

COMPANY NO: SC317586

CHARITY NO: SC009404

PUBLISHING SCOTLAND
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

PUBLISHING SCOTLAND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	PAGE
Reference and Administrative information	1
Report of the Trustees	2-13
Independent Auditor's Report	14-17
Consolidated Statement of Financial Activities	18
Charity Statement of Financial Activities	19
Balance Sheet	20
Cashflow Statement	21
Notes to the Financial Statements	22-35

PUBLISHING SCOTLAND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE INFORMATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Simon Brown
Marion Sinclair
Davinder Bedi
James Crawford (resigned 19/11/2020)
Kathleen Gibb
Chani McBain
Fiona McParland
Ann Crawford
Laura Florence Jones
Samuel McDowell
Miriam Rune
John Macpherson (appointed 19/11/2020)

Secretary and Chief Executive

Marion Sinclair

Registered Office:

Scott House
10 South St Andrew Street
Edinburgh
EH2 2AZ

Auditors:

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

Bankers:

Bank of Scotland
38 St Andrews Square
Edinburgh
EH2 2YR

Solicitors:

Anderson Strathern
1 Rutland Court
Edinburgh
EH3 8EY

PUBLISHING SCOTLAND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Report of the Directors for the year ended 31 March 2021

The directors are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2021. The legal and administrative information on page 1 forms part of the report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Publishing Scotland (*Foillseachadh Alba* in Scottish Gaelic) is a Scottish incorporated charity (incorporated on 1 March 2007) and membership body governed by its Memorandum and Articles of Association.

The purposes of the charity as set out in the Memorandum and Articles of Association are:

- the advancement of education and the advancement of the arts, heritage and culture.

The company intends to achieve these aims by promoting, maintaining, improving and advancing public education and knowledge and by stimulating and educating the public interest in Literary Culture, Creative Writing and Reading for the benefit of the community by fostering the growth of publishing in all formats in Scotland.

In particular the charity is formed to:

- (a) organise, manage and promote and produce such lectures, exhibitions, seminars and training events of all kinds as are conducive to the promotion, maintenance, improvement and advancement of education, and to the encouragement of interest in Literary Culture, Creative Writing and Reading.
- (b) Educate the public in an informed critical appreciation of Literary Culture, Creative Writing and Reading and for that purpose, make available to the public literature and criticism thereof and afford opportunities for the expression and exchange of views on matters of the Literary Culture, Creative Writing and Reading and for that purpose promote the publication, distribution and selling of books, periodicals, magazines, pamphlets, posters, sound and visual recordings, films and communications in any form.
- (c) Develop and maintain an open access website to give information on all aspects of literary culture and publishing
- (d) Act as a consultative body for Scottish publishers (i.e. publishers based in Scotland or publishers of predominantly Scottish material in all formats and provide services to encourage the development of Scottish publishing in all formats
- (e) Act as representation of Scottish publishers in providing consultation channels with government agencies.

PUBLISHING SCOTLAND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Report of the Directors for the year ended 31 March 2021

The main activities undertaken in relation to the purposes are:

- Training and events
- Book fair and exhibition representation
- Trade promotion
- Marketing
- Funding
- International promotion

Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees who served during the year and since the year-end were as follows:

Simon Brown

Marion Sinclair

Davinder Bedi

James Crawford (resigned 19 November 2020)

Ann Crawford

Kate Gibb

Chani McBain

Fiona McParland

Miriam Rune

Laura Jones

Samuel McDowell

John Macpherson (appointed 19 November 2020)

Trustees serve for an initial three-year period and are then eligible to serve for three additional years, following successful re-election.

PUBLISHING SCOTLAND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Report of the Directors for the year ended 31 March 2021

Publisher membership is open to all Scottish book and print-based, online electronic (including digital) publishers (i.e., publishers based in Scotland or publishers of predominantly Scottish material), as defined in membership information; content providers, packagers and organisations or institutions who produce or trade in books, and in intellectual property, including libraries, museums and galleries who publish in any format.

Network membership is open to non-publishing libraries, museums, galleries, heritage organisations, writers' organisations and other organisations, literary agents, companies and individuals working in the literary and artistic sectors in Scotland.

The Board of Trustees are elected by the members of Publishing Scotland at the Annual General Meeting. The Board has the power to co-opt members to the Board, as may be required, to fill any existing vacancies if the Trustees decide that they need specific skills and abilities on the board. In total there are places for 12 trustees if required. There are 5 publisher member places on the board which are directly elected by the membership using an open ballot method. There are 2 network member places on the board which are directly elected by the members using the same method.

There is an induction pack for all new trustees and customised training is offered on the roles and responsibilities of a board member.

The chair of the charity is appointed by the board of Trustees and serves for a period of four years from their initial appointment as chair. The chair leads the staff and remuneration sub-committee and sets the pay and remuneration of key personnel, benchmarked against similar organisations in the literary/charitable organisation field.

The Chief Executive and, from June 2021, the Chair also serve on the board of the subsidiary company, Booksource Ltd.

Organisational structure

The charity's objectives and overall policies are set by the board of Trustees. Strategies are put in place by working groups of staff and members or staff and the chief executive. The day-to-day management of the charity is delegated to the chief executive.

The charity's operations are controlled from, and its records and accounts maintained in its office at 10 South St. Andrew St, Edinburgh. The trustees delegate day-to-day running of the charity to the team based there, comprising the Chief Executive, a Member Services Manager, a Training and Information Manager, a Marketing and Events Manager, Finance Officer and Programme Support Officer.

The trustees hold quarterly meetings to consider all aspects of the charity's activities, and to monitor progress on the charity's strategic and operational plans.

PUBLISHING SCOTLAND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Report of the Directors for the year ended 31 March 2021

Communications with members and other interested parties are conducted through means including tailored mailing, e-mail, the annual report, the charity's websites and events such as the annual conference, trade meetings, networking events, social occasions etc. Feedback from members is solicited on the website and in the annual report.

There is a significant amount of collaboration with other bodies operating in the same sector, including the organisations also funded by the main funding body, Creative Scotland, and with other public sector agencies such as Highlands and Islands Enterprise, the library sector, and schools.

Measurement and accountability to funders

2020/21 was the third year in a three-year funding cycle established by the principal funder, Creative Scotland. The charity is a 'Regularly Funded Organisation' (RFO) within Creative Scotland's funding portfolio and, as such, is subject to continuous monitoring of its activities and finances throughout the year and, specifically, measured against an agreed set of targets and milestones submitted at the start of each financial year by the charity and ratified by a Lead Officer within the funding body.

The measures include number and quality of events, employment policies, use of restricted funds, financial performance, board structure, equality, gender, diversity and inclusion monitoring, carbon outputs, and others. These measures are used by the board and trustees to provide evidence of the achievements in the year.

Factors outside the charity's control include the budget setting from the main funding body, Creative Scotland, which can be varied with the three-year funding period and which is in turn dependent on funding from central government.

OBJECTIVES AND ACTIVITIES

Vision for Publishing Scotland

- To be the lead body for the publishing sector in Scotland by supporting an environment that allows publishers, writers and content producers to innovate; and to play a part in fostering excellence in the production and delivery of creative content in the 21st century.
- To provide a key resource for the literature sector in Scotland, in supporting publication as the primary means by which writers reach a readership and earn from their creative output.
- To maintain a role within the Creative Industries to support talent and help in developing the best use of intellectual property.

PUBLISHING SCOTLAND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Report of the Directors for the year ended 31 March 2021

Aims

- To develop and promote the work of the publishing sector to a national and international audience and to be a co-ordinator and catalyst for the exploration of new formats and technology change.
- To develop a comprehensive network of publishers, content creators and service providers to allow access to key markets, information and opportunities.
- To gather information, to survey, and to research the needs of the sector in co-operation with economic, educational and public agencies and to assist in supporting and disseminating information on copyright, and intellectual property law, the essential legal framework for publishing.
- To act as the voice of the sector.

The issues we are aiming to tackle are:

- The stimulation of demand for books and publications
- The wider dissemination and reach of books and publications
- The need for the publishing sector to access quality, cost-effective support and training

By supporting Scottish-based publishers with the above, we seek to make a difference to the level, quality, professionalism, availability, and access to a wide range of literary and other publications. The strategies adopted for achieving these aims are as follows -

Objectives 2020/21

1. To provide funding, subsidy and support to companies to assist them in their publishing practice;
2. To run and manage a series of online events aimed at promoting the work of Scottish-based publishers to a wider public;
3. To run an annual training programme of training courses – including bespoke training - aimed at introducing new and updating key publishing skills.
4. A programme of events and seminars to update the membership on key publishing issues, on Covid mitigation funds etc.
5. The provision of a dedicated book distribution service, Booksource, aimed at small to medium-size publishers – distributing for over 100 publishers.
6. The provision of an online resource and information website, BooksfromScotland.com, on all Scottish-interest titles.
7. The provision of information services including a website for members and general enquiries from the public.

PUBLISHING SCOTLAND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Report of the Directors for the year ended 31 March 2021

8. To run a Translation Fund to part-fund the translation of Scottish books into other languages.
9. To manage a joint international book promotion service in conjunction with the Edinburgh International Book Festival, called Scottish Books International.

ACHIEVEMENTS AND PERFORMANCE

The activities undertaken in the year relate to and contribute to both short and medium-term and long-term aims and objectives. There are three main strategic objectives –

- To create internationalisation opportunities for the publishing community – largely et aside due to the pandemic, so therefore refocused on the UK market
- To help start-up companies with targeted assistance
- To take on a more active role in the promotion of Scottish books

We are pleased to report that Creative Scotland, the main funding body, approved plans and budgets for the organisation for 2018-21 as part of the Regular Funding Scheme giving an uplift in funding for the three years. It was further announced that funding for the year 2021-22 was granted as a notional ‘fourth year’ of RFO funding, due to strategic reviews at the funding body, Creative Scotland, and in June 2021, a further ‘fifth year’ of RFO funding to end 31 March 2023.

1. The main work is supporting publishers with funding, advice, information, coaching, training, opportunities, and marketing.
2. 24 international publishers were awarded funds from the Translation Fund to help with the publication of Scottish books into languages other than English.
3. The training programme consisted of 22 courses during the year, with just under 200 delegates.
4. 11 publishers were supported through a sales support coaching course.
5. Over 1 million books to UK and overseas customers were invoiced through Booksource.
6. Our programme of 10 Open Book trade-facing events and seminars for the industry and 10 events promoting writers and publishing for the public during the year attracted over 700 attendees.
7. 27 writers were promoted at our public-facing events during the year and paid for their work.
8. Three websites and social media presences were boosted to market books, enhance discoverability and inform members – the main Publishing Scotland site, BooksfromScotland.com, and Scottish Books International. Member communications increased to weekly bulletins.
9. Pitching sessions were set up with festivals, the BBC, independent production companies to enable publishers to promote their titles across other media.

PUBLISHING SCOTLAND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Report of the Directors for the year ended 31 March 2021

The impact of the Covid pandemic

The COVID-19 pandemic and the reaction to it has caused numerous operational issues for the charity and its members, including:

- The closure of shops, schools, tourism outlets and supply chains during lockdown, leading to a sharp drop in revenue and loss of visibility for new title publications;
- Subsequent difficulties with cash flow and pressure on future publishing plans;
- An increase in demand for charitable services as the publishing and literature sectors begin to suffer from loss of access to their audience; to loss of income from sales and events; and pressure on forward acquisitions, on the one hand, and on the other, a drop in demand for other services;
- The very real impact on the trading subsidiary, Booksource Ltd, the key book distribution partner for many small and independent publishers in Scotland and the rest of the UK, as it derives its income from publishers' sales – and the sharp drop in those sales risked instability;
- An overall loss of audience and beneficiaries from the cultural and educational programmes carried out by our membership.
- The closing down of international activity and travel leading to a loss of profile and promotional activity, and the subsequent freezing of the Scottish Books International author travel fund.

Impact on achievements and future plans

The impact on our main achievements in the year 2020/21 focused mainly on the cancellation of the major bookfairs we normally attend during the course of a year. Book fairs represent a major opportunity for publishers to meet face-to-face and exchange rights, deals, and intellectual property as well as the chance to extend their audience reach internationally. Publishing Scotland has been present at national and international book fairs with subsidised exhibition space for members during each year of its existence, and the cancellation of these particular major fairs has had financial and operational ramifications.

The impact on future plans is also serious as the charity is primarily an events, networking, and activity organisation and it has had to change that activity and sector support to digital delivery. For our sector, which is largely not venues or performance-based, that switch to digital - in terms of training opportunities and marketing – has been made with relative rapidity but it will continue to impact upon the effectiveness of the charity's activities over time. The Annual Conference normally held in Spring was cancelled as an in-person event and smaller online opportunities were created.

PUBLISHING SCOTLAND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Report of the Directors for the year ended 31 March 2021

The likely impact of the virus control measures and potential duration of the control measures on the future aims and activities of the charity are uncertain at the time of writing and will be under constant review as well as considered at each board meeting. At present, most publishing can be done by home working, provided printers and distributors remain open, and members report that their employees have adjusted their processes but the likelihood of earning enough revenue from that activity if many sales channels remain closed is low. Digital sales are up, in contrast to physical sales of printed titles.

Governance and controls

The impact upon governance has been largely absorbed through conducting board meetings via platforms such as Zoom and Microsoft Teams. The process of standard internal checks and balances, and internal audit of processes, was adapted to online activity. Attendance at board meetings has not dropped off and the structure of the board meetings has been maintained. The charity applied to the funding body, Creative Scotland, to change the purpose of designated and undesignated budget items and activities in order to support operations at its subsidiary, Booksource. (Regularly funded organisations such as Publishing Scotland were encouraged to repurpose existing funds as opposed to seeking further financial help from funders.)

The funds that were repurposed included the International Fellowship, the Sales Support post, and the London event budget item. The sums set aside were used to pay rental costs for a quarter for the Booksource warehouse, of which Publishing Scotland is a tenant.

Principal risk and uncertainties

The principal risks and uncertainties are managed through the Audit and Risk committee and at board meetings, as well as at the board meetings of the trading subsidiary, Booksource. The principal risk to the charity is that Booksource will suffer an extended drop in income through reduced sales of publishers' titles and that the business could potentially fail, leaving the rent of the warehouse premises in the hands of the charity, which is the tenant of the property. Booksource applied for, and received, funding under the Scottish Government Pivotal Enterprise Resilience Funding (PERF) scheme, and applied for a CBILS loan, as well as taking advantage of the UK-wide furlough scheme for some of its employees, negating the impact of the loss of revenue.

Another principal risk is to the potential loss of funding due to pressure on public funds. At present the charity has funding through Creative Scotland up to the end of March 2023, but in practice, public finances are strained by the pandemic and the need to have an emergency response for a wide range of sectors has left both the UK and Scottish government with reduced capacity for the future.

A third risk comes in the sector itself and the potential for business failure which could impact upon the effectiveness of the charity to fulfil its cultural and educational aims, by not reaching audiences. This risk is being monitored by way of member surveys, a close eye kept on business failures, and a continuous liaison with civil servants, the funding body, Creative Scotland, and the Enterprise companies.

PUBLISHING SCOTLAND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Report of the Directors for the year ended 31 March 2021

Post balance sheet events

There are no post balance sheet events.

Funding policies

The charity operates four distinct funds – the Go See Fund for bookfairs, the Go Digital Fund, the Translation Fund for international publishers to subsidise translation costs for Scottish titles, and the Authors International Travel Fund, the latter run through the Scottish Books International Service – not all of which operate in each year. Applications in all four funds are assessed using a panel drawn from the charity, the funding body, and external assessors. Awards are made in each case according to differing criteria focusing on the quality of publications and/or financial need.

Overall, the difference the charity aims to make is to increase the capacity of publishers to better serve the publishing and writing community through wider dissemination of books and other literary formats, through increased opportunities to serve communities of interest – whether it is the general reading public, students, school pupils, literacy and language organisations, libraries, and others.

FINANCIAL REVIEW

The Group accounts show net incoming resources after minority interests of £72,736 (2020: £48,333) and accumulated reserves of £545,383 (2020: £472,647) excluding minority interests. The Group has designated £70,500 of funds for expenditure on trading company development, with general funds of £471,514 (2020: £399,278). There are £3,369 of restricted funds (2020: £2,869).

There were no significant events during the year that might have affected the performance of the charity except the Covid-19 pandemic which was mentioned above.

Principal funding sources

The principal funders of the charity are Creative Scotland, providing core and project specific grants. In addition, income is generated from membership subscriptions and services provided to members and other organisations.

PUBLISHING SCOTLAND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Report of the Directors for the year ended 31 March 2021

Review of Reserves

The amount of total funds the charity holds at the year-end is £335,130 (2020: £261,593), of which £70,500 is designated and £3,369 restricted funds. The remaining £261,261 (2020: £192,140) is unrestricted.

Reserves are held and managed by the Trustees at a level deemed appropriate by them to enable the charity to maintain and develop its activities. The amount at 31 March 2021 was deemed to be appropriate by the trustees and the main funding body, Creative Scotland, as the amount required for 6 months' running costs, to be reviewed annually. Designated funds are set aside where the funding is required for a unique project, which may run across a number of financial years, and where the expenditure on the project has not been incurred within the expected financial year.

Risks and uncertainty

The trustees have considered the major risks to which the charity is exposed and are satisfied that procedures are in place to mitigate those risks.

The trustees have identified that the main risks to the charity are: that the COVID-19 pandemic outbreak causes a severe loss of capacity in the sector with the risk of loss of funding from Creative Scotland; a major downturn in the finances of the charity subsidiary company, Booksource, and subsequent consequences in the meeting of its liabilities, the risk of a significant reduction in membership and participation; and major changes to the trading climate which would affect the entire ecology of the literary and books sector.

In order to manage these risks, Publishing Scotland was incorporated on 1 March 2007 with the assets and liabilities of its predecessor, Scottish Publishers Association, transferred to the company on 1 April 2007. The charitable company was set up with a powerful co-operative framework that can work with companies, organisations and creative talent, so that the charity has more of a development role central to Scotland's publishing infrastructure.

The Board of Booksource has put in place a series of measures to mitigate the effects of a potential future downturn, including obtaining funding from the Scottish Government's Pivotal Enterprise Resilience Fund and a CBILS loan from COVID relief measures, and a consideration of its obligations as a tenant of warehouse premises.

Investment policy

The charity will invest in a development within the sector where a need is identified, and the need cannot be met by a commercial company.

The charity holds a majority investment in Scottish Book Source Limited (Booksource), a distribution company. The investment is intended to provide a service for the sector, to allow small publishers to distribute their books effectively and to provide a financial return to the charity when appropriate.

PUBLISHING SCOTLAND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Report of the Directors for the year ended 31 March 2021

Plans for future periods

2020/21 was the third year in a three-year funding period. Programmes and budgets were submitted and approved by the funding body for the year 2018/2021 which the charity will follow, barring any circumstances outside their control. The wider strategic aims of internationalisation, targeted assistance to start-ups, and increased promotional activity, will be pursued and acted upon.

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial 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, including the income and expenditure, of the charitable company for that period. In preparing these 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 judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

PUBLISHING SCOTLAND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Report of the Directors for the year ended 31 March 2021

- 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.

Auditors

A resolution will be proposed at the Annual General Meeting that Wylie & Bisset (Audit) Limited be reappointed as auditors to the charity for the ensuing year.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS102).

Approved by the Directors and signed on their behalf by:



Name: Marion Sinclair

Date: 25 November 2021

PUBLISHING SCOTLAND

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUBLISHING SCOTLAND FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Publishing Scotland (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Group and Parent Charitable Company's Statement of Financial Activities, the Group and Parent Charitable Company's Balance Sheets, the Group and Parent Charitable Company's Cash Flow statements and the related notes to the financial statements, including 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 group's and the parent charitable company's affairs as at 31 March 2021, and of the group's and the parent charitable company's incoming resources and application of resources including their 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 regulations 6 and 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 group and parent 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.

Emphasis of matter - The impact of Government funding uncertainties on our audit

As at the date of the approval of these financial statements, the charity awaits the outcome of the 2022-23 allocation of funding from Creative Scotland. Creative Scotland has indicated funding will continue to be provided for 2022-23 subject to available budget from Scottish Government. In accordance with accounting policy 1a) there are no indications monies will not continue to be provided at this time. This is a macro economic uncertainty beyond the control of Publishing Scotland's direct funding provider. Our audit opinion is not modified in respect of this matter.

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 group's or parent 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF PUBLISHING SCOTLAND FOR THE YEAR ENDED 31 MARCH 2021

Other information

The other information comprises the information included in the 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 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' which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report included within the Report of the Trustees 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the parent 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 groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable,

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF PUBLISHING SCOTLAND FOR THE YEAR ENDED 31 MARCH 2021

matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

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

- The nature of the group and parent charity, the environment in which they operate 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 group 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, and the subsidiary's, operations;
- Coronavirus Job Retention Scheme legislation; and
- UK tax legislation

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the 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 of the group were related to;

- Posting inappropriate journal entries; and
- Management bias in accounting estimates.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF PUBLISHING SCOTLAND FOR THE YEAR ENDED 31 MARCH 2021

Audit response to the risks identified

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

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC;
- Reviewing claims for Coronavirus Job Retention Scheme;
- 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.

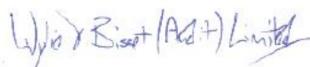
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.



Scott Gillon BA (Hons) FCCA, CA
(Senior statutory auditor)
For and on behalf of Wylie & Bisset (Audit) Ltd, Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

Date: 25 November 2021

PUBLISHING SCOTLAND
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2021

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income and endowments from:							
Donations and legacies	4	29,663	-	29,663	50,688	-	50,688
Charitable activities	5	363,680	36,000	399,680	358,830	33,225	392,055
Other trading activities	6	1,268,297	-	1,268,297	1,463,822	-	1,463,822
Investments	7	1,834	-	1,834	652	-	652
Other incoming resources	8	128,618	-	128,618	-	-	-
Total Income		1,792,092	36,000	1,828,092	1,873,992	33,225	1,907,217
Expenditure on:							
Raising funds							
Other trading activities	10	1,398,839	-	1,398,839	1,440,919	-	1,440,919
Charitable activities	11	320,980	35,500	356,480	384,332	30,356	414,688
Total Expenditure		1,719,819	35,500	1,755,319	1,825,251	30,356	1,855,607
Net income		72,273	500	72,773	48,741	2,869	51,610
Transfers between funds	23	-	-	-	-	-	-
Other recognised (losses)							
Minority Interest		(37)	-	(37)	(3,277)	-	(3,277)
Net movement in funds	23	72,236	500	72,736	45,464	2,869	48,333
Funds reconciliation							
Total Funds brought forward	23	469,778	2,869	472,647	424,314	-	424,314
Total Funds carried forward	23	542,014	3,369	545,383	469,778	2,869	472,647

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

All income and expenditure derives from continuing activities.

PUBLISHING SCOTLAND
CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2021
(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income and endowments from:							
Donations and legacies	4	29,663	-	29,663	50,688	-	50,688
Charitable activities	5	363,680	36,000	399,680	358,830	33,225	392,055
Investments	7	674	-	674	33	-	33
Total Income		394,017	36,000	430,017	409,551	33,225	442,776
Expenditure on:							
Charitable activities	10	320,980	35,500	356,480	384,332	30,356	414,688
Total Expenditure		320,980	35,500	356,480	384,332	30,356	414,688
Net income/(expenditure)		73,037	500	73,537	25,219	2,869	28,088
Transfers between funds	23	-	-	-	-	-	-
Net movement in funds	23	73,037	500	73,537	25,219	2,869	28,088
Funds reconciliation							
Total Funds brought forward	23	258,724	2,869	261,593	233,505		233,505
Total Funds carried forward	23	331,761	3,369	335,130	258,724	2,869	261,593

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

All income and expenditure derives from continuing activities.

PUBLISHING SCOTLAND

BALANCE SHEET AS AT 31 MARCH 2021

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed assets:					
Tangible assets	16/17	58,302	74,256	1,316	1,657
Investments	18	-	-	70,500	70,500
Total Fixed Assets		<u>58,302</u>	<u>74,256</u>	<u>71,816</u>	<u>72,157</u>
Current assets:					
Debtors	19	344,435	323,591	80,857	93,415
Cash at bank and in hand	28	889,580	441,567	228,719	156,936
Total Current Assets		<u>1,234,015</u>	<u>765,158</u>	<u>309,576</u>	<u>250,351</u>
Liabilities:					
Creditors falling due within one year	20	(590,654)	(299,444)	(46,262)	(60,915)
Net Current assets		<u>643,361</u>	<u>465,714</u>	<u>263,314</u>	<u>189,436</u>
Total Assets less Current liabilities		701,663	539,970	335,130	261,593
Creditors: Amounts falling due after more than one year	21	(111,071)	(20,108)	-	-
Provisions for liabilities					
Deferred Tax		(2,807)	(4,848)	-	-
Net assets		<u>587,785</u>	<u>515,014</u>	<u>335,130</u>	<u>261,593</u>
The funds of the charity:					
Unrestricted funds					
Designated funds	23/24	70,500	70,500	70,500	70,500
General Funds	23/24	471,514	399,278	261,261	188,224
Restricted Funds	23/24	3,369	2,869	3,369	2,869
Total Funds		<u>545,383</u>	<u>472,647</u>	<u>335,130</u>	<u>261,593</u>
Minority interest	29	42,402	42,367	-	-
Total charity funds		<u>587,785</u>	<u>515,014</u>	<u>335,130</u>	<u>261,593</u>


The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustee Investment (Scotland) Act 2005. 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.

The financial statements were approved by the Board on 25 November 2021 and signed on its behalf by

..........

Marion Sinclair

Trustee

..........

Davinder Bedi

Trustee

Company No: SC317586

**PUBLISHING SCOTLAND
STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDING 31 MARCH 2021**

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<i>Cash flows from operating activities:</i>					
Cash provided by operating activities	27	448,849	35,935	72,225	10,816
Net Cash provided by operating activities		<u>448,849</u>	<u>35,953</u>	<u>72,225</u>	<u>10,816</u>
<i>Cash flows from investing activities:</i>					
Interest received		1,834	652	674	33
Purchase of property, plant and equipment		(2,670)	(14,441)	(1,116)	(1,694)
Net cash (used in) investing activities		<u>(836)</u>	<u>(13,789)</u>	<u>(442)</u>	<u>(1,661)</u>
Change in cash and cash equivalents in the year		448,013	22,146	71,783	9,155
Cash and cash equivalent brought forward	28	441,567	419,421	156,936	147,781
Cash and cash equivalents carried forward	28	<u><u>889,580</u></u>	<u><u>441,567</u></u>	<u><u>228,719</u></u>	<u><u>156,936</u></u>

PUBLISHING SCOTLAND

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

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

These financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements consolidate the results of the charity's part owned subsidiary, Scottish Book Source Ltd, on a line by line basis.

The charity 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. Despite the macro economic uncertainties associated with there being no absolute guarantee of receipt of funding from Creative Scotland due to the Scottish Government funding allocation not having been confirmed, the Trustees believe the risk of non receipt is remote and Creative Scotland have given assurances over funding provision provided made available by Scottish Government.

(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 or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 23 and 24.

(c) Income recognition

Income from commercial trading activities represents the total invoice value, excluding VAT, of sales made during the period.

Income from investments is included in the year in which it is receivable.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

PUBLISHING SCOTLAND

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies (continued)

(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.

Expenditure is recognised on an accruals basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The Trustees are of the opinion that the objectives of the charity fall into one main activity, namely the promotion of publishing in Scotland. Accordingly, no split of expenditure by activity has been given in the notes to the accounts.

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

(e) Tangible fixed assets and depreciation

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of assets less than £300, individually or grouped, are not capitalised.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Tenants improvements	-	Straight line over the life of the lease
Plant, fixtures, fittings and equipment	-	25% straight line
Computer equipment	-	33% straight line
Website	-	20% straight line

A full year of depreciation will be charged in the year of purchase and none in the year of disposal.

(f) Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term or their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities so as to produce a constant periodic rate of charge on the net obligations in each period.

PUBLISHING SCOTLAND

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies (continued)

(g) Investments

Fixed asset investments are stated at cost.

(h) 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.

(i) 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.

(j) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(k) Pensions

The pension costs charged to the statement of financial activities represent the amount of employer's contributions payable to the scheme in respect of the accounting period.

(l) 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 when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Critical accounting estimates and judgements

In the application of the charity'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 not 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 where revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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.

PUBLISHING SCOTLAND

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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

3. Related party transactions and trustees' expenses and remuneration

The Board consists of representatives from publishing companies and organisations in Scotland that publish books for resale who are members of Publishing Scotland. Transactions with these members are on normal commercial terms and trustees cannot use their position to the advantage of the company or organisation they represent.

The following transactions took place with trustee companies:

Awards to Brownlee Donald Associates of which Fiona Brownlee is a director amounted to £Nil (2020: £83). Awards to Anderson Strathern of which Simon Brown is a director amounted to £Nil (2020: £450). James Crawford claimed expenses of £Nil (2020: £266) and Marion Sinclair claimed expenses of £Nil (2020: £120).

4. Income from donations and legacies

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Membership subscriptions	29,663	50,688	29,663	50,688
	<u>29,663</u>	<u>50,688</u>	<u>29,663</u>	<u>50,688</u>

5. Income from charitable activities

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Advancement of the arts, heritage and culture	388,090	392,055	388,090	392,055
Advancement of Education	11,590	-	11,590	-
	<u>399,680</u>	<u>392,055</u>	<u>399,680</u>	<u>392,055</u>

6. Income from other trading activities

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Commercial trading operations	1,268,297	1,463,822	-	-
	<u>1,268,297</u>	<u>1,463,822</u>	<u>-</u>	<u>-</u>

7. Investment income

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Interest on cash deposits	1,834	652	674	33
	<u>1,834</u>	<u>652</u>	<u>674</u>	<u>33</u>

PUBLISHING SCOTLAND**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****8. Other incoming resources**

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Coronavirus Job Retention Scheme	108,618	-	-	-
PERF Grant	20,000	-	-	-
	<u>128,618</u>	<u>-</u>	<u>-</u>	<u>-</u>

9. Government grants

	2021	2020
	£	£
Scottish Government grants – core	293,500	304,000
Translation Fund	36,000	33,225
	<u>329,500</u>	<u>337,225</u>

Core funding is received from Creative Scotland to be spent towards the general running costs of the charity.

Translation fund income is received from Creative Scotland and is restricted to the costs of running a literature translation programme.

10. Raising funds – expenditure on other trading activities

	Total 2021	Total 2020
	£	£
Commercial trading operations	1,398,839	1,440,919
	<u>1,398,839</u>	<u>1,440,919</u>

11. Analysis of expenditure on charitable activities

	Advancement of education	Advancement of the arts, heritage and culture	Total 2021
	£	£	£
Staff costs	15,294	156,144	171,438
Premises costs	3,444	23,239	26,683
Staff training and other costs	463	3,127	3,590
Telephone, stationery and office	477	3,217	3,694
Bookfairs	-	127,276	127,276
Website costs	209	1,412	1,621
Computer costs	397	2,682	3,079
Interest and finance charges	72	482	554
Depreciation	189	1,277	1,466
Conference and travel	-	416	416
General expenses	627	4,235	4,862
Legal and professional fees	130	878	1,008
Other	629	4,243	4,872
Governance costs	764	5,157	5,921
	<u>22,695</u>	<u>333,785</u>	<u>356,480</u>

PUBLISHING SCOTLAND**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****11. Analysis of expenditure on charitable activities (continued)**

	Advancement of education	Advancement of the arts, heritage and culture	Total 2020
	£	£	£
Staff costs	22,012	148,625	170,637
Premises costs	3,446	23,266	26,712
Staff training and other costs	150	1,013	1,163
Telephone, stationery and office	965	6,516	7,481
Bookfairs	-	179,022	179,022
Website costs	262	1,768	2,030
Training	-	-	-
Computer costs	440	2,967	3,407
Interest and finance charges	67	449	516
Depreciation	373	2,516	2,889
Conference and travel	654	4,413	5,067
General expenses	287	1,936	2,223
Legal and professional fees	467	3,155	3,622
Other	533	3,598	4,131
Governance costs	747	5,041	5,788
	<u>30,403</u>	<u>384,285</u>	<u>414,688</u>

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

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Staff salaries	661,051	683,280	143,293	138,025
Social security costs	48,342	48,337	12,216	8,212
Other Pension costs	21,778	23,077	8,633	8,421
	<u>731,171</u>	<u>754,694</u>	<u>164,142</u>	<u>154,658</u>
			Group 2021	Group 2020
			£	£
Key management personnel remuneration			<u>206,631</u>	<u>208,830</u>

There are no employees whose emoluments, excluding pension contributions, totalled over £60,000.

The average number of employees during the year, calculated on the basis of the average headcount, was as follows:

2021 number	2020 number
29	32

PUBLISHING SCOTLAND**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****13. Pension costs**

The charity and its subsidiary operated defined contribution pension schemes in respect of the employees. The schemes and their assets are held by independent managers. The group pension charge is £21,778 (2020: £23,077).

14. Net income/(expenditure) for the year

This is stated after charging:	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Depreciation	18,624	22,814	1,457	2,975
Auditor's remuneration:				
Audit fees	12,176	10,418	5,921	5,788

15. Grants payable

	2021	2020
	Group	Group
	£	£
The following grants were paid out by the Charity:		
Scottish Books International	-	9,175
Go See Fund	-	12,572
	<hr/>	<hr/>
	-	21,747

PUBLISHING SCOTLAND**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****16. Tangible Fixed Assets - Group**

	Fixtures & Fittings £	Tenants Improvements £	Computer equipment £	Website £	Total £
Cost					
At 1 April 2020	39,250	454,382	2,785	24,000	520,417
Additions	-	1,554	1,116	-	2,670
Disposals	-	-	-	-	-
At 31 March 2021	<u>39,250</u>	<u>455,936</u>	<u>3,901</u>	<u>24,000</u>	<u>523,087</u>
Depreciation					
At 1 April 2020	6,032	414,877	1,252	24,000	446,161
Charge for the year	2,659	14,632	1,333	-	18,624
On Disposals	-	-	-	-	-
At 31 March 2021	<u>8,691</u>	<u>429,509</u>	<u>2,585</u>	<u>24,000</u>	<u>464,785</u>
Net Book Values					
At 31 March 2021	<u>30,559</u>	<u>26,427</u>	<u>1,316</u>	<u>-</u>	<u>58,302</u>
At 1 April 2020	<u>33,218</u>	<u>39,505</u>	<u>1,533</u>	<u>-</u>	<u>74,256</u>

17. Tangible Fixed Assets - Charity

	Fixtures & Fittings £	Computer Equipment £	Website £	Total £
Cost				
At 1 April 2020	1,078	2,785	24,000	27,863
Additions	-	1,116	-	1,116
Disposals	-	-	-	-
At 31 March 2021	<u>1,078</u>	<u>3,901</u>	<u>24,000</u>	<u>28,979</u>
Depreciation				
At 1 April 2020	954	1,252	24,000	1,657
Charge for the year	124	1,333	-	1,457
On disposals	-	-	-	-
At 31 March 2021	<u>1,078</u>	<u>2,585</u>	<u>24,000</u>	<u>27,663</u>
Net Book Values				
At 31 March 2021	<u>-</u>	<u>1,316</u>	<u>-</u>	<u>1,316</u>
At 1 April 2020	<u>124</u>	<u>1,533</u>	<u>-</u>	<u>1,657</u>

PUBLISHING SCOTLAND**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****18. Investments**

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Cost and Net Book Value	-	-	70,500	70,500

18.1 Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Subsidiary undertaking	Scottish Book Source Limited
Country of registration & Incorporation	The subsidiary is registered in Great Britain and incorporated in Scotland.
Class of shares held	Ordinary
Proportion of shares held	89.81%
Scottish Book Source Limited acts as a distribution agent for Scottish Publishers.	

The summary financial performance of the subsidiary alone is:

	2021 £	2020 £
The assets and liabilities of the subsidiary were:		
Fixed assets	56,986	72,599
Current assets	924,439	514,087
Current liabilities	(544,392)	(238,531)
Non-current liabilities	(111,071)	(20,108)
Deferred tax	(2,807)	(4,848)
Total net assets	323,155	323,919
Aggregate share capital and reserves	323,155	323,919

19. Debtors

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	280,949	211,833	40,619	35,911
Other debtors	63,486	111,758	40,238	57,504
	344,435	323,591	80,857	93,415

PUBLISHING SCOTLAND**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****20. Creditors: amounts falling due within one year**

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	140,002	64,584	6,061	11,429
Deferred income (note 22)	25,994	31,027	25,994	31,027
Taxation and social security costs	73,113	53,187	3,716	3,854
Other creditors	351,545	150,646	10,491	14,605
	<u>590,654</u>	<u>299,444</u>	<u>46,262</u>	<u>60,915</u>

21. Creditors: amounts falling due after one year - Group

	2021	2020
	£	£
Loan	-	17,525
Deferred Capital Grant	111,071	2,583
	<u>111,071</u>	<u>20,108</u>

22. Deferred Income

	£
Balance at 1 st April 2020	31,027
Recognised in the year	(31,027)
Deferred in the year	25,994
Balance at 31 March 2021	<u>25,994</u>

The items deferred relates to income received of £25,994 in advance for services being provided in 2021/22.

23. Analysis of charitable funds - Group

Analysis of Fund movements	Balance b/fwd at 1 April 2019	Income	Expenditure	Transfers	Gains/ (losses)	Fund c/fwd at 31 March 2020
	£	£	£	£	£	£
Unrestricted funds						
Trading Company Development	70,500	-	-	-	-	70,500
General funds	353,814	1,873,992	(1,825,251)	-	(3,277)	399,278
Total unrestricted funds	<u>424,314</u>	<u>1,873,992</u>	<u>(1,825,251)</u>	<u>-</u>	<u>(3,277)</u>	<u>469,778</u>
Restricted funds						
Translation fund	-	33,225	(30,356)	-	-	2,869
Total restricted funds	<u>-</u>	<u>33,225</u>	<u>(30,356)</u>	<u>-</u>	<u>-</u>	<u>2,869</u>
TOTAL FUNDS	<u>424,314</u>	<u>1,907,217</u>	<u>(1,855,607)</u>	<u>-</u>	<u>(3,277)</u>	<u>472,647</u>

PUBLISHING SCOTLAND

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

23. Analysis of charitable funds – Group (continued)

Analysis of Fund movements	Balance b/fwd at 1 April 2020 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	Fund c/fwd at 31 March 2021 £
Unrestricted funds						
Trading Company	70,500	-	-	-		70,500
Development						
General funds	399,278	1,792,092	1,719,819	-	(37)	471,514
Total unrestricted funds	469,778	1,792,092	1,719,819	-	(37)	542,014
Restricted funds						
Translation fund	2,869	36,000	35,500	-	-	3,369
Total restricted funds	2,869	36,000	35,500	-	-	3,369
TOTAL FUNDS	472,647	1,828,092	1,755,319	-	(37)	545,383

24. Analysis of charitable funds – Charity

Analysis of Fund movements	Balance b/fwd at 1 April 2019 £	Income £	Expenditure £	Transfers £	Fund c/fwd at 31 March 2020 £
Unrestricted funds					
Trading Company	70,500	-	-	-	70,500
Development					
General funds	163,005	409,551	(384,332)	-	188,224
Total unrestricted funds	233,505	409,551	(384,332)	-	258,724
Restricted funds					
Translation fund	-	33,225	(30,356)	-	2,869
Total restricted funds	-	33,225	(30,356)	-	2,869
TOTAL FUNDS	233,505	442,776	(414,688)	-	261,593

Analysis of Fund movements	Balance b/fwd at 1 April 2020 £	Income £	Expenditure £	Transfers £	Fund c/fwd at 31 March 2021 £
Unrestricted funds					
Trading Company	70,500	-	-	-	70,500
Development					
General funds	188,224	394,017	320,980	-	261,261
Total unrestricted funds	258,724	394,017	320,980	-	331,761
Restricted funds					
Translation fund	2,869	36,000	35,500	-	3,369
Total restricted funds	2,869	36,000	35,500	-	3,369
TOTAL FUNDS	261,593	430,017	356,480	-	335,130

PUBLISHING SCOTLAND**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****Purposes of unrestricted funds****General fund**

The General fund is made up of surpluses derived from the charitable company's and group's general activities.

Purposes of designated funds

The trading company development fund was set aside to support the trading subsidiaries in the first years of trading. The investment in the trading companies and the underlying net assets are now held within this fund in the charity accounts.

Purposes of restricted funds**Translation fund**

Funding from Creative Scotland to run a literature translation programme.

25. Analysis of net assets between funds - Charity

	General funds £	Designated funds £	Restricted funds £	Total Funds £
Fund balances at 31 March 2020 are represented by:				
Tangible fixed assets	1,657	-	-	1,657
Investment assets	-	70,500	-	70,500
Current Assets	247,482	-	2,869	250,351
Current Liabilities	(60,915)	-	-	(60,915)
	188,224	70,500	2,869	261,593

	General funds £	Designated funds £	Restricted funds £	Total Funds £
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	1,316	-	-	1,316
Investment assets	-	70,500	-	70,500
Current Assets	306,207	-	3,369	309,576
Current Liabilities	(46,262)	-	-	(46,262)
	261,261	70,500	3,369	335,130

PUBLISHING SCOTLAND**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****26. Analysis of net assets between funds - Group**

	Unrestricted funds £	Restricted funds £	Minority Interest £	Total Funds £
Fund balances at 31 March 2020 are represented by:				
Tangible fixed assets	66,689	-	7,567	74,256
Current Assets	684,320	2,869	77,969	765,158
Current Liabilities	(258,818)	-	(40,626)	(299,444)
Non-current liabilities	(18,059)	-	(2,049)	(20,108)
Provisions	(4,354)	-	(494)	(4,848)
	<u>469,778</u>	<u>2,869</u>	<u>42,367</u>	<u>515,014</u>

	Unrestricted funds £	Restricted funds £	Minority Interest £	Total Funds £
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	52,361	-	5,941	58,302
Current Assets	1,122,391	3,369	108,255	1,234,015
Current Liabilities	(530,466)	-	(60,188)	(590,654)
Non-current liabilities	(99,753)	-	(11,318)	(111,071)
Provisions	(2,519)	-	(288)	(2,807)
	<u>542,014</u>	<u>3,369</u>	<u>42,402</u>	<u>587,785</u>

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

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Net income for the year (as per the Statement of Financial Activities)	72,773	51,610	73,537	28,088
Adjustments for:				
Increase/(Decrease) in deferred tax	(2,041)	4,848	-	-
Depreciation charges	18,624	22,814	1,457	2,975
Interest received	(1,834)	(652)	(674)	(33)
Decrease/(increase) in debtors	(20,844)	(56,002)	12,558	(30,077)
Increase/(decrease) in creditors	<u>382,171</u>	<u>13,317</u>	<u>(14,653)</u>	<u>9,863</u>
Net cash provided by operating activities	<u>448,849</u>	<u>35,935</u>	<u>72,225</u>	<u>10,816</u>

PUBLISHING SCOTLAND**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021****28. Analysis of cash and cash equivalents**

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Cash in bank and on hand	889,580	441,567	228,719	156,936
	<u>889,580</u>	<u>441,567</u>	<u>228,719</u>	<u>156,936</u>

29. Minority Interest

	2021	2020
	£	£
Balance at 1 April 2020	42,367	39,090
Share of profit/(loss)	37	3,277
Balance at 31 March 2021	<u>42,402</u>	<u>42,367</u>

30. Publishers Account

The subsidiary company operates a bank account for funds gathered on behalf of its publisher clients. As the funds belong to the publishers these funds have not been incorporated into the accounts. At the subsidiary's year end the balance of the publisher bank accounts was £723,378 (2020: £461,355).

31. Financial commitments

At 31 March 2021 the charity and group had outstanding commitments under non-cancellable operating leases as follows:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Within one year	248,424	248,424	1,291	1,291
Between 2 and 5 years	993,696	993,696	1,308	2,598
Over 5 Years	1,461,278	1,709,702	-	-
	<u>2,703,398</u>	<u>2,951,822</u>	<u>2,598</u>	<u>3,889</u>