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Company Registration Number SC406905
Charity Number SC042631

CULTURE & BUSINESS SCOTLAND
COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS and ANNUAL REPORT

For the Year Ended 31 March 2026

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CULTURE & BUSINESS SCOTLAND
COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

Year ended 31 March 2026

CONTENTS **Page**

Members of the Board and professional advisers	1
Trustees' Annual Report	2 - 9
Independent auditor's report to the trustees and members	10 - 12
Statement of financial activities (incorporating the income and expenditure account)	13
Balance sheet	14
Statement of cashflows	15
Notes to the financial statements	16 – 23

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

CULTURE & BUSINESS SCOTLAND
COMPANY LIMITED BY GUARANTEE

Year Ended 31 March 2026

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered charity name	Culture & Business Scotland
Charity number	SC042631
Company registration number	SC406905
Registered office and operational Address	Thorn House 5 Rose Street Edinburgh EH2 2PR
Trustees	Jane Morrison-Ross (Chair) Pamela Tulloch (Vice-Chair) Lucinda Coulthard John Cumming (appointed 6 November 2025) Claire Devaney (appointed 6 November 2025) Laura Irvine (appointed 21 May 2026) Amanda Louise McGuigan (appointed 6 November 2025) Nela Popovic (appointed 6 November 2025) Kevin Rivers (appointed 6 November 2025) Kirsty Sarah Rogers (appointed 6 November 2025) Peter Drummond (resigned 21 May 2026) Fiona Macleod (resigned 6 November 2025) Susan McIntosh (resigned 6 November 2025) Paul Macrae Smart (resigned 15 May 2026) Jane Richardson (resigned 21 May 2026)
Executive Director	David Nelson
Secretary	Elizabeth Milne (appointed 8 May 2025)
Auditor	CT Audit Limited Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
Bankers	CAF Bank Ltd 25 Kings Hill West Malling Kent ME19 4JQ Virgin Money Jubilee House Gosforth Newcastle upon Tyne NE3 4PL
Solicitors	Turcan Connell Princes Exchange 1 Earl Grey Street Edinburgh EH3 9EE

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

TRUSTEES ANNUAL REPORT

Year Ended 31 March 2026

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the year ended 31 March 2026.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

THE TRUSTEES

The trustees who served the company during the period were as follows:
Jane Morrison-Ross (Chair)
Pamela Tulloch (Vice-Chair)
Lucinda Coulthard
John Cumming (appointed 6 November 2025)
Claire Devaney (appointed 6 November 2025)
Laura Irvine (appointed 21 May 2026)
Amanda Louise McGuigan (appointed 6 November 2025)
Nela Popovic (appointed 6 November 2025)
Kevin Rivers (appointed 6 November 2025)
Kirsty Sarah Rogers (appointed 6 November 2025)
Peter Drummond (resigned 21 May 2026)
Fiona Macleod (resigned 6 November 2025)
Susan McIntosh (resigned 6 November 2025)
Paul Macrae Smart (resigned 15 May 2026)
Jane Richardson (resigned 21 May 2026)

OBJECTIVES AND ACTIVITIES

Background

Culture & Business Scotland is a trusted partner for organisations across Scotland's business and culture sectors.

Established as a Scottish office for the UK-wide Association for British Sponsorship of the Arts (ABSA and later Arts & Business), Arts & Business Scotland was registered as a charity in Scotland and private limited company by guarantee in late 2011. In early 2023, the organisation rebranded as Culture & Business Scotland to reflect its wider engagement with heritage organisations.

The company's objects are the advancement of the arts, heritage and culture, and the promotion of the efficiency of charities through the following activities:

(a) The promotion and support of partnership between the culture, public and business sectors, to enhance the value of the arts, heritage and culture to social, civic and economic life.
(b) The promotion and development of the culture sector in Scotland and beyond, by improving skills and knowledge to enable organisational sustainability and entrepreneurship.
(c) The promotion of good governance and management and operations amongst culture sector organisations in Scotland and beyond including, but without prejudice to the generality, the provision of training and the promotion of best practice.

Over the last six months, the following strategic pillars have been developed to deliver the charity's vision over the next period:

Partnerships

Driving partnership growth by deepening mutual understanding, cultivating engaged networks, and nurturing cross-sector collaboration.

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Members
Enhancing our member experience by strengthening our value proposition, delivering exceptional services, and improving the member journey.

Organisation
Building our organisational capability by reshaping our structure and culture, modernising our systems and technology, and embedding strategic marketing.

ACHIEVEMENTS AND PERFORMANCE

Creative Scotland Multi-Year Funding

Culture & Business Scotland joined Creative Scotland's Multi-Year Funding programme in December 2025 following successful completion of their Development Stream process, with funding now continuing until 31 March 2028.

Creative Scotland's intention at the end of that period is to move to a more rolling process whereby, as long as the funded organisation continues to deliver to their agreed activity plans which align with Creative Scotland's strategic aims, then they will look to continue funding these organisations if they have the budget to do so.

Culture & Business Scotland Fund

The charity continued its direct relationship with the Scottish Government, enabling it to encourage and incentivise collaborative business sponsorship of the arts and heritage within Scotland through the Culture & Business Scotland Fund, providing public benefit to our wider economy and society.

Between 1 April 2025 and 31 March 2026, the Fund received 46 Expressions of Interest and invested in 19 sponsorships equating to total funding of £107,050. The charity was able to use these funds to help to unlock business sponsorship totalling £287,614. This equates to over £2.69 of business investment for every pound sterling of government funds. This efficient and strategic use of public funds generated an overall total of £394,664 of investment to Scotland's culture sector.

An excellent geographical spread of investments was achieved across the length and breadth of the country, with a wide range of cultural artforms represented. A broad range of business sectors sponsored cultural activity and, in terms of organisation size, successful applications leaned heavily towards the small culture organisation attracting investment from the Fund, with a variety of organisational size for business sponsors, with SMEs edging the most sponsorships.

As for total audience figures across Scotland, sponsored cultural activity reached approximately 243,210 people. Given the geographical range of activity, this is likely to be a unique total figure of audience members and visitors.

Events Programme

In 2025-26, the charity delivered 23 events for nearly 400 people working in or volunteering for organisations across Scotland's business and culture sectors, including many from our 200 strong organisational membership.

Culture & Business Scotland organised 12 courses, covering a range of topics across governance, fundraising, leadership and equalities. There were 92 participants across these courses, helping to provide knowledge and expertise to professionals working across the culture sector.

Additionally, three special workshops were hosted, with 58 attendees. These were 'Finance for Charity Trustees' in partnership with Azets, a 'Making the Ask' Masterclass with =mc consulting, and 'Inside Track | The Legal Industry' in partnership with Turcan Connell.

Four webinars were presented to 106 people, with expert insights from across the culture and business sectors on the following topics: 'Philanthropy Across the Pond'; 'Gift Aid vs VAT' (twice); and 'Thinking of Joining a Board'.

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TRUSTEES ANNUAL REPORT (continued)

The organisation's now annual Forum took place in December 2025 at the National Museum of Scotland, entitled 'Where Cultural Ambition Meets Business Innovation – Powered by AI'. The day opened with a keynote address from Angus Robertson, then Cabinet Secretary for Constitution, External Affairs and Culture. His remarks recognised both the opportunities and responsibilities presented by AI and emphasised the importance of continued partnership between culture and business in navigating technological change.

Over 100 people were welcomed to this event, with the programme featuring three panel sessions exploring: 'Responsible AI in the Creative Industries'; 'Smart Use of AI in Fundraising and Marketing'; and 'AI-Driven Growth for the Cultural Economy'. Contributors included Azets, Creative Entrepreneurs Club, Creative Scotland, Culture for Climate Scotland, Edinburgh International Festival, Inner Ear, SCVO, Scottish Youth Film Foundation, The Goldie Collective, The Trimontium Trust, and The University of Edinburgh.

In March 2025, a new initiative called 'Compass Conversations' was introduced. Designed to create a safe space for senior cultural leadership to navigate challenges and opportunities in a Jeffersonian dinner format with Chatham House rules, this inaugural series was kindly supported by Turcan Connell.

The events involved round table discussions over lunch or dinner for three sets of senior roles – Fundraising Leaders, Chief Executives, and Chairs of Boards. Very positive feedback was received, with guests saying it was "heartening, helpful and motivating", that it "genuinely felt like a safe environment to talk openly", and that more of this type of event would be welcomed in the future. Overall, feedback from across all strands of our events programme was positive.

Services Delivery

A review of the income generation related to the charity's training programme was undertaken. The key focus areas going forward will be cultural philanthropy, collaborative sponsorship and entrepreneurial leadership, with priority being given to the development of new services and a new strategic marketing function within the organisation.

One key development for increasing revenue is to expand the delivery of bespoke consultancy services. At the end of 2025-26, the organisation started providing fundraising and governance support for Museums Galleries Scotland as part of their Museum Futures programme.

Culture & Business Scotland also continued to support and develop governance and board expertise, fulfilling contracts for a number of culture sector organisations across the length and breadth of the country. There are additional developments coming in the area of services which will be referred to in Plans for Future Periods.

Environmental Sustainability

As part of the Multi-Year Funding programme, the charity completes annual environmental reporting, submitted to an external agency. This includes carbon consumption monitoring data. While some areas, e.g. utility usage, are not under the charity's control, others have been identified as areas of future focus, notably digital emissions.

When delivering activity, the charity strives to make ethical choices in procurement and in the logistical delivery of events, considering both people and planet. This includes a continued focus on accessible in-person event venues, located centrally in major cities with strong public transport links, as audience travel is an area of influenceable emissions for the charity.

A new online webinar event series is also being developed, to support organisations across the whole of Scotland better, including in areas with fewer sustainable travel options. Issues of sustainability and environmental impact are also included as themes in the events programme, especially when these intersect with other areas of discussion.

In 2026-27, the charity is committed to developing a more detailed Environmental Action Plan, including an approach to extreme weather, a climate adaptation plan, and a circular approach to resource management, as well as an outline detailing how the charity will become a Net Zero organisation.

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

FINANCIAL REVIEW

Financial performance

Following a challenging 2024-25, the charity has focused on rebuilding its unrestricted reserves in 2025-26 (as reflected by the organisational restructure) and ended the year in a significantly strengthened position with a total net income of £51,056.

The year has shown a positive performance in unrestricted net income of £58,106. There was a restricted net expenditure of £7,050. At 31 March 2026 there was a total balance of unrestricted reserves of £66,881 and a balance of restricted reserves of £39,200.

The Board gratefully acknowledges the financial support of its principal funders – Creative Scotland and Scottish Government – and other supporters, who have all contributed to supporting the charity's revenue activities.

Investment Powers

Under the Articles of Association, the charity has the power to invest in any way the directors wish. The directors, having regard to the liquidity requirements of operating Culture & Business Scotland and to the reserves policy and risk appetite, have looked to deposit available funds in accounts offering competitive rates of interest.

Reserves policy

The directors recognise their corporate responsibility to ensure that the charity has sufficient reserves to fund present and future liabilities. Total reserves held at 31 March 2026 were £106,081 of which £39,200 were restricted and £16,164 were tied up in fixed assets leaving unrestricted free reserves of £50,717.

The reserves policy is to hold three months' core running costs, as unrestricted free reserves, which would amount to £70,184. The unrestricted reserves held at year end were less than the policy, and while there remains a shortfall, this is a significantly strengthened unrestricted reserves position.

In 2026-27, the charity will continue to focus on fully rebuilding its reserves position, but the increase achieved in 2025-26 is reflective of the expenditure savings made across multiple areas, including employee salaries and office costs, alongside a renewed focus on the charity's core areas of work.

Going Concern

Creative Scotland has provided significant annual funding investment to the charity since the organisation's demerger in 2011 from Arts & Business UK.

Following the most recent Multi-Year Funding application process, concluded in January 2025, the charity received 'Development Stream' funding from Creative Scotland until 31 March 2026, with a view to the charity being included in Creative Scotland's full Multi-Year Funding programme in the 2026-27 and 2027-28 financial years. In November 2025, it was confirmed that the charity had satisfied the Development Stream process and so will continue to receive core Multi-Year Funding in 2026-27 and 2027-28. Therefore, the directors are satisfied that the organisation can continue on a going concern basis.

In order for the directors to be confident the charity continues to operate as a going concern, the organisation has undertaken a number of steps to support sound financial governance and to ensure that it has fully considered financial risks and possibilities and can continue trading for 12 months after the signing off of these accounts. This included cashflow and reserves rebuilding considerations.

The charity's future plans include a strong focus on the generation of additional unrestricted income, through an expanded membership programme and bespoke services offering, alongside an emphasis on maintaining the more robust reserves position rebuilt in 2025-26.

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

Risk management

The charity has a Risk Register which is regularly reviewed and 'Risk' is a standing agenda item within the business of the Finance & Risk Committee and Board meetings.

Our key risk for this year is a ‘reduction in public funding from Creative Scotland or Scottish Government’. We have identified its impact and mitigations as follows:

Impact
- Need to reduce expenditure, impacting on what can be achieved, thus creating impact on team and stakeholders, with potential to lead to negative impact on reputation
- Reduced free reserves, making organisational stability more vulnerable

Mitigations
- Part of Creative Scotland Multi-Year Funding programme (due to end 31 March 2028)
- Continue regular quarterly meetings with ScotGov in relation to the Fund
- Ongoing advocacy with both organisations at leadership and Board level

We have developed our Risk Register to incorporate a risk appetite level for four key areas of our organisation: delivery, people, finance and compliance. There are two risks the Board deems to have a residual risk above the desired level for risk appetite, although both are only slightly higher and reflective of the nature of the particular risk.

From a cybersecurity perspective, Cyber Essentials certification was achieved in April 2026, and will be applied for year on year going forward. The organisation recently completed a further cybersecurity development where the organisation's device management, user profiles, apps and security policies were migrated to Intune, Microsoft’s cloud-based endpoint management service. Cyber and Technology Errors & Omissions Insurance has been added to the organisation’s insurance policies. Cybersecurity training for the management team continues on a regular basis.

PLANS FOR FUTURE PERIODS

Culture & Business Scotland Fund

The charity has reviewed the Fund guidelines for 2026-27. One key revision, designed to make applying to the Fund more straightforward for not-for-profit organisations, has been made. Having adopted the approach of investing £1 of Fund support for every £2 of business sponsorship in 2024-25, a return to the previous approach of £1 of Fund support for every £1 of business sponsorship is being made.

Analysis of eligible Fund requests across 2024-25 and 2025-26 demonstrated that only two organisations invited to apply had sponsorship amounts sitting between £10,000 and £20,000. With the maximum grant amount remaining at £10,000, returning to the previous approach will enable Culture & Business Scotland to support smaller organisations to a greater extent and a minimal number of organisations will be impacted.

The focus on collaborative sponsorships enables the organisation to continue attracting applications from not-for-profit organisations sponsored by for-profit organisations where there is an additional element to the sponsorship and the two organisations are enhancing cross-sector learning through their collaboration.

External Engagement

2026 marked 40 years since the first Scottish office of ABSA was established. To celebrate this milestone, Culture & Business Scotland hosted a ’40 Years’ Celebration’ at National Galleries Scotland:National. The event served as the perfect launchpad to build on the foundations the organisation has laid down over the last 40 years and to move forward into the future.

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

Attended by around 200 guests from across the business and culture sectors, as well as consular corps, academia and other key stakeholder groups, we were delighted to welcome Sam Heughan, who played Jamie Fraser in the hit TV series Outlander, and the new Cabinet Secretary for Education, Culture and Gaelic, Màiri McAllan MSP in her first formal engagement following her recent appointment.

Hugely positive feedback was received following the event, and the charity achieved its ambition to create a celebration of not just the organisation itself, but what the culture and business sectors in Scotland have achieved over the years through collaboration, investment and partnerships.

Services Development

The charity is looking to develop new services for business sector organisations, firstly in the form of sponsorship services, which will offer a flexible, tiered approach to developing effective partnerships with culture sector organisations. Designed for businesses at different stages of readiness, the programme will enable them to engage at the level that suits their needs, resource, and ambition.

From a culture sector perspective, Culture & Business Scotland plans to expand its range of governance and leadership services to incorporate in-depth governance reviews, mediation sessions, and Chair & Chief Executive coaching.

Strategic Development

The Executive Director has been working with members of the Board and, specifically, a short life working group, to develop a formal Strategic Plan to guide the organisation as it moves forward into a new chapter of its history. This will come into effect from September 2026.

Alongside this document, a formal Evaluation plan is being developed, with support from Evaluation Support Scotland. This includes a revised set of outcomes with corresponding indicators and the charity will move to more continuous, year-round measuring of its impact.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Culture & Business Scotland is a company limited by guarantee and governed by its Articles of Association. The Company was incorporated on 6 September 2011 and registered as a charity on 3 October 2011.

Membership of the Company shall consist of only the Directors of the Company. Directors shall be individual persons who support the objects of the Company and whom the Directors shall deem appropriate to be Directors of the Company. Their liability is limited to £1.

Directors are elected by the Members in accordance with the Articles of Association for a term of three years and are eligible to stand for re-election for a second term of three years. The minimum number of Directors is three and the maximum number of directors is 12.

Directors' Induction and Training

New directors have an induction meeting in order to brief them about their role and responsibilities, as well as the objectives and activities of the organisation. Directors are also encouraged to attend Culture & Business Scotland's own ‘Introduction to Being a Board Member’ course.

Organisation

The Board of Directors administers the charity. The Board meets quarterly and oversees the charity's activities, including funding, strategic planning and policies. An Executive Director is appointed by the Board to manage day to day operations. Indemnity insurance is in place for the benefit of the Board of Directors.

TRUSTEES ANNUAL REPORT (continued)

To facilitate effective operations, the Executive Director has delegated authority, within terms of delegation approved by the directors, for operational matters, including operational delivery, financial management, and communications.

None of the directors receive remuneration from their work with the charity.

To enable detailed scrutiny of all operational matters, the Board of Directors is supported by the following Committees:

The **External Engagement Committee** (formerly Marketing & Communications Committee) is a standing committee which supports the Board in meeting its legal and strategic responsibilities, especially in relation to reputational matters, including marketing and communications, public relations, and stakeholder engagement.

The **Finance & Risk Committee** is a standing committee which supports the Board in meeting its legal and strategic responsibilities, especially in relation to financial and risk-related matters, including financial performance, budgeting and financial controls, and risk management.

The **People & Performance Committee** (formerly Staffing & Remuneration Committee) is a standing committee which supports the Board in meeting its legal and strategic responsibilities, especially in relation to people matters, including management structure, employee terms and conditions, salary reviews, and performance management. The pay of key management is set by the trustees with reference to benchmarks of pay at similar organisations.

Related parties

Culture & Business Scotland has no related parties.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also the directors of Culture & Business 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 regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the income and expenditure of the 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 (FRS 102) (second edition – October 2019);
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CULTURE & BUSINESS SCOTLAND
COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT (continued)

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as each trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

SMALL COMPANY PROVISIONS

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

Signed on behalf of the trustees

Jane Morrison-Ross
…………………………………………..
Jane Morrison-Ross
Chair

Date: 15 September 2026

Registered office: Thorn House
5 Rose Street
Edinburgh
EH2 2PR

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

Opinion

We have audited the financial statements of Culture & Business Scotland (the 'charitable company') for the year ended 31 March 2026 which comprise the Statement of Financial Activities (including income and expenditure account), the Balance Sheet, the statement of cash flows and 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 March 2026, 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.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 trustees' report (incorporating the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 8 and 9 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006 and Health and Safety Regulations.

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

Auditor's responsibilities for the audit of the financial statements (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the company's financial statements. Our tests included, but were not limited to:

- enquiries of management and the trustees about any known or suspected instances of non-compliance with laws and regulations including fraud;
- review of minutes of board meetings throughout the period;
- review and consideration of the basis of preparation and assumptions used in key accounting estimates, including the useful lives of assets, whether assets are impaired, the valuation of properties and the bad debt provision.
- reviewing any available correspondence with regulators;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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.

Steven Smillie

Steven Smilie CA (Senior Statutory Auditor)
For and on behalf of CT Audit Limited
Chartered Accountants & Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

18 September 2026

CT Audit Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

CULTURE & BUSINESS SCOTLAND
COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the income and expenditure account)

Year ended 31 March 2026

	Notes	Un-Restricted Funds £	Restricted Funds £	Total 2026 £	Un-Restricted Funds £	Restricted Funds £	Total 2025 £
Income from:							
Donations and core grants	2	290,655	-	290,655	234,220	-	234,220
Charitable activities	3	58,569	150,000	208,569	63,463	178,027	241,490
Other trading activities		519	-	519	1,550	-	1,550
Investments – Bank interest		1,909	-	1,909	4,151	-	4,151
Total Income		351,652	150,000	501,652	303,384	178,027	481,411
Expenditure on:							
Charitable activities	4	293,546	157,050	450,596	420,267	157,539	577,806
Net income		58,106	(7,050)	51,056	(116,883)	20,488	(96,395)
Transfers between funds	14	-	-	-	-	-	-
Net movement in funds		58,106	(7,050)	51,056	(116,883)	20,488	(96,395)
Reconciliation of Funds							
Total funds brought forward	14	8,775	46,250	55,025	125,658	25,762	151,420
Total Funds Carried Forward	14	66,881	39,200	106,081	8,775	46,250	55,025

The Statement of financial activities includes all gains and losses in the year.

All of the above amounts relate to continuing activities.

The notes on pages 16 to 23 form part of these financial statements.

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

CULTURE & BUSINESS SCOTLAND
COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

As at 31 March 2026

	Notes		2026		2025
		£	£	£	£
Fixed Assets					
Tangible assets	9		16,164		21,706
Current Assets					
Debtors	10	11,847		15,006	
Cash at bank and in hand		152,044		69,181	
		163,891		84,187	
Creditors: Amounts falling due within one year	11	(73,974)		(50,868)	
Net current assets			89,917		33,319
Total Assets Less Current Liabilities			106,081		55,025
Net Assets			106,081		55,025
Funds of the charity					
Restricted funds	14		39,200		46,250
Unrestricted funds	14		66,881		8,775
Total Charity Funds			**106,081**		55,025

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the members of the Board and authorised for issue on the 15 September 2026 and are signed on their behalf by:

Jane Morrison-Ross

Jane Morrison-Ross
Chair

Company Registration Number: SC406905

The notes on pages 16 to 23 form part of these financial statements.

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

STATEMENT of CASH FLOWS

Year ended 31 March 2026

	Notes	2026 £	2025 £
Cash (used in)/generated by operating activities	16	83,441	(50,439)
Cash flows from investing activities			
Interest received		1,909	4,151
Purchase of tangible fixed assets		(2,487)	(7,109)
Cash used in investing activities		(578)	(2,958)
(Decrease)/increase in cash and cash equivalents in the year		82,863	(53,397)
Cash and cash equivalents at the beginning of the year		69,181	122,578
Total cash and cash equivalents at the end of the year		152,044	69,181

Analysis of changes in net debt

	2025 £	Cash-flows £	2026 £
Cash and cash equivalents	69,181	82,863	152,044

The notes on pages 16 to 23 form part of these financial statements.

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

1. Accounting Policies

Culture & Business Scotland is a charitable company limited by guarantee with the registered address as per page 1 and has no share capital. The liability of each member in the event of winding up is limited to £1.

Basis of accounting

The financial statements have been prepared in compliance with 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 (FRS 102) (second edition – October 2019), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) , and UK Generally Accepted Practice as it applies from 1 January 2015.

Culture & Business Scotland meets the definition of a public benefit entity under FRS102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the Charity.

Going Concern

The Financial statements have been prepared on a going concern basis. The Directors have assessed the Company's ability to continue as a going concern and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and legacy income is received by way of donations, legacies, grants and gifts and is included in full in the statement of financial activities when receivable. Where legacies have been notified to the charity but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity, being the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market.
- Investment income is included when receivable.
- Income from charitable trading activity is accounted for when earned. In relation to membership subscriptions such income is recognised as earned or as the related services or benefits are provided. Subscriptions are accounted for on an accruals basis
- Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Expenditure

Expenditure is recognised on an accruals basis as 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:

- Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

1. Accounting Policies (continued)

- 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. Investment programme costs are recognised in the year that they are approved by the charity and communicated to the recipient, irrespective of the period for which the investment is payable. This is the point at which the charity has a obligation, legal or constructive, to meet this expenditure. There are normally certain conditions that must be met before the investment is actually paid over, however it is reasonably certain that these will be met and the payment made

- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, as set out in the notes to the financial statements.

Taxation
The company is a registered charity and as such its activities fall within the exemptions afforded by Section 505 of the Income and Corporation Taxes Act 1988. Accordingly, no provision is considered necessary for taxation.

Fund accounting
The Charity has various types of funds which require to be separately disclosed as follows:-

Unrestricted funds are funds which are expendable at the discretion of the Board in furtherance of the objects of the charity.

Restricted funds are funds to account for situations where a donor or provider of a grant requires that a donation/grant can only be spent on a particular purpose or where funds have been raised for a specific purpose. Related expenditure is identified to the fund, together with a fair reflection of support costs.

Fixed assets
Individual fixed assets costing £500 or more are capitalised at cost. Fixed assets are stated at cost less accumulated depreciation.

Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer Equipment and database systems	-	3-5 years straight line
Other office equipment	-	5 years straight line
Fixtures and fittings	-	5 years straight line

Operating lease agreements
Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Lease incentives, such as rent free periods, are spread over the lease term.

Pension costs
The pension costs charged in the financial statements represent the contribution payable by the company during the year.

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

1. Accounting Policies (continued)

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.

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments.

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 to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments
The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

Judgements and key sources of estimation uncertainty
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year include: depreciation, residual value and useful economic life, and expenditure allocation of employee time to specific projects.

2. Income from Donations	Un-restricted Funds £	Restricted Funds £	Total 2026 £	Total 2025 £
Donations	5,175	-	5,175	34,220
Grants receivable – Creative Scotland	285,480	-	285,480	200,000
	290,655	-	290,655	234,220

3. Income from Charitable Activities	Un restricted Funds £	Restricted Funds £	2026 Total £	2025 Total £
Membership fees	32,005	-	32,005	33,459
Scot Gov – Culture & Business Scotland Fund	-	150,000	150,000	150,000
HES - C&BF Awareness Raising	-	-	-	28,027
Event income	19,844	-	19,844	26,954
Consultancy fees	6,720	-	6,720	3,050
	58,569	150,000	208,569	241,490

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

4. Expenditure on Charitable Activities

	Un restricted Funds £	Restricted Funds £	2026 Total £	2025 Total £
Investment programmes (note 6)	-	107,050	107,050	53,750
Other direct charitable activity	62,768	44,176	106,944	265,715
Support costs (note 5)	230,778	5,824	236,602	258,341
	293,546	157,050	450,596	577,806

5. Analysis of Support Cost

	2026 £	2025 £
Staff costs	155,892	198,441
Premises	19,252	21,065
Communications and IT	31,231	12,299
Legal and professional	7,646	2,629
Depreciation	8,029	10,201
Miscellaneous costs	1,743	4,113
Governance costs - audit fees	10,795	9,593
Governance costs – additional accountancy support	2,014	-
	236,602	258,341

6. Investment Programme (Grants Made)

The Scottish Government Department of Culture has made funding available to Culture & Business Scotland to encourage new business sponsorship of culture within Scotland. Under the scheme, the not-for-profit organisation receiving an eligible business sponsorship can attract match funding up to a maximum of £10,000, in the form of a Culture & Business Scotland Fund investment.

Grants totalling £107,050 (2025: £53,750) were made under the scheme to the undernoted during the period. These are all considered to be grants to institutions in terms of its meaning in the Charities SORP FRS 102.

	£
Jazz Scotland	10,000
Electric Theatre Workshop Limited	10,000
The Enchanted Forest	10,000
Tillydrone Community Development Trust	10,000
Marc Brew Company	10,000
Radio Buena Vida	10,000
Other grants – all less than £10,000 individually	47,050
	107,050

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

7. Staff Costs

	2026	2025
	£	£
Total staff costs were as follows:		
Wages and salaries	177,190	333,077
Social security costs	9,576	27,532
Other pension costs	9,162	15,593
	195,928	376,201

The average number of employees during the year was 4 (2025: 7).

No employees received remuneration of more than £60,000 during the year (2025: one in the band £100,001 – 110,000).

The aggregate remuneration to key management personnel in the year was £116,079 (2025: £268,512).

The company offers access to all employees to its registered Group Personal Pension Scheme, which is a "defined contribution" scheme. The company owed £nil (2025: £nil) to the scheme as at the year end.

8. Related Party Transactions

None of the trustees received any remuneration or other benefits during the year (2025: £Nil). No expenses were reimbursed to the trustees during the year (2025: £276 one trustee).

The charity made grants totalling £6,000 (2025: £Nil) to Eden Court Highlands and Live Borders, organisations which share a trustee with the charity. The trustees concerned were not involved in the assessment or approval of the grants.

9. Tangible Fixed Assets

	Plant and machinery etc
	£
Cost	
At 1 April 2025	65,358
Additions	2,487
At 31 March 2026	67,845
Depreciation	
At 1 April 2025	43,652
Charge for the year	8,029
At 31 March 2026	51,681
Net Book Value	
At 31 March 2026	16,164
At 31 March 2025	21,706

10. Debtors

	2026	2025
	£	£
Trade debtors	4,622	8,035
Other debtors	3,784	1,854
Prepayments	3,441	5,117
	11,847	15,006

11. Creditors: Amounts falling due within one year

	2026	2025
	£	£
Trade creditors	7,275	1,327
Other creditors	42,450	25,250
Accruals and deferred income	24,249	24,291
	73,974	50,868

Included in other creditors are grant commitments of £42,450 (2025: £25,250). Further information regarding the movement in deferred income in the year is given in the following notes.

12. Deferred Income

Included within other creditors falling due within one year are deferred memberships of £10,641 (2025: £13,777), and deferred sponsorship income of £1,000 (2025: £Nil).

	2026	2025
	£	£
Balance at 1 April 2025	13,777	23,731
Amount released to income	(13,777)	(23,731)
Amount deferred in year	11,641	13,777
Balance at 31 March 2026	11,641	13,777

13. Commitments Under Operating Leases

At 31 March 2026 the company's total future minimum lease payments under non-cancellable operating leases was as undernoted.

	2026	2025
	£	£
Within 1 year	3,968	4,661

Lease payments in the year totalled £16,467 (2025; £18,720)

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

14. Funds

	Balance at 1 April 2025	Income	Expend-iture	Transfers	Balance at 31 March 2026
	£	£	£	£	£
Culture & Business Scotland Fund	46,250	150,000	(157,050)	-	39,200
Total Restricted funds	46,250	150,000	(157,050)	-	39,200
Unrestricted General Funds	8,775	351,652	(293,546)		66,881
	55,025	501,652	(450,596)	-	106,081

	Balance at 1 April 2024	Income	Expend-iture	Transfers	Balance at 31 March 2025
	£	£	£	£	£
Culture & Business Scotland Fund	7,865	153,670	(115,285)	-	46,250
CS Recovery Fund	16,300	-	(16,300)	-	-
HES Supplementary Fund	1,597	24,357	(25,954)	-	-
	25,762	178,027	(157,539)	-	46,250
Unrestricted - General Funds	125,658	303,384	(420,267)	-	8,775
	151,420	481,411	(577,806)	-	55,025

Purposes of Restricted Income Funds
Scottish Government – Culture & Business Scotland Fund: This was funding the nature of which is further explained in note 10. On completion of the capitalised database development project funded from this fund, the cost was transferred to unrestricted funds.

CS (Creative Scotland) Recovery Fund – This contributed to the development of the new website and also the Marketplace programme.

HES (Historic Environment Scotland) – Supplementary Fund – This was funding over a three-year period to enable the charity to extend its engagement with and support for the heritage sector.

Docusign Envelope ID: 5F54875B-69C0-856F-8243-8D3E8A87EE3B

15. Analysis of Net Assets Between Funds

2026	Tangible Fixed assets £	Net current assets/ (liabilities) £	Total £
Unrestricted funds	16,164	50,717	66,881
Restricted funds	-	39,200	39,200
Total funds	16,164	89,917	106,081

2025	Tangible Fixed assets £	Net current assets/ (liabilities) £	Total £
Unrestricted funds	21,706	(12,931)	8,775
Restricted funds	-	46,250	46,250
Total funds	21,706	33,319	55,025

16. Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2026 £	2025 £
Net movement in funds	51,056	(96,395)
Add back depreciation charge	8,029	10,201
Deduct interest income shown in investing activities	(1,909)	(4,151)
(Increase)/Decrease in debtors	3,159	66,137
(Decrease)/Increase in creditors	23,106	(26,231)
Net cash generated by operating activities	83,441	(50,439)