

**Company Registration Number SC406905**  
**Charity Number SC042631**

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)**  
**COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**For the Year Ended 31 March 2023**

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**Year ended 31 March 2023**

<b>CONTENTS</b>	<b>Page</b>
Members of the Board and professional advisers	1
Trustees' Annual Report	2 - 9
Independent auditor's report to the trustees and members	10 - 13
Statement of financial activities (incorporating the income and expenditure account)	14
Balance sheet	15
Statement of cashflows	16
Notes to the financial statements	17 - 27

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**

**Year Ended 31 March 2023**

**MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS**

<b>Registered charity name</b>	Culture & Business Scotland (formerly Arts & Business Scotland)
<b>Charity number</b>	SC042631
<b>Company registration number</b>	SC406905
<b>Registered office and operational Address</b>	Thorn House 5 Rose Street Edinburgh EH2 2PR
<b>Trustees</b>	Lucinda Coulthard Graeme Davies Graham Dow Peter Drummond Leah Hodder Fiona Macleod Susan McIntosh Alexandra Miller Jane Morrison-Ross (Chair) Jane Richardson Paul Macrae Smart Pamela Tulloch
<b>Chief Executive</b>	David Watt
<b>Secretary</b>	Moira Chapman
<b>Auditor</b>	CT Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
<b>Bankers</b>	CAF Bank Ltd 25 Kings Hill West Malling Kent ME19 4JQ
<b>Solicitors</b>	Turcan Connell Princes Exchange 1 Earl Grey Street Edinburgh EH3 9EE

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT**

**Year Ended 31 March 2023**

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 2023.

**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:

Lucinda Coulthard (appointed 10 November 2022)  
Graeme Davies  
Graham Dow (appointed 10 November 2022)  
Peter Drummond (appointed 10 November 2022)  
Leah Hodder  
Fiona Macleod  
Bridget McConnell (resigned 10 November 2022)  
Susan McIntosh (appointed 10 November 2022)  
Alexandra Miller  
Jane Morrison-Ross (Chair - appointed 10 November 2022)  
Diana Murray (Chair - resigned 10 November 2022)  
Barry Nichol (resigned 10 November 2022)  
Jane Richardson  
Paul Macrae Smart  
Pamela Tulloch (appointed 10 November 2022)

**OBJECTIVES**

The charity's mission is to be the connector between the culture and business sectors; to enable, inspire and support exciting and mutually beneficial cross-sector relationships, to build knowledge, skills, and expertise where they're needed most, and to champion the impact and value of cultural experiences on all of our lives.

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.

**STRATEGIC DEVELOPMENT**

The charity undertook a significant process of review and renewal to consider its current and future role in supporting the arts, heritage, public and business sectors to connect and thrive.

This led to the rebrand and relaunch of the organisation as Culture and Business Scotland to reflect the charity's extending reach and relevance across the broader culture sector encompassing both arts and heritage.

A new Strategic Plan for 2023-27 was also launched to support addressing the broader financial, societal and environmental challenges faced by all, with the recognition that there has never been a

## **CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND) COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES ANNUAL REPORT (continued)**

#### **Year Ended 31 March 2023**

greater need to establish creative partnerships between the culture (arts and heritage) and business sectors that bring innovative reciprocal, cultural, social and economic benefits.

A new website was also launched at the end of March 2023 as a tool to redefine the charity's purpose and the activities that it undertakes, whilst better profiling and communicate opportunities that the charity provides for overarching sector development

The future aspirations aligned to these significant developments are described in the section **Plans for Future Periods** within this report.

### **PROGRAMME OF ACTIVITIES**

The charity continued to proactively respond to the ongoing changing circumstances and needs of the participants who normally benefit from its key activities. This included the implications of adaptation for cultural delivery within the context of recovery and renewal post the coronavirus pandemic, the implications of BREXIT, the need to address equalities, diversity, and inclusion, and reaching net zero carbon impact. The continued enhancement of digital and online delivery further enabled the organisation to extend audience and geographical reach, which in turn enabled it to deliver against its own diversity & inclusion and environmental impact objectives.

#### **Grant-making policies: Culture & Business Fund Scotland**

The Scottish Government continued to make funding available via Creative Scotland to enable the charity to match business sponsorship of the arts and heritage within Scotland via the Culture & Business Fund Scotland (C&BS Fund).

This incentive funding scheme encouraged and enabled culture and business partnerships that benefited Scotland's wider economy and society, including supporting the delivery of projects that contributed to the recovery and renewal process of mitigating against the impacts of the coronavirus pandemic.

Due to constraints on Scottish Government budgets, investment in the C&BS Fund for the year under review was reduced by one third, significantly limiting the number of projects and cultural activities that received this incentive funding. Due to this situation, it was necessary to close the fund to applications in early June 2022, meaning many potential projects that were due to deliver cultural activities in the last six months of the financial year under review were not able to secure match funding against business investment. Despite this situation, the C&BS Fund invested in 10 projects with a total funding awarded of £155,220, leveraging sponsorship totalling £203,386 from businesses, bringing an overall total of £358,606 investment in the culture sector.

#### **Building Capacity Developing Skills programme**

The charity completed year three of the delivery of activities supported by Historic Environment Scotland, to enable the heritage, arts, public and business sectors to better connect, collaborate and thrive.

This included the development of a new initiative as a legacy to this three-year funded programme: the Culture and Business Marketplace Scotland (C&BS Marketplace), a new online tool that provides cultural solutions to address business challenges, needs and opportunities.

This involved the recruitment and training of twenty-four culture sector organisations who have developed thirty-five bespoke products or services that can be purchased or commissioned by businesses.

For culture sector organisations (the sellers), this will help to diversify self-generated income streams, evolve business models and become less grant reliant.

For business & public sector organisations (the buyers), it will help them to find creative solutions to address business challenges and needs and be socially conscientious by purchasing from non-profit culture organisations. It will also address the eight business needs identified in our previous business survey in March 2022 of:

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT (continued)**

**Year Ended 31 March 2023**

- Achieving ESG (environmental, social and governance) and CSR (corporate social responsibility) targets
- Supporting innovation, creative thinking and problem solving in the workplace
- Improving staff health and wellbeing
- Enhancing productivity in the workplace
- Supporting teambuilding and improving dynamics in the workplace
- Supporting business-to-community engagement and development
- Supporting business profile building, positioning and awareness in the wider community
- Access to creative spaces through venue hire

The development of this initiative is further described in the section **Plans for Future Periods** within this report.

**Other Programme Activities**

The success of the charity's transition to online delivery of all training, knowledge transfer and consultancy events continued, with further significant growth in activities extending access for a broader geographical representation of beneficiaries.

Thirty-six governance, sponsorship & fundraising courses were delivered to 442 attendees, compared with twenty-six events attended by 384 participants in the previous year.

The charity's programme of developing business acumen for sector professionals continued to be valued by the sector, with 8 sessions catering for the development needs of 196 participants, continuing the trend of extending reach through more inclusive online learning activities.

**COMMUNICATIONS**

The charity continued to provide stakeholder support, knowledge transfer, and promotion and advice throughout the year under review. 28 newsletters and training bulletins were accessed by 89,143 recipients, providing focused knowledge and information on opportunities and solutions to mitigate against societal and economic challenges. This included promoting 146 trustee and staff recruitment opportunities. This demonstrated the importance of the work of the charity in supporting cross sector infrastructure development, wellbeing, and collaboration.

**FINANCIAL REVIEW**

**Financial performance**

The year has shown a positive performance in unrestricted funds with a small deficit of £508 after transfers. Restricted funds show a surplus of £61,725 for the year after transfers. As at 31 March 2023 there was a total balance of unrestricted reserves of £116,177 and a balance of restricted reserves of £116,570.

The Board acknowledges the financial support of its principal funders: Creative Scotland, the Scottish Government, Historic Environment Scotland, other supporters that have 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 our risk appetite have looked to deposit available funds in accounts offering competitive rates of interest.

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT (continued)**

**Year Ended 31 March 2023**

**FINANCIAL REVIEW (Continued)**

**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 2023 were £232,747 of which £116,177 were unrestricted.

The reserves policy is to hold three months core running costs, as unrestricted reserves, which would amount to £58,600, the reserves held comply with this policy. The future strategy will focus on maintaining existing revenue flows whilst increasing funding in new and under-developed revenue streams and maintaining a focus on costs, in particular relating to the delivery of some of our major programmes and events in order to maximise return on investment.

**Going Concern**

In accordance with the Reserves Policy, the directors have reviewed the unrestricted reserves as at 31 March 2023. This was considered within the context that the Charity has secured 2018-24 Revenue Fund Organisation (RFO) status from Creative Scotland, with a standstill commitment to core activities of £200k per annum. From 2022 CBFS funding was cut by 1/3 - Scottish Government funding of £200k (£300k 2017 – 2021) has been confirmed for 2023-24. Further funding of £132k has been committed by Historic Environment Scotland 2023–24 to fund our programme of activities including contribution towards The Marketplace.

The impact and strategic consequences, including mitigation of future funding risk, are key priorities in 2023.

A full risk register is regularly reviewed with mitigating actions implemented throughout the organisation to minimise negative impact including the safeguarding of staff and successful application to continued funding through key partners.

Having reviewed financial performance to 30 June 2023 and prudent forecasts to 31 March 2024 the directors are satisfied that the company can meet all of its present and future obligations for the foreseeable future.

**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 and Risk Committee. Major risks identified this year and the mitigating activities are:

- Loss of C&BS reputation with and funding from the culture, heritage and business sectors due to significant reduction of support from principal public bodies and/or an ineffective response to the needs and expectations of culture organisations and business partners as they recover post Covid 19 pandemic. Loss of reputation leading to withdrawal or reduction in funding, loss of credibility as key player within arts sector leading to loss of opportunities and advancement. Mitigants include building visibility, awareness raising through implementation of refreshed communications strategy and plan, execution of new Strategic Plan with purpose: to embed business into culture and creativity into business.
- Reduction of income through reduction or withdrawal of funding from funders (key funders are Creative Scotland and the Scottish Government), and reduction of membership income or lower income from activities and services. Mitigants include agency relationship management, diversification of income streams, maximising partnership buy-in, reviews of Scottish Government proposals, a regular membership review as well as monitoring and forward planning of activities, review of geographical reach to take advantage of local sponsorship opportunities and on-going consultation with members, funders, and other stakeholders. Scottish Government funding of £200,000 has been confirmed for 2023/24. The Charity also continues to receive £200,000 as a Creative Scotland Revenue Fund Organisation (RFO), to support core activities in the year ahead. A further £132k has been committed by Historic Environment Scotland 2023–24 to fund our programme of activities including The Marketplace, aimed at the historic environment audience.

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT (continued)**

**Year Ended 31 March 2023**

Reduction in capability to deliver services due to loss of key personnel, absence/sickness. A successful recruitment drive has brought new staff in to bolster the team and further increases: skills, knowledge and expertise.

**PLANS FOR FUTURE PERIODS**

The rebrand as Culture and Business Scotland, new Strategic Plan 2023-28, the new website and launch of the C&BS Marketplace initiative were celebrated at a parliamentary reception sponsored by Michelle Thomson MSP entitled “Celebrating Culture & Business” held on 17 May 2023. Among the 107 guests there were MSPs, representatives from a range of businesses and the public sector as well as members of the C&BS Marketplace pilot group.

The Strategic Plan 2023-28 reaffirms the vision, mission and purpose of the charity, as well as redefining the three key strategic goals that support the ambitions of that vision and mission.

These are:

Championing the value and impact of cultural experiences: To represent and celebrate the value and impact of cultural experiences on all of our lives;

Building relationships: To enable, inspire and support exciting and mutually beneficial cross-sector relationships;

Developing knowledge, skills, and expertise: To meet both individual and organisational development needs.

The Strategic Plan sets out how the charity will realise these goals by continuing to establish key strategic partners to help us deliver our mission and purpose. This includes working with external industry expertise to deliver our sector-specific Skills Training, and training and business partners who provide business acumen and knowledge through our Business Briefings.

The plan also defines how the charity will work with other agencies across the culture and business sectors to promote the visibility, relevance and value of our work to their stakeholders. From the culture, third and public sectors, this includes cementing existing and establishing new working partnerships with local authorities, cultural trusts, local cultural agencies, culture sector specialist development agencies, higher education institutions, and third sector Interfaces.

From the business sector, this includes cementing existing and establishing new working partnerships with Chambers of Commerce, economic development agencies, business support agencies, business professional development agencies and national and local economic forums and networks.

These partnerships will connect the organisation’s work and promote our activities to local and national networks. They will also enable the charity to develop intelligence on the local challenges and opportunities facing cultural delivery to tailor the strands of work and activities to meet local needs. Tapping into the intelligence held by these culture, third, public and business sector partners will also provide platforms and opportunities to share the charity’s unique knowledge with their stakeholders on the cultural, social and economic value to business of partnering with culture. This supports cultural tourism and the contribution that culture can make to placemaking agendas. This approach to partnership working will amplify views and opinions on the importance of embedding business into culture and creativity into business.

To achieve the above, the company intends to grow capacity to realise the ambitions set out in the strategy, through the recruitment of three new posts: a Head of Development and Programmes will come into post in October 2023 to lead on external engagement and strategic relationships; a C&BS Marketplace Manager will come into post in September 2023 to drive the new C&BS Marketplace initiative alongside the existing C&BS Fund, and a Training and Events Coordinator is being recruited for in August 2023 to support the delivery of the expanding training and events activities, including the re-introduction of face-to-face forums that were significant networking and peer-to-peer learning events before the pandemic.



**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT (continued)**

**Year Ended 31 March 2023**

Progress on how the charity delivers against its strategy will be measured through a set of eleven new key performance measures, as well as how the work of the charity delivers against other national aspirations such as the Scottish Government National Performance Framework outcomes.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

Culture & Business Scotland is a company limited by guarantee and governed by its Articles of Association and is a registered charity. The company was incorporated on 6 September 2011 and registered as a charity on 3 October 2011. Membership of the company is open to persons that support the advancement of the main objects of Culture & Business Scotland and their liability is limited to £1. The current directors comprise all the members of the company. 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 3 years. The minimum number of directors is 3 and the maximum number of directors is 12.

**Directors' induction and training**

New directors have an induction meeting with the Chair and the Chief Executive in order to brief them about their role and responsibilities and about 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. A Chief Executive is appointed by the board to manage day to day operations. To facilitate effective operations, the Chief Executive 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 serviced by the following Committees:

**The Finance and Risk Committee** is a standing committee that advises the Board in discharging its accountabilities on financial matters including financial controls, procedures, reporting and also in reviewing major risks and mitigating actions required.

**The Staffing & Remuneration Committee** is a standing committee that advises the Board in discharging its accountabilities on staffing matters, including review of staffing structure, staff terms and conditions, performance and appraisal management and grievance procedures. Remuneration for staff is considered as part of an annual pay review for all staff. This review addresses a range of factors, principally performance, development of skills and experience and cost of living.

**The Business Stakeholder Development Committee** is a standing committee that advises the Board on developing relationships with business including business membership recruitment strategy. It also supports the staff team on business intelligence and brokering introductions to key external contacts to maximise opportunities for the charity.

**The Marketing & Communications Committee** is a standing committee that advises the Board on matters including the development of the Marketing & Communications Strategy to maximise awareness of the value and impact of the work of the charity.

**Corporate Performance**

A corporate performance reporting system enables accurate assessment of progress made to date, against targets & activities within programmes of work, funding agreements and other organisational objectives. This is reviewed and revised annually to reflect changes to strategy, delivery focus and document progress against newly funded activities.

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT (continued)**

**Year Ended 31 March 2023**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

Staff members who are responsible for specific areas of work, complete the appropriate areas in the organisational workplan. The organisational workplan measures performance against targets and outcomes that are then incorporated into the corporate performance report document. This aggregated information informs the CEO report at quarterly Board meetings and provides annual information for the formation of an Annual Report

**Related parties**

Culture & Business Scotland has a close relationship with Creative Scotland and the Scottish Government who provide essential support of the company's programme of activities.

**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 (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT (continued)**

**Year Ended 31 March 2023**

**TRUSTEES' RESPONSIBILITIES STATEMENT 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 themselves 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**  
**Chair**

Date: 13 September 2023

Registered office: Thorn House  
5 Rose Street  
Edinburgh  
EH2 2PR  
Jane Morrison-Ross, Chair

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF  
CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**



**Opinion**

We have audited the financial statements of Culture & Business Scotland (formerly Arts & Business Scotland) (the 'charitable company') for the year ended 31 March 2023 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 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' 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 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 directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The trustees are responsible for the 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. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF  
CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**



**Other information (Continued)**

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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.

**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.

**Respective 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF  
CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**



**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.

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:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of key management personnel and the directors;
- review of minutes of board meetings throughout the period;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF  
CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**

**CT:**

**Use of our report**

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's 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 charity, its members as a body and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Jeremy Chittleburgh CA (Senior Statutory Auditor)**

**For and on behalf of**

**CT**

**Chartered Accountants and Statutory Auditor**

**61 Dublin Street**

**Edinburgh EH3 6NL**

13 September 2023

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Chiene + Tait LLP trading as CT is eligible to act as an auditor under s1212 of the Companies Act 2006

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**

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

**Year ended 31 March 2023**

	Notes	Un- Restricted Funds £	Restricted Funds £	Total 2023 £	Un- Restricted Funds £	Restricted Funds £	Total 2022 £
<b>Income from:</b>							
Donations and core grants	3	219,375	-	219,375	222,768	-	222,768
Charitable activities	4	61,736	404,466	466,202	55,290	637,929	693,219
Other trading activities	5	100	-	100	35	-	35
Investments	6	919	-	919	404	-	404
<b>Total Income</b>		<b>282,130</b>	<b>404,466</b>	<b>686,596</b>	<b>278,497</b>	<b>637,929</b>	<b>916,426</b>
<b>Expenditure on:</b>							
Raising funds	7	14,132	-	14,132	13,771	-	13,771
Charitable activities	8	268,506	342,741	611,247	246,882	598,955	845,837
<b>Total Expenditure</b>		<b>282,638</b>	<b>342,741</b>	<b>625,379</b>	<b>260,653</b>	<b>598,955</b>	<b>859,608</b>
<b>Net income</b>	11	(508)	61,725	61,217	17,844	38,974	56,818
Transfers between funds	21	-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(508)</b>	<b>61,725</b>	<b>61,217</b>	<b>17,844</b>	<b>38,974</b>	<b>56,818</b>
<b>Reconciliation of Funds</b>							
Total funds brought forward	21,23	116,685	54,845	171,530	98,841	15,871	114,712
<b>Total Funds Carried Forward</b>	22	<b>116,177</b>	<b>116,570</b>	<b>232,747</b>	<b>116,685</b>	<b>54,845</b>	<b>171,530</b>

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 17 to 27 form part of these financial statements.



**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET**

**As at 31 March 2023**

	Notes	£	2023 £	£	2022 £
<b>Fixed Assets</b>					
Tangible assets	15		18,037		20,451
<b>Current Assets</b>					
Debtors	16	88,108		165,628	
Cash at bank and in hand		215,678		118,150	
		-----		-----	
		303,786		283,767	
<b>Creditors:</b> Amounts falling due within one year	17	(89,076)		(132,699)	
		-----		-----	
<b>Net current assets</b>			214,710		151,079
			-----		-----
<b>Total Assets Less Current Liabilities</b>			232,747		171,530
<b>Creditors:</b> Amounts falling due after more than one year			-		-
			-----		-----
<b>Net Assets</b>			232,747		171,530
			=====		=====
<b>Funds of the charity</b>					
Restricted income funds	20		116,570		54,845
Unrestricted income funds	21		116,177		116,685
			-----		-----
<b>Total Charity Funds</b>			232,747		171,530
			=====		=====

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 13 September 2023 and are signed on their behalf by:



**Jane Morrison-Ross**  
**Chair**

Company Registration Number: SC406905

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT of CASH FLOWS**

**Year ended 31 March 2023**

	<b>Notes</b>	<b>2023</b> £	<b>2022</b> £
<b>Cash (used in)/generated by operating activities</b>	25	103,701	(174,328)
		-----	-----
<b>Cash flows from investing activities</b>			
Interest received		919	404
Purchase of tangible fixed assets		(7,092)	(2,565)
Disposal of tangible fixed assets		-	444
		-----	-----
<b>Cash used in investing activities</b>		(6,173)	(1,717)
		-----	-----
Increase/(decrease) in cash and cash equivalents in the year		97,528	(176,045)
Cash and cash equivalents at the beginning of the year		118,150	294,195
		-----	-----
<b>Total cash and cash equivalents at the end of the year</b>		215,678	118,150
		=====	=====

**Analysis of changes in net debt**

	<b>2022</b> £	<b>Cash- flows</b> £	<b>2023</b> £
Cash and cash equivalents	118,150	97,528	215,677
	=====	=====	=====

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)**  
**Company Limited by Guarantee**

**NOTES to the FINANCIAL STATEMENTS**

**Year ended 31 March 2023**

**1. Accounting Policies**

**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 (formerly Arts & 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.

**Going Concern**

The financial statements have been prepared on a going concern basis which assumes the company will continue in operation for a period of 12 months from the date of approval of the financial statements. The Trustees do not consider that there are any material uncertainties about the charity's ability to continue as a going concern. Further commentary from the Directors regarding going concern is contained in the Financial Review section of the Directors' Report.

**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.

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)  
Company Limited by Guarantee**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2023**

**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.

**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.

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)**  
**Company Limited by Guarantee**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2023**

**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. General Information**

Culture & Business Scotland (from 14 April 2023) (formerly Arts & Business Scotland) is a company limited by guarantee registered in Scotland (SC406905). The address of the registered office is given in the charity information on page 1 of these financial statements.

The nature of the charity's operations and principal activities are the advancement of the arts, heritage and culture and the promotion of the efficiency of charities.

<b>3. Donations and Core Grants</b>	<b>Un- restricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2023</b>	<b>Total 2022</b>
	£	£	£	£
<b>Donations</b>				
Donations	19,375	-	19,375	22,768
<b>Grants receivable</b>				
CS – service agreement	200,000	-	200,000	200,000
	-----	-----	-----	-----
	219,375	-	219,375	222,768
	=====	=====	=====	=====

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)**  
**Company Limited by Guarantee**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2023**

**3. Donations and Core Grants (continued)**

**Government Grants**

The charity received funding from the certain bodies as set out in notes 3 and 4 during the current and previous year which are considered to be government grants as defined in FRS102 SORP. With the exception of the service agreement with Creative Scotland all the grants were restricted funds for specific projects further information in respect of which can be found in the note detailing the purposes of restricted funds.

<b>4. Income from Charitable Activities</b>	<b>Un restricted Funds £</b>	<b>Restricted Funds £</b>	<b>2023 Total £</b>	<b>2022 Total £</b>
Membership fees	41,741	-	41,741	40,145
Grants receivable:				
Creative Scotland - Culture & Business Fund Scotland	-	225,293	225,293	451,115
Creative Scotland – Chairmatters	-	20,000	20,000	25,000
HES - C&BF Awareness Raising	-	99,849	99,849	84,580
Digital Boost Fund	-	-	-	15,700
Creative Scotland – Recovery Fund	-	59,134	59,134	59,134
Other income from charitable activities:				
Event ticket sales	14,145	190	14,335	11,645
Consultancy fees	5,850	-	5,850	3,500
	=====	=====	=====	=====
	61,736	404,466	466,202	693,219
	=====	=====	=====	=====
<b>5. Other Trading Activities</b>	<b>Un restricted Funds £</b>	<b>Restricted Funds £</b>	<b>2023 Total £</b>	<b>2022 Total £</b>
Sundry income	100	-	100	35
	=====	=====	=====	=====
<b>6. Investment Income</b>	<b>Un restricted Funds £</b>	<b>Restricted Funds £</b>	<b>2023 Total £</b>	<b>2022 Total £</b>
Bank interest receivable	919	-	919	404
	=====	=====	=====	=====
<b>7. Costs of Raising Funds</b>	<b>Un restricted Funds £</b>	<b>Restricted Funds £</b>	<b>2023 Total £</b>	<b>2022 Total £</b>
Support costs	14,132	-	14,132	13,771
	=====	=====	=====	=====

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)**  
**Company Limited by Guarantee**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2023**

**8. Costs of Charitable Activities by Fund Type**

	Un restricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Investment programmes (note 10)	-	155,220	155,220	366,690
Other direct charitable activity	181,660	70,486	235,795	207,595
Support costs	86,846	117,035	220,232	271,552
	-----	-----	-----	-----
	268,506	342,741	611,247	845,837
	=====	=====	=====	=====

**9. Analysis of Support Costs**

	Charitable Activities £	Cost of Generating Income £	Govern- ance £	2023 Total £	2022 Total £
Staff costs	136,237	14,132	5,653	156,022	182,477
Premises	18,390	-	-	-	24,926
Communications and IT	18,076	-	-	-	49,506
Legal and professional	5,032	-	-	4,834	2,056
Depreciation	9,496	-	-	8,926	7,459
Miscellaneous costs	3,548	-	-	5,330	12,890
Audit fees	-	-	7,450	6,575	6,009
Reallocate governance costs	13,103	-	(13,103)	-	-
	-----	-----	-----	-----	-----
	203,881	14,132	-	234,364	285,323
	=====	=====	=====	=====	=====

Costs relating to the above categories of activity have been allocated based on estimations of staff time and usage.

**10. Investment Programme (Grants Made)**

The Scottish Government Department of Culture has made funding available via Creative Scotland to Culture & Business Scotland (formerly Arts & Business Scotland) to encourage new business sponsorship of the arts within Scotland. Under the scheme the arts organisation receiving an eligible business sponsorship gets £1 of funding from Culture & Business Scotland (formerly Arts & Business Scotland) in the form of a Culture & Business Fund Scotland (New Arts Sponsorship) Grant for every £1 of sponsorship.

Grants totalling £155,220 (2022: £366,690) 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.

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)**  
**Company Limited by Guarantee**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2023**

**10. Investment Programme (Grants Made) (continued) £**

Sufi Festival	18,351
Strathearn Artspace SCIO	13,607
Edinburgh Science Foundation Ltd	35,400
Hidden Door	17,700
Imagine	17,770
Fringe by the Sea	22,125
Electric Theatre Workshop Ltd.	26,550
Other grants – all less than £10,000 individually	3,717
	-----
	155,220
	=====

**11. Net income/expenditure for the year**

	<b>2023</b>	<b>2022</b>
	£	£

This is stated after charging:

Staff pension contributions	14,661	14,841
Depreciation	9,496	7,459
Auditor's fees	7,450	5,915
Operating lease costs:		
- Land and buildings	15,128	20,408
	=====	=====

**12. Staff Costs and Emoluments**

	<b>2023</b>	<b>2022</b>
	£	£

Total staff costs were as follows:

Wages and salaries	275,480	262,618
Social security costs	22,986	26,044
Other pension costs	14,661	14,841
	-----	-----
	313,127	303,503
	=====	=====

**Particulars of employees:**

The average number of employees during the year, was as follows:

	<b>No.</b>	<b>No.</b>
Administrative staff	8	7
Chief Executive	1	1
	-----	-----
	9	8
	=====	=====



**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)**  
**Company Limited by Guarantee**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2023**

**12. Staff Costs and Emoluments (continued)**

One employee received remuneration of more than £60,000 during the year (2022: one).

The aggregate remuneration to key management personnel in the year was £196,713 (2022: £205,775).

**Employee pension scheme**

The company offers access to all employees to its registered Group Personal Pension Scheme, which is a "defined contribution" scheme and meets current stakeholder requirements. Employer's contributions of £14,661 (2022: £14,841) were payable during the year. The company owed £3,559 (2022: £Nil) to the scheme as at the year end.

**13. 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.

**14. Trustee Remuneration and Related Party Transactions**

None of the trustees received any remuneration during the year for acting in the capacity of trustee (2022: £Nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £Nil). No expenses were reimbursed to the trustees during the year (2022: £Nil).

There were no transactions during the year with other related parties which require to be disclosed (2022: £Nil).

<b>15. Tangible Fixed Assets</b>	<b>Plant and machinery etc £</b>
<b>Cost</b>	
At 1 April 2022	96,589
Additions	7,092
Disposals	(34,879)
	-----
<b>At 31 March 2023</b>	<b>68,802</b>
	-----
<b>Depreciation</b>	
At 1 April 2022	76,138
Charge for the year	9,496
Depreciation on disposals	(34,869)
	-----
<b>At 31 March 2023</b>	<b>50,745</b>
	-----
<b>Net Book Value</b>	
At 31 March 2023	18,037
	=====
At 31 March 2022	20,451
	=====

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)**  
**Company Limited by Guarantee**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2023**

<b>16. Debtors</b>	<b>2023</b>	<b>2022</b>
	£	£
Trade debtors	84,574	33,703
Other debtors	-	126,290
Prepayments	3,534	5,635
	-----	-----
	88,108	165,628
	=====	=====
<b>17. Creditors: Amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	£	£
Trade creditors	10,817	2,432
Other creditors	51,624	91,341
Accruals and deferred income	26,635	38,718
VAT	-	208
	-----	-----
	89,076	132,699
	=====	=====

Included in other creditors are grant commitments of £51,624 (2022: £94,843). Further information regarding the movement in deferred income in the year is given in the following notes.

**18. Deferred Income**

Included within other creditors falling due within one year are deferred memberships of £15,445 (2022: £9,445), and deferred sponsorship income of £Nil (2022: £Nil).

	<b>2023</b>	<b>2022</b>
	£	£
Balance at 1 April 2022	15,445	9,445
Amount released to income	(15,445)	(9,445)
Amount deferred in year	4,374	15,445
	-----	-----
Balance at 31 March 2023	4,374	15,445
	=====	=====

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)**  
**Company Limited by Guarantee**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2023**

**19. Commitments Under Operating Leases**

At 31 March 2023 the company's total future minimum lease payments under non-cancellable operating leases was as undernoted.

	<b>2023</b>	<b>2022</b>
	<b>Land and Buildings</b>	<b>Land and Buildings</b>
	£	£
Operating leases which expire:		
Within 1 year	3,464	3,464
Within 2 to 5 years	-	-
	-----	-----
	<b>3,464</b>	<b>3,464</b>
	=====	=====

**20. Restricted Income Funds**

	<b>Balance at</b>		<b>Expend-</b>	<b>Transfers</b>	<b>Balance at</b>
	<b>1 April</b>	<b>Income</b>	<b>iture</b>		<b>31 March</b>
	<b>2022</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>2023</b>
	£	£	£	£	£
Culture & Business Fund Scotland	-	225,294	(207,744)	-	17,550
CS Chairmatters	11,615	20,000	(13,115)	-	18,500
CS Organisational Sustainability Programme	-	-	-	-	-
HES Organisational Support Programme	-	100,039	(95,629)	-	4,410
CS Recovery Fund	43,230	59,133	(26,253)	-	76,110
	-----	-----	-----	-----	-----
	<b>54,845</b>	<b>404,466</b>	<b>342,741</b>	<b>-</b>	<b>116,570</b>
	=====	=====	=====	=====	=====

	<b>Balance at</b>		<b>Expend-</b>	<b>Transfers</b>	<b>Balance at</b>
	<b>1 April</b>	<b>Income</b>	<b>iture</b>		<b>31 March</b>
	<b>2021</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>2022</b>
	£	£	£	£	£
Culture & Business Fund Scotland	-	451,115	(451,115)	-	-
CS Chairmatters	1,599	25,000	(14,984)	-	11,615
CS Organisational Sustainability Programme	14,272	2,400	(16,672)	-	-
HES Organisational Support Programme	-	84,580	(84,580)	-	-
Digital Boost Fund	-	15,700	(15,700)	-	-
CS Recovery Fund	-	59,134	(15,904)	-	43,230
	-----	-----	-----	-----	-----
	<b>15,871</b>	<b>637,929</b>	<b>(598,955)</b>	<b>-</b>	<b>54,845</b>
	=====	=====	=====	=====	=====

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)**  
**Company Limited by Guarantee**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2023**

**20. Restricted Income Funds (continued)**

**Purposes of Restricted Income Funds**

*Creative Scotland - Culture & Business Fund Scotland*: 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) – Chairmatters* - This was funding towards the cost of a series of networking events for the chairs of Creative Scotland regularly funded organisations.

*CS (Creative Scotland) - Organisational Sustainability Programme* - This was funding towards the cost of delivering a series of professional development days for a cohort of professionals from arts and heritage organisations, with a view to helping these organisations become more entrepreneurial.

*HES (Historic Environment Scotland) - Organisational Support Programme* – This is funding over a three-year period to enable the charity to extend its engagement with and support for the heritage sector.

*CS (Creative Scotland) Recovery Fund* – This contributes to the development of the new website and also the new marketplace programme.

<b>21. Unrestricted Income Funds</b>	<b>Balance at 1 April 2022</b>	<b>Income</b>	<b>Expend- iture</b>	<b>Transfers</b>	<b>Balance at 31 March 2023</b>
	£	£	£	£	£
General Funds	116,685	282,130	(259,228)	(23,410)	116,177
Designated fund – website	-	-	(16,351)	16,351	-
Designated fund – chair recruitment	-	-	(7,059)	7,059	-
	-----	-----	-----	-----	-----
	116,685	282,130	282,638	-	116,177
	=====	=====	=====	=====	=====

**CULTURE & BUSINESS SCOTLAND (FORMERLY ARTS & BUSINESS SCOTLAND)**  
**Company Limited by Guarantee**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**Year ended 31 March 2023**

22. Analysis of Net Assets Between Funds 2023	Tangible Fixed assets		Net current assets/ (liabilities)	Long term liabilities	Total
	£	£	£	£	£
Unrestricted income funds	18,037	98,140	-	-	116,177
Restricted funds	-	116,570	-	-	116,570
<b>Total funds</b>	<b>18,037</b>	<b>214,710</b>	<b>-</b>	<b>-</b>	<b>232,747</b>

23. Analysis of Net Assets Between Funds 2022	Tangible Fixed assets		Net current assets/ (liabilities)	Long term liabilities	Total
	£	£	£	£	£
Unrestricted income funds	20,451	96,234	-	-	116,685
Restricted funds	-	54,845	-	-	54,845
<b>Total funds</b>	<b>20,451</b>	<b>151,079</b>	<b>-</b>	<b>-</b>	<b>171,530</b>

**24. Company Limited by Guarantee**

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

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

	2023	2022
	£	£
Net movement in funds	61,217	56,818
Add back depreciation charge	9,496	7,459
Deduct interest income shown in investing activities	(919)	(404)
(Increase)/Decrease in debtors	77,520	(56,738)
(Decrease)/Increase in creditors	(43,613)	(181,463)
<b>Net cash generated by operating activities</b>	<b>103,701</b>	<b>(174,328)</b>