>

(b) Intangible Fixed Assets

	Software and Website
	£
Cost or valuation	
At 1 April 2024	144,660
Additions	725
At 31 March 2025	<u>145,385</u>
Amortisation	
At 1 April 2024	126,613
Charge for the year	9,756
At 31 March 2025	<u>136,369</u>
Net book value	
At 31 March 2024	<u>18,047</u>
At 31 March 2025	<u>9,016</u>

SCOTTISH BOOK TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

16. Stock

	2025	2024
	£	£
Books and other resources	<u>550,221</u>	<u>559,245</u>

17. Debtors

	2025	2024
	£	£
Trade debtors	75,223	68,407
Prepayments and accrued income	<u>588,241</u>	<u>131,500</u>
	<u>663,464</u>	<u>199,907</u>

18. Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	75,508	74,310
Other creditors and accruals	109,637	111,333
Taxation and social security costs	<u>47,094</u>	<u>45,370</u>
	<u>232,239</u>	<u>231,013</u>

Deferred Income

	£
Included in other creditors and accruals	
As at 1 st April 2024	52,424
Amount released to income earned from charitable activities	(52,424)
Amount deferred in year	53,797
As at 31 st March 2025	<u>53,797</u>

Deferred income comprises Trust and Foundations income of £53,797 (2024: £52,424).

SCOTTISH BOOK TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

19. Analysis of charitable funds

Year ended 31st March 2025

Analysis of Fund movements	Balance b/fwd £	Income £	Expenditure £	Transfers £	Fund c/fwd £
Unrestricted Funds					
Fixed Assets Fund	26,854	-	(11,793)	20,087	35,148
Big Campaign	50,000	-	(40,732)	50,000	59,268
Commercial Fund	50,000	-	-	-	50,000
CRM & Web Dev. Fund	60,000	-	(6,143)	26,143	80,000
Programme Dev. Fund	-	-	-	45,228	45,228
Building Works Fund	-	-	-	40,000	40,000
Total Designated Funds	186,854	-	(58,668)	181,458	309,644
General Funds	637,388	1,871,503	(1,628,675)	(229,964)	650,252
Total Unrestricted Funds	824,242	1,871,503	(1,687,343)	(48,506)	959,896
Restricted Funds					
Writing Communities	269,777	196,252	(309,240)	65,438	222,227
Schools Communities	70,813	161,582	(170,993)	-	61,402
Reading Communities	150,048	268,066	(357,795)	37,568	97,887
Early Years Programme	1,225,419	1,988,530	(2,201,344)	(12,500)	1,000,105
Attainment Programme	1,106,665	1,480,798	(1,432,151)	(42,000)	1,113,312
Total Restricted Funds	2,822,722	4,095,228	(4,471,523)	48,506	2,494,933
TOTAL FUNDS	3,646,964	5,966,731	(6,158,866)	-	3,454,829

Year ended 31st March 2024

Analysis of Fund movements	Balance b/fwd £	Income £	Expenditure £	Transfers £	Fund c/fwd £
Unrestricted Funds					
Fixed Assets Fund	44,258	-	(24,653)	7,249	26,854
Big Campaign	50,000	-	(42,956)	42,956	50,000
Commercial Fund	50,000	-	-	-	50,000
CRM & Web Dev. Fund	40,000	-	(14,313)	34,313	60,000
Total Designated Funds	184,258	-	(81,922)	84,518	186,854
General Funds	624,383	1,590,081	(1,552,558)	(24,518)	637,388
Total Unrestricted Funds	808,641	1,590,081	(1,634,480)	60,000	824,242
Restricted Funds					
Writing Communities	231,527	230,733	(192,483)	-	269,777
Schools Communities	74,509	210,532	(214,228)	-	70,813
Reading Communities	144,969	348,607	(343,528)	-	150,048
Early Years Programme	1,213,361	1,999,062	(1,967,004)	(20,000)	1,225,419
Attainment Programme	1,075,139	1,527,872	(1,456,346)	(40,000)	1,106,665
Total Restricted Funds	2,739,505	4,316,806	(4,173,589)	(60,000)	2,822,722
TOTAL FUNDS	3,548,146	5,906,887	(5,808,069)	-	3,646,964

SCOTTISH BOOK TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

19. 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 was 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 2023.

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

In March 2025 the Board approved the creation of a Programme Development Fund and a Building Works Fund. The Programme Development Fund will hold funds to support programme development in 2027-28 as we anticipate a more challenging funding environment and our Multi-Year funding is a flat amount without any inflationary increases. The Building Works Fund is a contingency should we need to carry out any building works or maintenance in line with our responsibilities under the lease for our building.

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 2025

20. Net assets over funds

Year to 31st March 2025

	Unrestricted Funds £	Restricted Funds £	Total 2025 £
Fixed assets	26,131	-	26,131
Intangible fixed assets	9,016	-	9,016
Stocks	-	550,221	550,221
Debtors	663,464	-	663,464
Cash at bank & in hand	493,524	1,944,712	2,438,236
Creditors due in less than 1 year	(232,239)	-	(232,239)
	959,896	2,494,933	3,454,829

Year to 31st March 2024

	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Fixed assets	8,806	-	8,806
Intangible fixed assets	18,047	-	18,047
Stocks	-	559,245	559,245
Debtors	199,907	-	199,907
Cash at bank & in hand	828,495	2,263,477	3,091,972
Creditors due in less than 1 year	(231,013)	-	(231,013)
	824,242	2,822,722	3,646,964

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

	2025 £	2024 £
Net income for the year (as per the Statement of Financial Activities)	(192,135)	98,818
Adjustments for:		
Depreciation charges	2,037	4,036
Amortisation of intangible fixed assets	9,756	20,617
Interest received	(53,113)	(30,927)
(Loss) on the disposal of fixed assets	(4,631)	-
Decrease in stocks	9,024	14,139
Decrease in investments	-	100,000
(Increase) in debtors	(463,557)	(19,499)
Increase/ (decrease) in creditors	1,226	(75,932)
Net cash provided (used in)/ by operating activities	(691,393)	111,252

SCOTTISH BOOK TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

22. Analysis of cash and cash equivalents

	2025 £	2024 £
Total cash and cash equivalents	<u>2,438,236</u>	<u>3,091,972</u>

23. Commitments under operating leases

At 31 March 2025 the charity had future lease commitments under non-cancellable operating leases as follows:

	2025 £	2024 £
Less than one year	59,070	55,000
Between two and five years	6,105	-
Over five years	-	-

24. Contractual Commitments

As at 31 March 2025, the charity had contractual commitments in respect of website software development of £7,200 (2024: £7,200)