

**CHARITY NO: SC027669**

**COMPANY NO: SCO184248**

**SCOTTISH BOOK TRUST**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

## **SCOTTISH BOOK TRUST**

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**SCOTTISH BOOK TRUST**  
**Report of the Board of Trustees for the Year Ended 31 March 2022**

**Reference and Administrative Information**

**Trustees**

Andy Marchant  
Hilde Frydnes  
Laura van der Hoeven  
Morag Dunlop  
Udita Banerjee  
Pippa Johnston  
Sandy Richardson  
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  
Chartered Accountants  
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 2022**

The Trustees present the annual report and financial statements for the year ended 31 March 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland. The legal and administrative information on page 1 forms part of this report.

#### **Chair's Report**

2021-22 remained a challenging year for our charitable operations as a result of the COVID 19 pandemic. Nevertheless, due to our well-developed digital capabilities, the quality of our organisational culture, and our local authority partnerships and national reach, Scottish Book Trust was able to continue to deliver on its mission, in many cases extending the accessibility, range and impact of our programmes.

Our chair, Keir Bloomer, stepped down due to other work commitments in November and we would like to thank him for all his hard work and the invaluable support he gave to our organisation. We appointed one new trustee, Professor Sue Ellis, with particular expertise in educational practice and policy to strengthen the Board and advise the organisation.

The physical delivery of aspects of our creative programme remained an often interrupted process but we were able to provide much of our programme in hybrid in-person/online formats (as appropriate) with outstanding success.

Our Authors Live digital offering continued to thrive post lockdown. The on Demand library had over 45,000 page views, with the slight drop compared to last year due to many schools enjoying our return to in-person events.

The new hybrid approach to the delivery of our Scottish Friendly Children's Book Tour allowed us to bring the magic of author visits, online and in person, to 20,000 pupils across 434 schools.

Book Week Scotland 2021 continued to focus delivery on remote events, supporting our partners to deliver either digital events, socially distanced in person events or socially distanced community activities. 100+ partners took part, including library services with support from SLIC, 50,000 copies of our free book Celebration were given away and over 130,000 people engaged with over 750 events across the digital and in person offer.

Bookbug practitioners and families embraced the return of in-person sessions across Scotland, with our webpage for finding local sessions continually being one of the most popular and receiving nearly 40,000 page views.

Our contribution to the attainment and creative education agendas, funded by the Scottish Government, also continued apace, most especially with the second year of our Reading Schools programme. This focusses on system change in education by encouraging schools to create a whole-school reading culture, and has been an outstanding success, with over 100 schools signing up in the initial cohort, and many more preparing to apply. During 2021-2022, our website resources section for teachers and librarians were well received, generating over 43,000 downloads of classroom, library and school resources.

The website had its highest traffic month since the new site launched with 310,783 page views in November 2021. This was fuelled by Book Week Scotland, vacancies and our fundraising

## **SCOTTISH BOOK TRUST**

### **Report of the Board of Trustees for the Year Ended 31 March 2022**

campaign - a 12% increase on last year. We also created a new section on our website to support Young Writers and welcomed the return of a digital StoryCon.

In 2021-22, 12 writers completed their initial year on the New Writers Awards programme, and a further 10 writers started the programme in January 2022. We ran our annual New Writers Awards Showcase as a digital event and this attracted over 20,000 views on Twitter. We received 9 notes of interest from agents and publishers. 17 titles by 15 New Writers Award recipients were published during this period.

While the delivery of Arts Alive in its second year remained complicated, some allocation of school residencies and remote sessions was possible, and we were also able to deepen our collaborative relationship with the national performing companies.

Also of note is the renewed appeal we ran in 2021 in collaboration with British publishers, Local Authorities and Third Sector partners to provide nearly 100,000 free books to families using foodbanks at Christmas.

Work continued on a whole-organisation outcomes framework alongside a strengthening of processes around individual programme evaluation. At the same time, our Research and Evaluation team conducted a wide ranging and innovative evaluation of our book gifting programmes – Bookbug, and Read, Write, Count.

During 2020-21 we also continued to strengthen our digital and marketing operations by further developing our new CRM system, and our new website, especially in terms of accessibility.

Our commitment to diversity and equality deepened during this period as well, as expressed in our programming, by our appeals, our programming relationships, and the steps we have taken to strengthen our Board's diversity. In order to drive improvement and change, an EDI group was set up, with representatives from all areas of our operation, to look at policy and make recommendations across the practical aspects of our programming. In addition, we became a sponsor of the Inklusion Guide, authored by two Scottish writers, and will be incorporating the report's recommendations over the next period.

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

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

We made good progress with our fundraising strategy, meeting our annual target while continuing to develop our individual donors scheme. We are also proud to have hit our audience targets, reaching well over 3m people in Scotland with our charitable services.

In all our achievements this year, we championed creativity, self-expression, equality, and personal fulfilment, and endeavoured to deliver the highest quality and most impactful programmes of work.

Andy Marchant  
**Chairperson**

## **SCOTTISH BOOK TRUST**

### **Report of the Board of Trustees for the Year Ended 31 March 2022**

## **Objectives and activities**

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

Scottish Book Trust achieves its objectives in the following ways:

- By connecting writers and readers
- By supporting professional practice for writers in Scotland
- By providing continuing professional development opportunities for writers and learning professionals
- By facilitating and delivering author events throughout Scotland, in schools, libraries and other community spaces
- By delivering fully-funded book-gifting programmes for every child in Scotland from birth to eight years of age
- By gifting learning resources to families to support attainment through parental involvement
- By programming annual national reading and writing campaigns, supporting local groups to involve diverse communities and audiences
- By running an educational outreach programme of events and projects across Scotland, focussing on areas of deprivation and/or geographical remoteness
- By providing independent information on books, writers and reading
- By advocating for the pleasures and benefits of reading and writing, and by campaigning publicly on these matters
- By maintaining and promoting a huge range of innovative and inspiring materials and resources on our website

## **Review of achievements and performance**

This report reviews performance against the priorities identified Scottish Book Trust's 2018-2022 Business Plan and subsequent Strategic Framework. The charity's annual target to reach 3.1 million people with our programmes was exceeded, as our cumulative digital audience figures reached over 5 million in 2022 through the work of our programmes and digital resources.

## **Monitoring and evaluation**

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

# SCOTTISH BOOK TRUST

## Report of the Board of Trustees for the Year Ended 31 March 2022

### Key achievements during 2021-22

#### 1. Building a reading culture

##### **Schools Programmes**

###### *Reading Schools*

Our Reading Schools accreditation programme, supported by Scottish Government, was open to 44% of schools and is rolling out nationally from August 2022. Reading Schools provides a three-tiered framework for schools to deliver reading for pleasure to the whole school. Over 180 schools now have an accreditation with a further 300 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, develop a love of reading and helps schools build positive reading cultures. The challenge is open to primary schools, secondary schools, libraries and community groups. Over 20% of primary schools and 35% secondary schools took part in the Challenge. An online Festival to celebrate the Challenge was held with three events for schools to enjoy featuring a number of authors, illustrators and performers. The events have been viewed 1,292 times to date. Author Pamela Butchart announced the winners and the First Minister sent a message of congratulations. The First Minister also presented the Reading inspiration Journey Winner's trophy to Prestwick Academy.

###### *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 2021-22 over 78,000 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 very best children's authors in their classroom or through digital events.

#### **2. Reading Programmes: Inspiring Readers – Young and Old**

##### *Book Week Scotland*

Delivered in collaboration with funded partners, libraries, community groups, and schools, Book Week Scotland is an annual Scotland-wide celebration of books and reading. In 2021 Book Week Scotland had the theme "Celebration" as it was the 10th anniversary of Book Week. Delivery continued to be effected by Covid 19 restrictions however, all partners, including Library services were able to deliver either in-person events, digital events, hybrid events or community activity depending on the needs of their audience and organisation. As part of the partner programme we supported 10 Emerging Programmers at different levels - 6 fully funded Emerging Programmers, 2 'Progressing Programmers' who did not have as much mentorship as the others and 2 applications that we could not fund fully but were still awarded the £500 event budget.

## **SCOTTISH BOOK TRUST**

### **Report of the Board of Trustees for the Year Ended 31 March 2022**

At Scottish Book Trust we again focussed on our Digital Festival building on the learning from the 2020 Book Week Scotland. We partnered with Damian Barr's Literary Salon to produce a special episode of their live-streamed event featuring Damian in conversation with Alan Cumming and performances from Courtney Stoddart and Len Pennie. The Digital Festival also included a "Writing Of ..." documentary about Jackie Kay's Trumpet, a digital walking tour with the Glasgow Women's Library and Denise Mina exploring the women writers of Glasgow's Garnethill area. We offered a digital Island Literature event to tie into the Scottish Year of Coast and Waters featuring Evie Wyld, Josie Giles and Raman Mundair.

We also launched a newly commissioned role-playing game allowing players to enter the world of Treasure Island; two YouTube events with comic book authors Keiron Gillen, Ram V, Val McDermid, Marjorie Liu and Hari Connor playing the game. We a second year of the Reading map of Scotland, a call for members of the public to share their "ILoveMyLibrary" messages and a call for people to share their Playlist Poems.

We gifted 50,000 copies of the free Celebration book during the week and, as well as partnering with RNIB Scotland to provide audio versions of the stories, also made 3 short filmed pieces and one comic strip based on contributions to the book

#### Digital Storytelling

We completed a second 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. During Book Week Scotland, we delivered a digital event for a wider audience of people to share stories from the project and to provide tasters of a range of creative storytelling media to participants. We also delivered training in Digital Storytelling for Macmillan staff in Northern Ireland. This successful relationship will continue into 2022-2023, including a deeper focus on the dissemination of the stories that people have made during the project.

We worked with Scottish Adoption, supported by the Youth Arts Fund, to support young adopted people to make digital stories about their experiences. During Book Week Scotland, we delivered a story-sharing event at Queen Margaret University. This relationship will continue in 2022-2023, focussing on a Scottish Adoption project to engage birth parents to reflect on and, as appropriate, share their experiences of adoption.

### **3. Building a writing culture - *Writing Programmes***

#### *New Writers Awards*

In 2021-22, 12 writers completed their year on the New Writers Awards programme, and a further 10 writers started the programme in January 2022. We ran our annual New Writers Awards Showcase as a digital event and this attracted over 20,000 views on Twitter. We received nine notes of interest from agents and publishers. Seventeen titles by 15 New Writers Award recipients were published during this period.

#### *Ignite Fellowship*

In 2021-22, 3 writers completed their year on the Ignite Fellowship programme, and a further 3 writers started the programme in December 2021. Awardees receive a bursary, writing retreat, mentoring and training in marketing and promotion.

## SCOTTISH BOOK TRUST

### Report of the Board of Trustees for the Year Ended 31 March 2022

#### 4. Promoting equality

##### ***Targeted interventions through the Early Years Programme***

###### *Universal book gifting and targeted resources*

In 2021-22 we distributed 204,914 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. 3,656 tactile books were provided to support families with additional support needs, and 3,760 families benefited from Gaelic translated versions of the Bookbug books. In total 671,398 books were distributed in 2021-22 as part of the Bookbug programme.

###### *Bookbug Sessions and Bookbug for the Home*

During 2021-22, practitioners delivered over 716 online Bookbug Sessions across Scotland, with 123,783 peak views. In addition, Scottish Book Trust delivered 49 sessions on the Bookbug Facebook page with 2,933 peak views. Sessions continue on a variety of platforms, including Facebook, YouTube and Zoom. The majority of local authorities were able to make a tentative return to delivering face-to-face Bookbug Sessions when restrictions permitted this but have 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 1,404 paired resource kits to families in most need.

###### *Bookbug app*

In 2021-22, 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 12,790 new downloads over the course of the year, our users engaged with the app in over 215,000 user sessions.

The app was developed to include new Scots and Gaelic content including Shetlandic songs, Clown Doctors videos from Hearts and Minds, a new book-sharing section, more children's music tracks from musician and composer Mick Cooke (formerly of Belle and Sebastian), and our second BSL video *Mac, Pip and the Bees*.

###### *Family Nurse Partnerships – Antenatal support for young parents*

In 2021-22, 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 c3,000 young parents-to-be.

'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.'

Evaluation with practitioners and their clients showed that the book-gifting project encouraged and supported expectant parents to read to their baby during pregnancy and built parental confidence. Bookbug Before Birth supported conversations and relationships between the clients and the Family Nurses and promoted early attachment for partners and other family members.

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### **Report of the Board of Trustees for the Year Ended 31 March 2022**

- 91% reported that expectant parents responded positively to the gifting of the book and leaflet
- 82% agreed that the project helped expectant parents to form secure attachments with their baby
- 81% said that the gift encouraged expectant parents to read aloud during pregnancy
- 80% said the gift helped expectant parents to understand more about early language development

#### *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 2021-22 we reached 84% of eligible children, gifting 24,852 books, and 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 2021-22, 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 Shetland and the Isle of Cumbrae – reaching 391 pupils. These residencies equipped teachers with skills to embed creativity in their schools and engage pupils with storytelling, reading and writing.

##### *Arts Alive*

In 2021-22 eight residencies were delivered in seven schools and one school network (which comprises 11 primary schools) across a wide range of locations and contexts. These residencies were particularly successful in reaching schools with high levels of multiple deprivation and above average numbers of pupils with additional support needs. A case study film has been produced featuring the Kenmore Primary/Scottish Chamber Orchestra residency. Evaluation reports provide evidence that the programme is succeeding in meeting its goals and very much valued by young people, schools and artists taking part.

#### ***Targeted interventions through the Reading Programme***

##### *Reading is Caring*

*Reading is Caring* specifically targets the needs and experiences of older people living with dementia and those who care for them. The programme seeks to support those in caring relationships to maintain the human, personal, equal aspects of those relationships, while living with the needs of the functional aspects of care. The aim is to grow the use of shared reading as a methodology to enable people living with dementia and their carers to maintain their personal relationships and support their own mental health.

In 2021-22, our work focussed in the Scottish Borders and we continue to have universally positive feedback from all those who go through the training and their stories demonstrate the profound impact of the approach. As we move into the third year of the programme, we are looking to refine the model, particularly around marketing and engagement, and seeking to explore the possibilities and most effective contexts for developing a train the trainer model.

## SCOTTISH BOOK TRUST

### Report of the Board of Trustees for the Year Ended 31 March 2022

#### *Book Week Scotland*

Throughout our aim was to ensure diverse voices and lived experience were represented throughout the programme and to ensure that our digital events were as fully accessible as we could make them. All panel events were signed & close captioned, and all films were close captioned. We also ensured, as always, that a range of Scotland's languages were represented in the programme.

In particular, the cohort of 10 Emerging programmers we worked with for BWS 2021, drawn from a range of communities and represented a diversity of lived experience, enabling us to support the development of literary programming skills and capacity within a broad range of our audiences.

## 5. Professional leadership and development

#### *National training programmes*

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

**Early Years:** Scottish Book Trust offers courses to professionals working across the early year's sector, from health, education and social work professionals, to libraries and third-sector partners.

In 2021-22, the majority of Early Years training continued online due to the pandemic; however, we were able to run our first in person Bookbug Session Leader training dates towards the end of the year as restrictions eased. We ran 138 training sessions and webinars with at least 1,777 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 2021-22, over 80,000 pupils in primary, secondary and ASN schools across Scotland, participated in events delivered by the charity's School Programme. Additionally every child in primaries 1-3 (195,000) received a Bookbug P1 Family Bag, P2 Read Write Count or P3 Read Write Count bag of books and learning materials. Furthermore, 20% of primary schools and 35% 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 7000 times since its relaunch.

More than fifty training events were delivered to over 2,500 participants, including teachers, librarians, parents/carers and other learning professionals. All training was delivered remotely via Zoom or Microsoft Teams due to Covid restrictions with a hybrid model being proposed for future training delivery.

**Writer Development:** 12 writers benefitted from the training and mentoring offered through the New Writers Awards. 15 writers participated in training offered through our Writing for Children Industry Lab, programmed in collaboration with the Scottish BPOC Writers Network. 14 additional writers also participated in training offered through our Industry Lab on running Digital Events.

## SCOTTISH BOOK TRUST

### Report of the Board of Trustees for the Year Ended 31 March 2022

**Reader Development/Adult Literacy:** During 2021, we maintained our partnership with OpenBook to enable participation in our Your Stories - Celebration 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, 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 monitor our budget and fundraising plan, taking into account the impact of coronavirus.
- 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.
- Reassessing our HR practices in the light of Covid-19 experience.

Key pieces of work for 2022-23 include:

- Applying a blended approach to our programme delivery, learning the lessons from COVID, meetings, CLPL and Bookbug training and webinars will be delivered both face to face and digitally to increase reach and accessibility.
- 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.
- Launching our "Back to Bookbug" training and marketing campaign to re-establish Bookbug Sessions in every local authority in Scotland, and support families with babies and young children to re-engage with Bookbug.
- Extending access to the Reading Schools programme to all schools in Scotland
- Continue to refine and develop our CRM while maximizing the usefulness of data insights.

## **SCOTTISH BOOK TRUST**

### **Report of the Board of Trustees for the Year Ended 31 March 2022**

- Continue to develop Arts Alive as a national initiative – identifying new opportunities and forming new relationships such as SCAN, Engage and the National Library of Scotland.
- Build on our work with foodbanks to reach new audiences with our support.

#### **Enablers**

In order to realise these aims Scottish Book Trust will:

- Improve user experience across the website and CRM by integrating more programme application processes and enhancing email communications.
- Deliver a rolling programme of training and support workshops for line managers to ensure they understand the purpose of the policies and have the skills and knowledge to implement them effectively
- Continue to drive forward the charity's digital and social media strategy, to support our organisational aim to continue to be a digital leader in our field and extend our digital reach to new audiences
- Invest in our IT infrastructure to support our staff in the new hybrid-working environment.

#### **Financial review**

Total year-end funds of £3.2m reflect increased funding within the year, partly offset against increased activity expenditure, after the prior year's Covid restrictions (2021: £2.9m).

Unrestricted income has increased this year due to an increase in unrestricted donations for our fundraising campaign and the in-kind donations of books from various publishers for our fundraising campaign. The Creative Scotland Regular Funding makes up the majority of the unrestricted income that pays for core staffing and operations, as well as for specific programmes. The £76k excess of unrestricted costs over income reflects increased unrestricted donations. We plan to continue to invest in our CRM & Website development and in our fundraising programme, as well as the launch of 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.

The £412k increase in restricted income reflects an increase in Early Years & Attainment Scottish Government funded programmes and the expansion of our Reading is Caring programme. The increased expenditure relates to these funding increases, in addition to increased activity due to Covid restrictions being eased. The carried forward restricted fund of £2.4m, 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 2021-22 were as follows:

Scottish Government	65%
Creative Scotland – Regular Funding	16%
Creative Scotland – Programme Funding	5%
Other grants	1%
Donations & Sponsorship	7%
Trusts & Foundations	4%
Earned income (Live Literature)	2%

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

# **SCOTTISH BOOK TRUST**

## **Report of the Board of Trustees for the Year Ended 31 March 2022**

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 6 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 2022-23, we need approximately £544,000 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 £581k. This is a surplus in our target free reserves of £37k which has been allocated to programme spend and future strategic developments in our 2022-23 budget.

### **Risk Management**

The Trustees have a risk management strategy that comprises:

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

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

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

These risks are being managed in the following ways:

#### **Direct Funding Risks:**

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

#### **Independence Risk:**

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

## **SCOTTISH BOOK TRUST**

### **Report of the Board of Trustees for the Year Ended 31 March 2022**

#### **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 31<sup>st</sup> March 2020 and since, were as follows:

Keir Bloomer (resigned 16<sup>th</sup> November 2021)  
Andy Marchant (appointed Chair 16<sup>th</sup> November 2021)  
Hilde Frydnes  
Laura van der Hoeven  
Morag Dunlop  
Udita Banerjee  
Pippa Johnston  
Sandy Richardson  
Sue Ellis (approved 16<sup>th</sup> November 2021, joined 29<sup>th</sup> March 2022)

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 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

## **SCOTTISH BOOK TRUST**

### **Report of the Board of Trustees for the Year Ended 31 March 2022**

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

#### **Trustees' responsibilities in relation to the financial statements**

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

Company law requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources for that period. In preparing the financial statements, the Trustees are required to:

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

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

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

#### **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 6th September 2022 and signed on their behalf by:

DocuSigned by:



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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 2022**

**Opinion**

We have audited the financial statements of Scottish Book Trust (the 'charitable company') for the year ended 31st March 2022 which comprise the Statement of Financial Activities (incorporating an income and expenditure account), 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 31<sup>st</sup> March 2022, 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 Report of Trustees incorporating the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of Trustees 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 Report of Trustees and from preparing a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 14, 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 of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

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

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

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

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

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

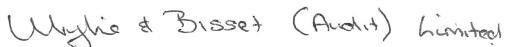
A further description of our responsibilities is available on the Financial Reporting Council's website at:<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.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

### **Use of our report**

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

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:

 Wylie & Bisset (Audit) Limited

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Claire Dalrymple FCCA (Senior Statutory Auditor)

Date: 6 September 2022

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 2022

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Unrestricted Funds 2021	Restricted Funds 2021	As Restated Total Funds 2021
<b>Income and endowments from:</b>		£	£	£	£	£	£
Donations and grants	5	1,622,151	0	1,622,151	1,107,213	0	1,107,213
Charitable activities	6	0	4,134,808	4,134,808	0	3,722,662	3,722,662
Investments – Bank Interest	7	(242)	0	(242)	2,695	0	2,695
Other	8	49,951	0	49,951	7,494	0	7,494
<b>Total Income</b>		<b>1,671,860</b>	<b>4,134,808</b>	<b>5,806,668</b>	<b>1,117,402</b>	<b>3,722,662</b>	<b>4,840,064</b>
<b>Expenditure on:</b>							
Raising funds	9	294,759	0	294,759	154,815	0	154,815
Charitable activities	11	1,406,392	3,781,541	5,187,933	856,198	3,313,527	4,169,725
<b>Total Expenditure</b>		<b>1,701,151</b>	<b>3,781,541</b>	<b>5,482,692</b>	<b>1,011,013</b>	<b>3,313,527</b>	<b>4,324,540</b>
<b>Net expenditure/(income)</b>		(29,291)	353,267	323,976	106,389	409,135	515,524
Transfers between funds		105,500	(105,500)	0	107,500	(107,500)	0
<b>Net movement in funds</b>	20	<b>76,209</b>	<b>247,767</b>	<b>323,976</b>	<b>213,889</b>	<b>301,635</b>	<b>515,524</b>
<b>Total funds brought forward</b>	20	734,719	2,185,582	2,920,301	520,830	1,883,947	2,404,777
<b>Total funds carried forward</b>	20	<b>810,928</b>	<b>2,433,349</b>	<b>3,244,277</b>	<b>734,719</b>	<b>2,185,582</b>	<b>2,920,301</b>

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 2022**

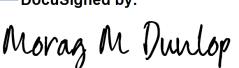
	Note	Total Funds 2022	Total Funds 2021
		£	£
<b>Fixed assets:</b>			
Tangible assets	15 (a)	11,869	2,065
Intangible assets	15 (b)	46,379	64,217
<b>Current assets:</b>			
Investments	16	300,000	100,000
Stocks	17	605,767	690,246
Debtors	18	951,581	122,505
Cash at bank and in hand	23	1,703,658	2,176,307
		<hr/>	<hr/>
Total Current Assets		3,561,006	3,089,058
<b>Current Liabilities:</b>			
Creditors falling due within one year	19	374,977	235,039
		<hr/>	<hr/>
Net Current Assets		3,186,029	2,854,019
		<hr/>	<hr/>
<b>Total Net Assets</b>		<b><u>3,244,277</u></b>	<b><u>2,920,301</u></b>
<b>The funds of the charity:</b>			
Restricted income funds	20	2,433,349	2,185,582
Unrestricted funds	20	810,928	734,719
<b>Total Charity Funds</b>		<b><u>3,244,277</u></b>	<b><u>2,920,301</u></b>

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 6<sup>th</sup> September 2022 and signed on their behalf by:

DocuSigned by:  
  
 95E2ED105A62494...

Name: Andy Marchant

DocuSigned by:  
  
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 Name: Morag Dunlop

**SCOTTISH BOOK TRUST****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDING 31 MARCH 2022**

	Note	Total Funds 2022 £	Total Funds 2021 £
<b><i>Cash flows from operating activities:</i></b>			
Net cash (used in) / provided by operating activities	22	(447,400)	439,199
<b><i>Cash flows from investing activities:</i></b>			
Interest received	7	(242)	2,695
Purchase of property, fixtures and equipment	15	(13,339)	-
Development of Intangibles	15 (b)	<u>(11,668)</u>	<u>(13,064)</u>
Net cash (used in) investing activities		(25,249)	(10,369)
Change in cash and cash equivalents in the year		<u>(472,649)</u>	<u>428,830</u>
Cash and cash equivalent brought forward		2,176,307	1,747,477
Change in cash and cash equivalents		<u>(472,649)</u>	<u>428,830</u>
<b>Cash and cash equivalents carried forward</b>	23	<b><u>1,703,658</u></b>	<b><u>2,176,307</u></b>

## SCOTTISH BOOK TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

#### 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 2022

#### 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 2022

#### 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 2022

#### 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 2022

#### 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 (2021: £nil). Expenses paid to the Trustees in the year totalled £0 (2021: £0). During the year Trustees waived their right to claim expenses of £0 (2021: £0). During the year no trustee had any personal interest in any contract or transaction entered into by the charity (2021: none). During the year there were Trustee donations received of £456 (2021: £378).

#### 5. Income from donations and grants

	2022 £	2021 £
Donations	145,274	127,414
In kind donations	616,946	120,008
General grants – Creative Scotland Regular Funding	<u>859,931</u>	<u>859,791</u>
	<u>1,622,151</u>	<u>1,107,213</u>

#### 6. Income from charitable activities

	2022 £	2021 £
Writing Communities & Live Literature Events	297,001	300,506
Schools Communities Programme	73,110	61,882
Reading Communities Programme	471,047	260,677
Early Years Programme	1,838,492	1,798,331
Attainment programme	<u>1,455,158</u>	<u>1,301,266</u>
	<u>4,134,808</u>	<u>3,722,662</u>

#### 7. Investment income

	2022 £	2021 £
Interest on all cash deposits held during the year	<u>(242)</u>	<u>2,695</u>

#### 8. Other income

	2022 £	2021 £
Other Income	<u>49,951</u>	<u>7,494</u>

#### 9. Cost of raising funds

	Direct Costs £	Support Costs £	Total 2022 £
Staff time, cost of events and marketing	67,187	227,572	294,759
	Direct Costs £	Support Costs £	Total 2021 £
Staff time, cost of events and marketing	57,774	97,041	154,815

## SCOTTISH BOOK TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

#### 9. Cost of raising funds (contd)

In kind donations expenditure £117,544 has been reclassified in the prior year (2020-21) to charitable activities expenditure (see Note 11) to better reflect the substance of the underlying transaction.

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

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

<b>Governance costs:</b>	<b>2022 £</b>	<b>2021 £</b>
Trustee expenses	0	0
Auditor's remuneration	5,146	4,978
Support costs (see above)	11,476	11,487
<b>Total</b>	<b>16,622</b>	<b>16,465</b>

#### Breakdown of governance and other support costs by activity

	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
<b>Total</b>	<b>1,029,349</b>	<b>16,622</b>	<b>1,045,971</b>

**SCOTTISH BOOK TRUST**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

**10. Allocation of governance and support costs (cont)**

	<b>Support Costs</b>	<b>Governance</b>	<b>2021 Total</b>
	£	£	£
Raising Funds	214,585	0	214,585
Writing Communities	98,228	2,120	100,348
Schools Communities	121,201	2,616	123,817
Reading Communities	137,044	2,958	140,002
Early Years Programme	247,551	5,343	252,894
Attainment Programmes	158,829	3,428	162,257
Total	<u>977,438</u>	<u>16,465</u>	<u>993,903</u>

## SCOTTISH BOOK TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

#### 11. Analysis of expenditure on charitable activities

	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
	<u>600,751</u>	<u>334,532</u>	<u>538,026</u>	<u>1,838,615</u>	<u>1,261,712</u>	<u>614,297</u>	<u>5,187,933</u>
	Writing Communities £	Schools Communities £	Reading Communities £	Early Years Programme £	Attainment Programmes £	Other £	2021 Total £
Staff costs	164,279	150,643	155,468	362,798	388,416	0	1,221,604
Direct programme costs	242,051	35,549	128,120	738,654	600,573	0	1,744,947
Office and administration costs	45	475	188	6,140	899	0	7,747
Travel & subsistence	2,179	720	240	-77	256	0	3,318
Irrecoverable VAT	1,247	690	7,491	90,050	98,606	0	198,084
Marketing & publicity	174	30	30	5	0	0	239
Other costs	3,053	1,739	23,693	16,086	52,353	0	96,924
In kind donations direct expenditure	0	0	0	0	0	117,544	117,544
Governance costs (note 10)	2,120	2,616	2,958	5,343	3,428	0	16,465
Support costs (note 10)	98,228	121,201	137,044	247,551	158,829	0	762,853
	<u>513,376</u>	<u>313,663</u>	<u>455,232</u>	<u>1,466,550</u>	<u>1,303,360</u>	<u>117,544</u>	<u>4,169,725</u>

## SCOTTISH BOOK TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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

	<b>2022</b> £	<b>2021</b> £
Salaries and wages	1,681,365	1,592,168
Social security costs	155,313	146,589
Employer contributions to defined contribution pension scheme	155,132	147,686
Total staff costs	1,991,810	1,886,443

The charity made £155,132 of contributions to the pension plan operated by Legal & General on behalf of the employees (2021: £147,686). 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:

	<b>2022</b> <b>No.</b>	<b>2021</b> <b>No.</b>
£80,000 - £89,999	1	1

#### Key Management Personnel

Total key management personnel remuneration was £305,885 (2021: £298,337).

	<b>2022</b> <b>No.</b>	<b>2021</b> <b>No.</b>
The average monthly number of persons, by headcount employed by the charity during the year was:	64	62

#### 13. Net income for the year

	<b>2022</b> £	<b>2021</b> £
This is stated after charging:		
Depreciation	3,535	517
Amortisation of intangible assets	29,506	26,589
Auditor's remuneration: Audit Fees	5,146	4,978

#### 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 £4,554,084 in the year (2021: £4,278,206)

**SCOTTISH BOOK TRUST****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022****15. Fixed Assets****(a) Tangible Fixed Assets**

	Tenant's Improvements	Computer Equipment	Other Office Equipment	Motor Vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
As at 1 April 2021	55,009	31,630	8,760	18,999	114,398
Additions	6,119	7,220	0	0	13,339
Disposals	0	0	0	0	0
As at 31 March 2022	<u>61,128</u>	<u>38,850</u>	<u>8,760</u>	<u>18,999</u>	<u>127,737</u>
<b>Depreciation</b>					
As at 1 April 2021	52,944	31,630	8,760	18,999	112,333
Charge per year	1,128	2,407	0	0	3,535
Eliminated on disposals	0	0	0	0	0
As at 31 March 2022	<u>54,072</u>	<u>34,037</u>	<u>8,760</u>	<u>18,999</u>	<u>115,868</u>
<b>Net book value</b>					
At 31 March 2021	2,065	0	1	0	2,065
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	£
<b>Cost or valuation</b>		
At 1 April 2021	106,354	
Additions	11,668	
Disposals	0	
At 31 March 2022	<u>118,022</u>	
<b>Amortisation</b>		
At 1 April 2021	42,137	
Charge for the year	29,506	
Eliminated on disposals	-	
At 31 March 2022	<u>71,643</u>	
<b>Net book value</b>		
At 31 March 2021	<u>64,217</u>	
At 31 March 2022	<u>46,379</u>	

## SCOTTISH BOOK TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

#### 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

	2022 £	2021 £
Books and other resources	<u>605,767</u>	<u>690,246</u>

#### 18. Debtors

	2022 £	2021 £
Trade debtors	52,609	6,522
Other debtors	1,008	0
Prepayments and accrued income	<u>897,964</u>	<u>115,983</u>
	<u>951,581</u>	<u>122,505</u>

#### 19. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	147,013	79,543
Other creditors and accruals	104,170	67,814
Taxation and social security costs	<u>123,794</u>	<u>87,682</u>
	<u>374,977</u>	<u>235,039</u>

#### Deferred Income

	£
Included in other creditors and accruals	
As at 1 <sup>st</sup> April 2021	52,700
Amount released to income earned from charitable activities	(52,700)
Amount deferred in year	<u>55,000</u>
As at 31 <sup>st</sup> March 2022	<u>55,000</u>

Deferred income comprises Trusts & Foundations income of £55,000 (2021: £52,700).

## SCOTTISH BOOK TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

#### 20. Analysis of charitable funds

**Year ended 31<sup>st</sup> March 2022**

Analysis of Fund movements	Balance b/fwd £	Income £	Expenditure £	Transfers £	Fund c/fwd £
<b>Unrestricted Funds</b>					
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
<b>Total Unrestricted Funds</b>	<b>734,719</b>	<b>1,671,860</b>	<b>(1,701,151)</b>	<b>105,500</b>	<b>810,928</b>
<b>Restricted Funds</b>					
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
<b>Total Restricted Funds</b>	<b>2,185,582</b>	<b>4,134,808</b>	<b>(3,781,541)</b>	<b>(105,500)</b>	<b>2,433,349</b>
<b>TOTAL FUNDS</b>	<b>2,920,301</b>	<b>5,806,668</b>	<b>(5,482,692)</b>	<b>0</b>	<b>3,244,277</b>

**Year ended 31<sup>st</sup> March 2021**

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

## SCOTTISH BOOK TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

#### 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. We plan to launch this activity 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 2021-22 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 2022

#### 21. Net assets over funds

##### Year to 31<sup>st</sup> 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>

##### Year to 31<sup>st</sup> March 2021

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

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

	2022 £	2021 £
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	323,976	515,524
Adjustments for:		
Depreciation charges	3,535	517
Amortisation of intangible fixed assets	29,506	26,589
Interest received	242	(2,695)
Decrease/ (increase) in stocks	84,479	(81,423)
(Increase)/ decrease in investments	(200,000)	0
(Increase)/ decrease in debtors	(829,076)	44,962
Decrease/ (increase) in Creditors	<u>139,938</u>	<u>(64,275)</u>
Net cash (used in)/provided by operating activities	<u>(447,400)</u>	<u>439,199</u>

## **SCOTTISH BOOK TRUST**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **23. Analysis of cash and cash equivalents**

	<b>2022</b> £	<b>2021</b> £
Total cash and cash equivalents	<u>1,703,658</u>	<u>2,176,307</u>

#### **24. Commitments under operating leases**

At 31 March 2022 the charity had future lease commitments under non-cancellable operating leases as follows:

	<b>2022</b> £	<b>2021</b> £
Less than one year	55,000	55,000
Between two and five years	<u>13,750</u>	<u>123,750</u>

#### **25. Contractual Commitments**

As at 31 March 2022, the charity had contractual commitments in respect of website software development of £6,600 (2021: £6,600)