Annual Report and Accounts

For the year ended

31 March 2026

The Scottish Legal Aid Board

www.slab.org.uk

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The Performance Report

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2025-26 in numbers

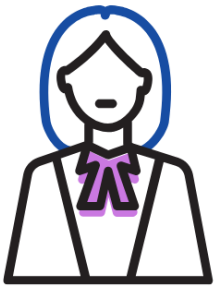
£167M
Legal aid (Fund spend)



£16M
Administration spend



£136M
Paid to solicitors, advocates, and solicitor advocates



165,000
Grants of legal assistance made



1%
Decrease in Fund spend



371
Employees as at 31 March
(67% female, 33% male)



"I just wanted to thank you again for navigating me through the legal process to a successful conclusion. I want you to know how life-changing your help has been to me."

Our Focus

Scottish Legal Aid Board

MAKING SCOTLAND FAIRER

OUR PURPOSE: to fund, deliver and advise on services that enable people to exercise their rights and live in a fair society that respects the rule of law.

OUR MISSION: to help people access the legal support they need.

WE WILL DELIVER THIS THROUGH OUR CORPORATE OBJECTIVES:

1 High Quality Administration

Our timely, clear and consistent decisions on legal aid applications and accounts deliver a positive customer experience.

2 High Quality Delivery of Client Legal Services & Targeted Funding

Our Client Legal Services and targeted funding deliver high quality and accessible information, advice and representation.

3 Investing in Our People

We support our people to develop the skills and ways of working needed to deliver our mission, both now and in the future.

4 Shaping the Future

Our insightful, evidence-based and outcome-focused advice to Ministers supports their decision making on the future of legal aid and SLAB.

OUR VISION: our values, principles and clarity of purpose empower our people to deliver and shape a legal aid system that supports a just, safe and resilient Scotland.

OUR PRINCIPLES

- Our services are designed with our customers' needs in mind
- Our work is grounded in data & evidence
- We take an inclusive "digital first" approach to service design
- We seek continuous improvement in all our work
- We promote equality, diversity & sustainability
- We value our people & support them to deliver their best & fulfil their potential
- We work collaboratively, internally & externally.

OUR VALUES

- **Accountability**
- **Impartiality**
- **Proportionality**
- **Responsiveness**
- **Transparency**
- **Trust**

A word from the Chair and Chief Executive

The Chair's welcome


Bill Moyes

Over the past year, legal aid in Scotland has continued to play a vital role in supporting access to justice and upholding the rights of people and communities across the country. Through the collective efforts of staff and our partners, we have remained focused on a high-quality approach to funding services that can be vital for people when they need them most.

While the justice system continues to face significant challenges, our Board has seen much evidence through the year of collaboration across the system. Our aim is always that legal aid should be a facilitator of wider justice system change whilst ensuring that change takes the operation of legal aid and those delivering it into account.

The knowledge, professionalism and commitment of our staff are central to achieving these aims. On behalf of the Board, I extend my sincere thanks to all colleagues for their dedication and contribution over the past year.

During 2025-26, the Board has maintained a strong focus on governance, accountability and performance, while also placing greater emphasis on organisational readiness for change. This includes the appointment of four new Board members who I look forward to working alongside. Their experience and insights will strengthen our capacity to lead the organisation through a period of reform and renewal.

Our Board welcomes the growing cross-party recognition of the need for long-term structural reform of legal aid. Scottish Government's commitment to reform, including the intention to introduce a Legal Aid Reform Bill in the next parliamentary session, represents a long-awaited opportunity for progress. The Board looks forward to supporting this work and continuing to collaborate with partners, including the Law Society of Scotland and others across the justice system.

As we conclude the current Corporate Plan period, we are also looking ahead. A new Corporate Plan for 2026-29 will build on the strong foundations of the past three years. Our new Corporate Plan sets a clear direction, grounded in our purpose to fund, provide and advise on services that secure access to justice, and our vision of transforming lives through modern, responsive and accessible legal aid services.

Finally, I would like to thank my fellow Board members for their leadership, support and constructive challenge throughout the year. In particular I wish all the best to Gerry Bann, Brian Baverstock, Stephen Humpreys, John Morris KC and Raymond McMenamin whose appointments ended in April 2026. The Board's contribution has been instrumental in ensuring that SLAB continues to deliver its functions effectively and to remain focused on continuous improvement as we move into the future.

Bill Moyes
Chair, Scottish Legal Aid Board.

Chief Executive's overview of the year


Colin Lancaster

I am pleased to present our annual report for 2025-26, the third and final year of delivery against our Corporate Plan 2023-26. This has been a year of strong performance and continued delivery. Eight of our nine most important projects have been completed or progressed as planned, reflecting the commitment of our people and their focus on facilitating access to justice for those who need it most.

My key takeaways

Significant help and investment delivered

Legal aid continues to play a vital and enduring role in Scotland's justice system. I reported last year on the highest ever annual expenditure on legal aid of £169 million. That huge level of investment in response to demand has been seen again this year. Through making 165,000 grants to people where cases met the eligibility criteria, there to protect the taxpayer, annual spend was £167 million. We have ensured that individuals continue to access legal assistance to uphold their rights, often in complex and challenging circumstances.

Reform

This year has marked another important period of progress towards legal aid reform. Scottish Government's legal aid reform discussion paper, alongside Parliamentary scrutiny and its Committee inquiries, has reinforced the case for a system that is more flexible, user-focused and sustainable. We have contributed actively to this agenda through evidence to Parliament, ongoing engagement with stakeholders, and our advice to Scottish Government on options to design a system better aligned to user needs.

Improvements

We have also contributed to tangible improvements within the current framework. Regulations laid in December 2025 will be implemented during 2026 and will simplify elements of criminal and children's legal assistance, reducing administrative burdens and improving access. Scottish Government's 13% increase to solicitor legal aid fees – taking effect in September 2026 – alongside its future investment in traineeships and digital capability is evidence of the support available for the sector whilst reform discussions continue.

Alongside reform, we have also invested directly in the future of the solicitor profession. Our Client Legal Services internship, work shadowing and traineeship programmes are helping to build capacity within legal aid services, reflecting our role not only as a funder, but as a direct provider of legal assistance and a key contributor to the wider justice system.

Engagement

Engagement has been central to our approach this year. Through structured dialogue with the legal profession, third sector, academia and advice providers, we have explored how existing funding mechanisms can be used more flexibly and effectively, while building shared momentum for longer-term change.

Sustainability

Throughout all of this, our core priority has remained unchanged: to deliver high quality and efficient services today, while helping to shape a system that will better meet tomorrow's needs. These two priorities are mutually dependent. Sustaining current services within the constraints of the current

statutory framework is essential to securing access to justice now, while reform is critical to enhancing future access despite a challenging financial outlook.

Our highest priority projects

Our customers

We have strengthened our focus on customer experience and insight, with the delivery and launch of a new Customer Insight Strategy. This provides a structured approach to understanding and responding to user needs, improving services, and using data to drive decision-making, innovation and system improvement. Alongside this, we have continued to support automation and simplification, enhancing our digital services and implementing regulation changes that make the system easier to access and operate.

Our people

We have made progress in building organisational capability, leadership and resilience. A new staff performance policy has been introduced, supported by training and a strengthened approach to objective setting, development and wellbeing. We have also worked collaboratively with solicitors and the Law Society of Scotland to enhance training and support for those delivering legal aid, with further work underway to expand access through a dedicated training hub.

The future

We have taken forward a significant programme of change and reform, supporting Scottish Government's development of regulations and providing advice on system redesign, including the most significant changes to summary criminal legal assistance in decades. We have also strengthened our role in influencing change, contributing evidence to Scottish Parliament's wide ranging review of civil legal aid and working with stakeholders to build a consensus on the need for a more responsive, user-focused system.

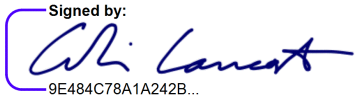
Operational performance

Our performance on the processing of applications has remained strong at 97%, despite three benchmarks being made more challenging. We made ten of our accounts assessment benchmarks more challenging and despite also experiencing some resourcing issues, we met 77% of our benchmarks in this area.

Looking ahead

Our Board and Scottish Ministers have approved our new Corporate Plan for 2026-29. The plan sets out nine corporate objectives and 17 related outcomes. Our Corporate Plan is structured around three core themes – Service, People and the Future – and a set of ambitious objectives that will guide our work.

I would like to thank all colleagues across SLAB for their professionalism, resilience and continued commitment. Their work underpins everything we deliver and ensures that legal aid remains a cornerstone of a fair and just Scotland.

Signed by:

9E484C78A1A242B...
02 September 2026

Colin Lancaster
Chief Executive and Accountable Officer, Scottish Legal Aid Board.

Overview - Legal aid explained

The Scottish Legal Aid Board (SLAB) was established in 1987 under the Legal Aid (Scotland) Act 1986 as a non-departmental public body. It is governed by a Board of between 11 and 15 members, including a Chair.

Our set purpose for 2025-26 was to fund, provide and advise on services that enable people to exercise their rights and support a fair society founded on the rule of law.

SLAB operates within a statutory framework set out in the 1986 Act and a range of supporting regulations. The Scottish Government is responsible for legal aid policy and strategy, including legislation and fee structures, while SLAB is responsible for the day to day management of the legal aid system and for advising Ministers on its operation and development.

Our core functions are to assess applications for legal aid, administer grants, and make payments to solicitors, advocates, and other providers for work undertaken. We also collect contributions from individuals in civil legal aid cases where required.

At an individual level, legal aid enables people to protect and enforce their rights, resolve disputes, and defend themselves when facing action by the state or others. It supports access to legal advice, representation and the wider processes that allow individuals to manage personal affairs and relationships.

At a collective level, legal aid plays a vital role in upholding the rule of law. By enabling individuals to challenge decisions and actions taken by the state or those in positions of authority, it helps safeguard civil, political and human rights, and underpins confidence in the justice system.

Legal aid in Scotland is primarily delivered through a judicare model, where services are provided on a case by case basis by solicitors in private practice, alongside advocates and other professionals where required. Most of the funding is delivered through this model, with additional provision made through the third sector and SLAB's own in house legal services.

Funding for legal aid is demand led. This means that support is provided based on eligibility and need, rather than a fixed budget. The Scottish Government meets the cost of approved cases, which can vary from year to year depending on demand. SLAB does not control overall demand but is responsible for ensuring that funding is administered effectively, consistently, and in line with the statutory framework. Through these roles, SLAB ensures that public funding for legal aid is directed appropriately, supporting access to justice while maintaining confidence in the integrity and sustainability of the system.

Organisational structure

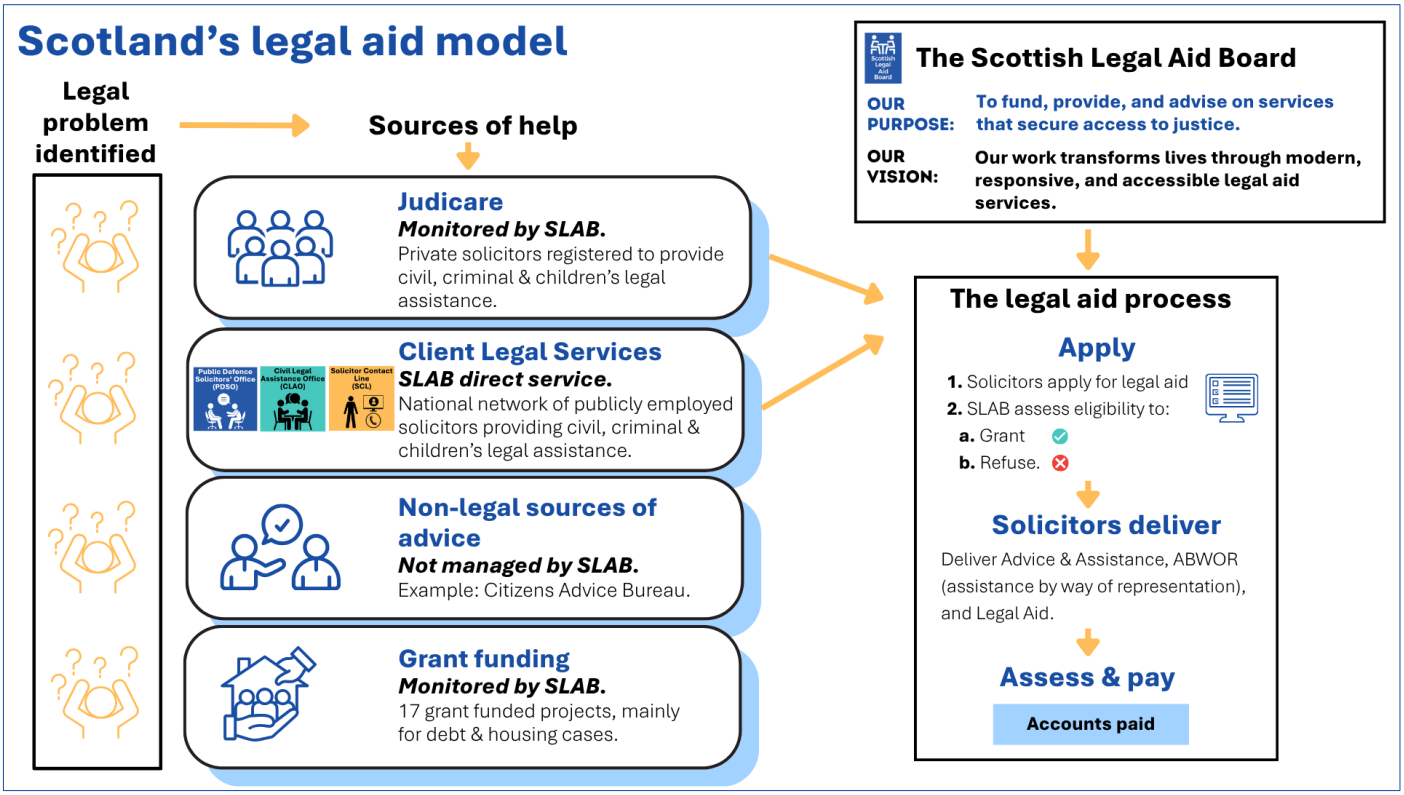
Legal aid funding is split, in line with direction from Scottish Ministers, into two distinct elements:

1. Legal Aid Administration costs
2. Legal Aid Fund costs.

Administration costs cover the staff and systems required to operate the organisation, including assessing applications, administering grants on behalf of Scottish Government, reviewing and paying solicitor and advocate accounts, and ensuring compliance and the detection of potential fraud. The

Legal Aid Fund – by far the larger element – meets the direct costs of legal assistance. This includes payments to solicitors and advocates under the judicare system, as well as the costs of SLAB's Client Legal Services Directorate, which provides a national network of publicly employed solicitors delivering civil, criminal and children's legal assistance.

We are structured around four Directorates, three Administration and one Fund, as per the organogram on page 31.



Our contribution to Scottish Government outcomes

Legal aid provides a vital service at both individual and societal level. It enables people to pursue or defend their rights or manage their personal affairs. This will often be at challenging times in their lives. The individual outcomes achieved with the legal assistance legal aid funds can be life changing.

Beyond the positive impacts on those helped directly by legal aid, the services we fund also makes an important and often under-recognised contribution to the wider outcomes pursued by Scottish Government as set out in the National Performance Framework (see graphic on next page).

Legal aid enables people to pursue and protect their human rights and challenge discrimination.

Legal aid empowers people to challenge the state and institutions.

Legal aid is used for solicitors to represent children at children's hearings.

Legal aid funds businesses to deliver legal services.



Summary Performance

The **performance analysis** section of this report (page 14) gives a detailed breakdown of our performance during the last 12 months.

This has been a year of strong performance and continued delivery. Eight of our nine most important projects have been completed or are on track, reflecting the sustained commitment of our people and their focus on delivering access to justice for those who need it most.

Legal aid continues to play a vital and enduring role in Scotland's justice system. We made 165,000 grants to people and their cases that met the eligibility criteria with annual expenditure of £167 million. We have ensured that individuals continue to access legal assistance to uphold their rights, often in complex and challenging circumstances.

We have made significant progress against our public commitments in the Corporate Plan 2023-26. We have also contributed to wider justice system reform through our work with justice partners and our direct delivery of legal services.

Operational performance has been good across most areas. Applications have largely seen targets met or above target across civil, children's and criminal, however, there have been some instances of below target for Civil (Other) cases. Accounts saw a slight decline in performance due to delivery challenges coinciding with many benchmarks being increased at the same time.

For more information on performance, please see our published performance data on our website: SLAB Operational Performance Overview Reports (SOPOR) - Scottish Legal Aid Board.

Expenditure decreased due to a reduction in the numbers of cases being paid for criminal legal assistance, even though costs rose in civil and in children's legal assistance.

Grants decreased by 3% with slight rises in civil and children's being more than offset by a larger drop in criminal numbers.

The risks we faced

Our purpose is to fund, deliver, and advise on legal aid services.

For SLAB, risk management entails maintaining strong planning and governance, protecting operational resilience, and ensuring we can respond quickly to external change while continuing to deliver high quality legal aid services.

In the last year we have continued to monitor and mitigate risks which would prevent us meeting our purpose and objectives, with a summary of three key risk areas below.

IS infrastructure and security

The risk of cyber-attacks remains high across the private and public sectors, with the potential to severely disrupt or stop the supply of essential services, put personal data at risk, and damage the reputation of trusted organisations.



In February 2026 we were once again awarded Cyber Essentials certification, allowing us to proceed to the next stage of being assessed for Cyber Essentials Plus certification. We also continued to invest in ways to reduce risk, including phishing awareness training for all staff and making sure key system changes and updates did not create security gaps or software weaknesses.

Funding and financial planning

Over 80% of our running costs are staff-related, meaning that any changes in budgets or related policies would be acutely felt and put considerable pressure on the pay bill.



As we move into future years, our administration budget becomes more challenging. For Administration, with no change in approach or funding, difficult choices will have to be made with staff accounting for a high proportion of total costs we will need to ensure we can prioritise business needs to resources. With a high percentage staff costs, this is challenging. This process is supported by our Corporate Plan, particularly our programme of digitisation/automation and continuous improvement,

but our room for substantial movement is largely tied to the outcomes of the programme of legal aid reform.

Legal aid reform and stakeholder engagement

A significant risk was the potential for poor stakeholder engagement or resistance to change which could hamper our ability to advise Scottish Government. We carried out a range of external engagement activity around some key themes of longer-term legal aid reform which has delivered positive results and acted as an effective mitigation.

In January, Ministers announced a 13% increase in solicitor legal aid fees to come into effect from September 2026. The Scottish Solicitors Bar Association welcomed the fee increase and we expect this to end the action by solicitors that was ongoing in Edinburgh and the Lothians. We have already begun to see some firms reapply to carry out police station duty work. Alongside this, we are recommencing meetings with the Law Society of Scotland's civil and criminal legal aid committees to build a more positive approach to working in partnership.

The year ahead

Looking ahead to the 2026-27 financial year, the SLAB Audit Committee and Board will be considering a review of Corporate Risk and Risk appetite in relation our new 2026-29 Corporate Plan and Corporate Objectives.

The basis of going concern

Scottish Legal Aid Board (SLAB)

In line with the Government Financial Reporting Manual, issued annually by HM Treasury, these annual accounts are required to reflect International Accounting Standard 19 "Employee benefits". This requires entities to recognise, in their accounts, the costs, assets and liabilities of pension schemes.

As explained in note 40, pensions and other benefits are payable out of grant-in-aid and are met as they fall due. However, the accounts have been prepared in line with International Accounting Standard 19 "Employee benefits" and include an actuarial valuation of the pension scheme liability. As a result, the statement of financial position shows net liabilities of £75.6m (2024-25: £77.4m). This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from the organisation's other sources of income, will be met by future funding from the Scottish Government. This is because, under the normal conventions applying to Scottish Government control over income and expenditure, such grant-in-aid may not be paid in advance of need.



Funding for 2026-27, considering the amounts required to meet SLAB's liabilities falling during that year, has already been included in the Scottish Government's estimates for that year, which have been approved by the Scottish Parliament, and for future years there is no reason to believe that the Scottish Government's full sponsorship and parliamentary approval will not be forthcoming.

The Scottish Government has given us written assurance that there are no plans to change the existing arrangements, where they fund SLAB's administrative costs, including the provision for net pension costs, through grant-in-aid.

Further, they state that there are no plans to wind up the organisation, and that if this was ever to become a possibility, then the liabilities falling due under the pension scheme would be a matter which the Scottish Government would require to recognise through the legislation that was considered by Parliament.

Scottish Legal Aid Fund

SLAB estimates the value of unbilled live cases each year to arrive at the amounts disclosed within the accounts as a provision. The amount is an estimate of the expenditure required to settle any obligation at the end of the reporting period following the requirements of International Accounting Standard 37 "Provisions, contingent liabilities and contingent assets".

In estimating the provision, SLAB has adopted prudent measurement techniques based on the latest data available. No income is anticipated for cases that may successfully recover costs.

As a result of this and the inclusion of pension liabilities, the Scottish Legal Aid Fund statement of financial position shows net liabilities of £72.1m (2024-25 £65.1m). This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from the organisation's other sources of income, will be met by future funding from the Scottish Government. This is because, under the normal conventions applying to Scottish Government control over income and expenditure, such grants may not be paid in advance of need.

Funding for 2026-27, considering the amounts required to meet SLAB's liabilities falling during that year, has already been included in the Scottish Government's estimates for that year, which have been approved by the Scottish Parliament.

The Scottish Government has given SLAB a written assurance that they will continue to provide funding for future sums due to any solicitor or counsel out of the Legal Aid Fund, in accordance with arrangements set out in the Legal Aid (Scotland) Act 1986, which creates a statutory obligation for payment. The Scottish Government has also given us written assurance on funding future pension costs as detailed above.

Conclusion

Accordingly, it is considered appropriate to adopt a going concern basis for both the Scottish Legal Aid Fund and the Scottish Legal Aid Board in the preparation of these financial statements.

Performance analysis

This section provides a summary of what we delivered this year. It summarises where legal aid expenditure went, the progress we made against our delivery plan, and describes the main risks that we faced. It also contains links to published data on how we performed against our performance benchmarks.

Our performance against our strategic objectives



High Quality Administration

Our timely, clear and consistent decisions on legal aid applications and accounts deliver a positive customer experience.



☑ We have delivered a Customer Insight Strategy

Our Customer Insight Strategy has been finalised and launched and is now moving into

implementation. It provides a structured framework for gathering, understanding and acting on customer needs, behaviours and sentiments.

This will help teams translate data into actionable insights, drive innovation, improve customer experience, and provide stakeholders with stronger evidence and understanding.

☑ We have developed initiatives to improve the quality and consistency of solicitor training and support

We have worked with solicitors and the Law Society of Scotland to develop guidance and support materials based on analysis and identification of points of need.

The next phase is formal launch of a training hub and delivery of specific training sessions.

2 High Quality Delivery of Client Legal Services & Targeted Funding

Our Client Legal Services and targeted funding deliver high quality and accessible information, advice and representation.



☑ We have been reviewing delivery models for our direct legal services to respond to contextual changes

We have ensured continued high-quality delivery of Client Legal Services by identifying internal and external events which may impact service delivery or provide enhancement opportunities.

Our Board has considered and reviewed draft objectives for future delivery of our Client Legal Services which are currently with Scottish Government for consideration.

☑ We have provided opportunities for careers in legal aid by developing a talent pipeline within our direct legal services

We welcomed three trainee solicitors to Client Legal Services as the first intake to benefit from a new traineeship in both civil and criminal law.

They follow eight others, all of whom successfully completed their traineeships and secured solicitor roles within the Civil Legal Assistance Office and Public Defence Solicitors' Office networks. Of these, seven remain with Client Legal Services.

3 Investing in Our People

We support our people to develop the skills and ways of working needed to deliver our mission, both now and in the future.



☑ Review of staff performance management

We developed and implemented a new staff performance policy following consultation. Staff have received training on the new policy and objectives setting as part of the overall approach to performance management. We are committed to creating a working environment and culture in which everyone can thrive and develop.

As an organisation, we focus on continuous improvement, growth, development, wellbeing, and employee engagement.

☑ Journey to becoming a trauma-informed organisation

Scottish Government policies and legislation, such as the Victims, Witnesses and Justice Reform Bill, and initiatives, such as the Scottish Courts and Tribunal Service's Summary Case Management Pilot, contribute to the vision of a trauma-informed justice sector. SLAB have conducted research and considered a trauma status for the organisation.

A corporate approach has been agreed, and we will now conduct a pilot to inform a fuller planning process.

4 Shaping the Future

Our insightful, evidence-based and outcome-focused advice to Ministers supports their decision-making on the future of legal aid and SLAB.

☑ We developed and received Ministerial approval for our 2026-29 Corporate Plan

We have delivered our new 2026-29 Corporate Plan, which has been approved by the SLAB Board and Minister for Victims and Community Safety. This has included development and a review of our corporate business planning process, alignment of contributory strategies, and a review of our Corporate Values, Vision and Purpose.

☑ We advised Scottish Ministers on legal aid reform

We have taken forward initiatives on change and reform, including assisting Scottish Government with the successful development and passage of legal aid reform regulations along with continued advice to Scottish Government on system redesign, including legal aid fee methodologies.

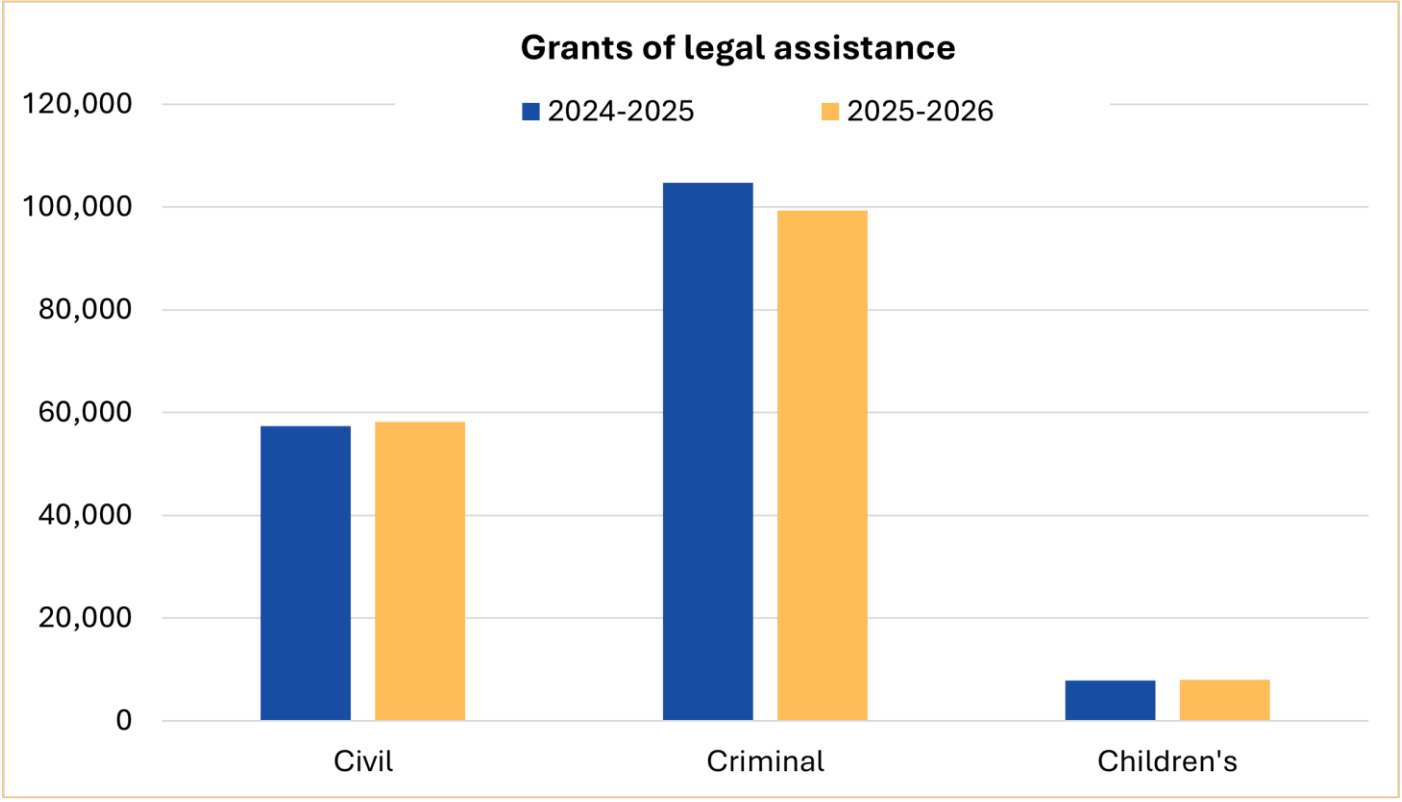
Supply and demand in legal assistance in 2025-26

Grants of legal assistance

Total grants of legal assistance decreased by 3% to 165,000. This fall was mostly driven by a 5% reduction in criminal grants. Both the civil and children's areas saw slight rises of 1%.

Civil advice and assistance (A&A) saw a large rise in assistance in homelessness cases. There was also a sizeable increase in judicial review cases.

Civil legal aid applications rose 2%, driven by a 4% increase in adults with incapacity cases. Family case numbers were level and non-family cases decreased by 1%.



In criminal, grants of legal aid for summary procedure cases fell by 6%, reflecting the similarly sized decline in complaints registered by the courts.

Within summary procedure, grants of ABWOR (assistance by way of representation), primarily used for guilty pleas, increased by 30% to 25,500.

Summary Criminal Case Management facilitates earlier resolution of summary cases.

Grants of summary criminal legal aid decreased by 26% to 26,700.

For the more serious allegations, grants of solemn criminal legal aid increased by 4% to 11,500.

In children's legal aid, there were slight increases in the levels of children's A&A and sheriff court grants.

Providers/supply of legal assistance

There were 545 solicitor firms active[1] in 2025-26. This is a 4% reduction on the figure of 567 active firms reported last year.

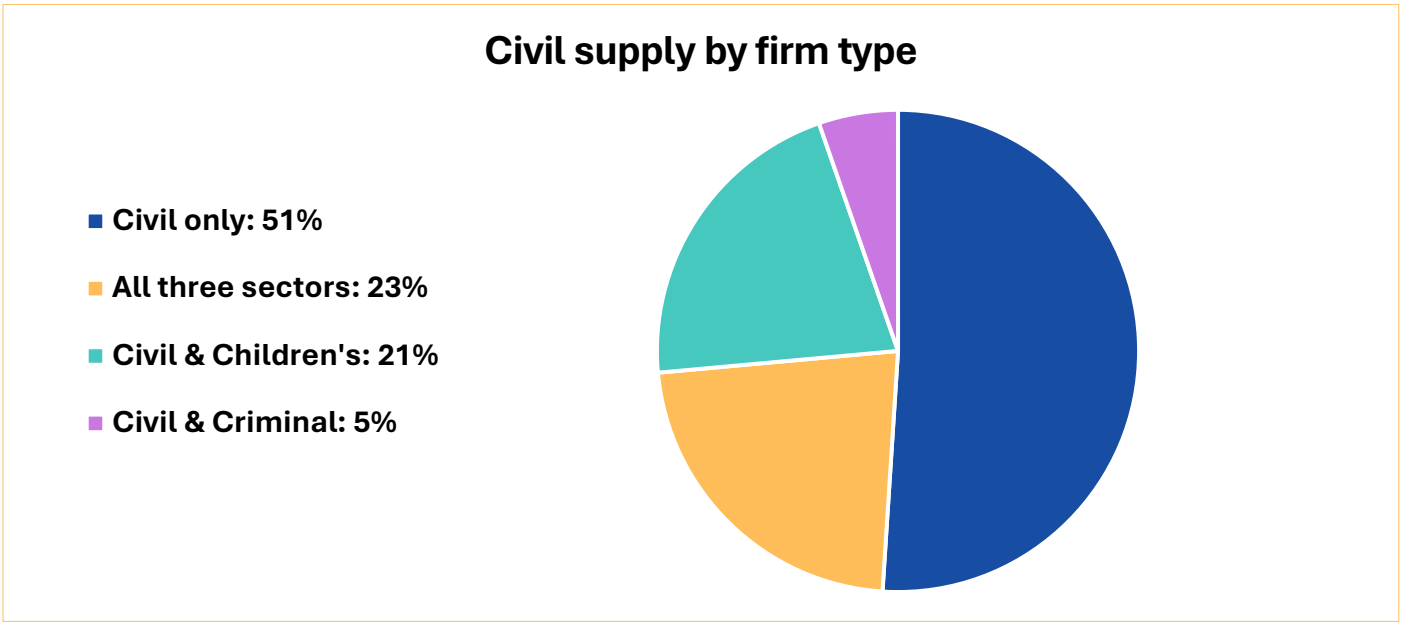
There was a slightly smaller 3% decrease to 165,000 in the number of applications made.

Within **civil legal assistance** there was a 2% reduction in the number of firms operating to 392, whilst the number of applications made rose by 2%.

Over half of civil firms are now 'civil only' firms and their share of civil has increased to 51% of cases.

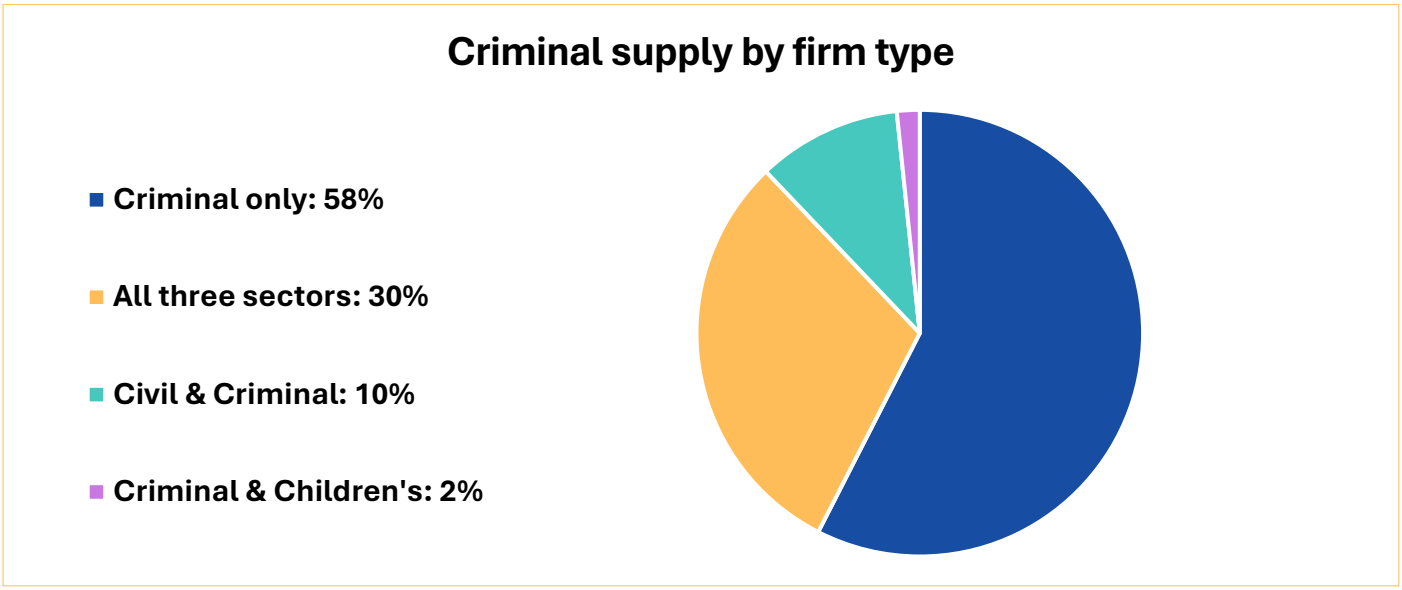
Last year in 2024-25, firms delivering only civil were responsible for 44% of all civil applications.

[1] *Firms that have submitted one or more legal aid applications.*



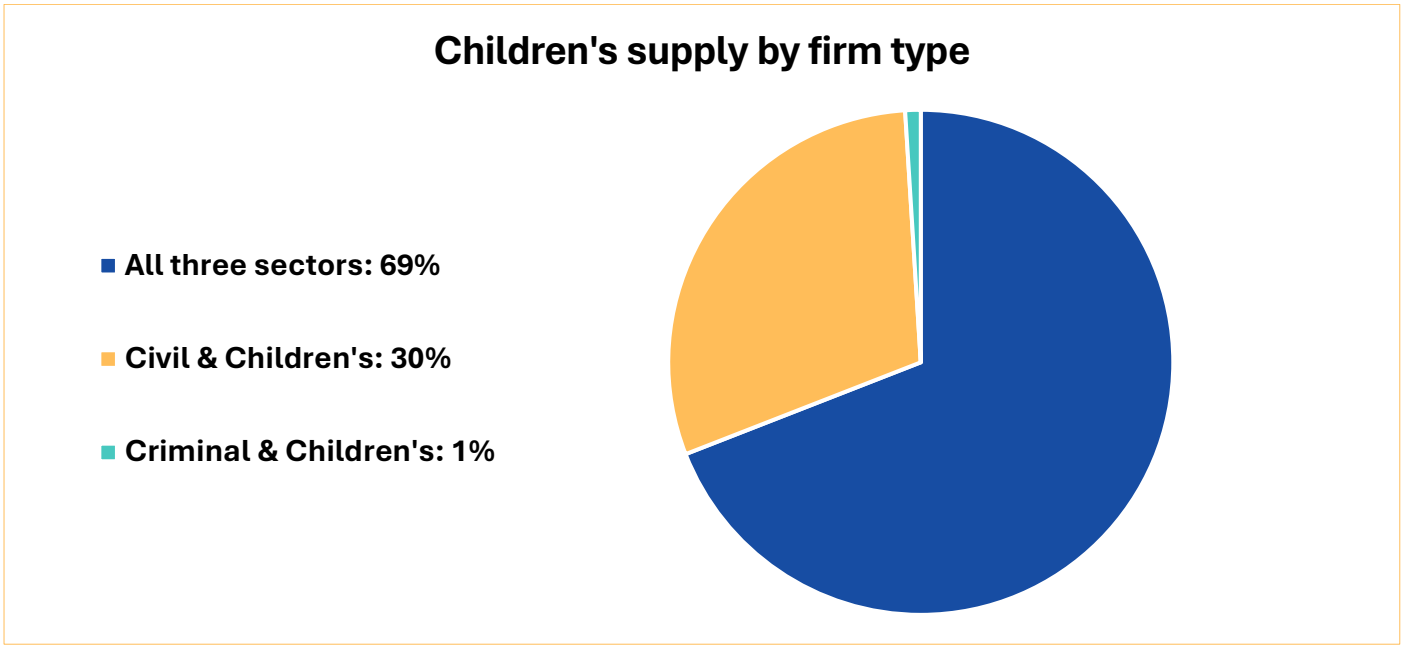
In **criminal legal assistance** the number of firms operating fell by 11% to 286 and the number of applications made fell 6%.

In 2024-25, firms delivering 'criminal only' were responsible for 60% of all criminal applications. In 2025-26 this figure reduced slightly to 58% of all criminal applications.



In **children's legal assistance** in 2025-26, the number of applications increased by 1% and the number of active children's firms fell by 6% to 165.

There are no firms that specialise solely in children's work; most of the work here is done by firms which also work in civil. Their share of the children's sector was 72% in 2024-25 but this reduced to 69% in 2025-26. Conversely the share of civil and children's firms increased from 27 to 30%.



Our financial performance

What legal aid funded in 2025-26

The chart below details cash spend for the legal aid fund, as cash is the basis on which funding is received from Scottish Government.

The figures may be different to those detailed in the financial statements, which are compiled on an accrual basis.

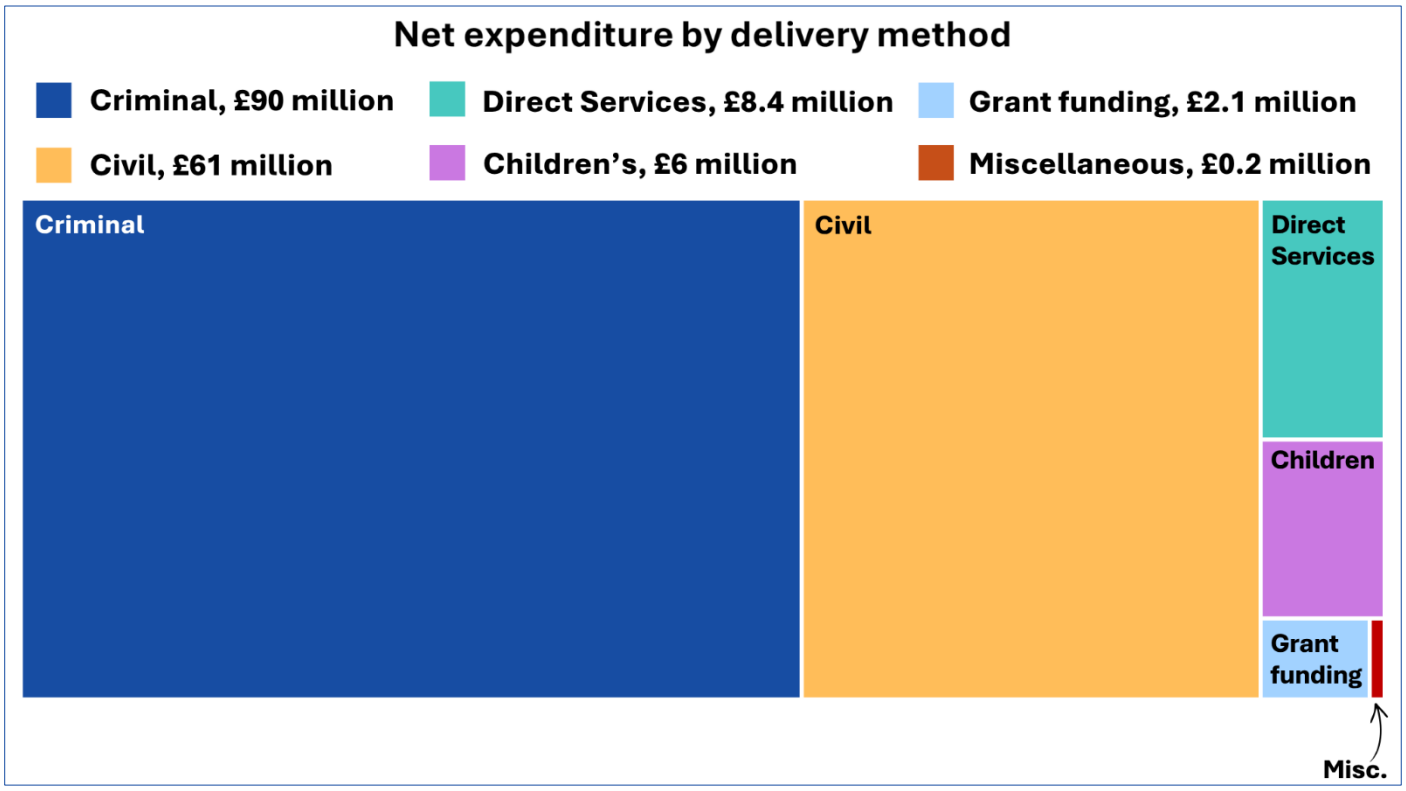
The total cost of legal assistance between April 2025 and March 2026 was £167 million. This is a 1% decrease on 2024-25 but an 11% increase on 2023-24.

The decrease has been driven by the previously mentioned (page 18) 6% fall in criminal expenditure, the largest component of expenditure, which is down to £90 million.

Within this we have seen a 5% increase in the cost of criminal ABWOR and a 15% increase in the cost of PDSO (due to the prior year holding several long term vacancies and 2025-26 being almost fully staffed and also due to the ongoing effect of the application of Scottish Government pay policy) . But these were small value increases compared to the £5.3 million and £2.4 million falls in the cost of summary and solemn legal aid respectively.

Civil costs increased by 8% to £63 million. All areas are seeing rising average costs as the cumulative effect of recent years' fee increases is now being seen in most accounts received and processed.

The chart below shows the proportions of the different legal areas with Direct Services (PDSO, CLAO and SCL) separated out.

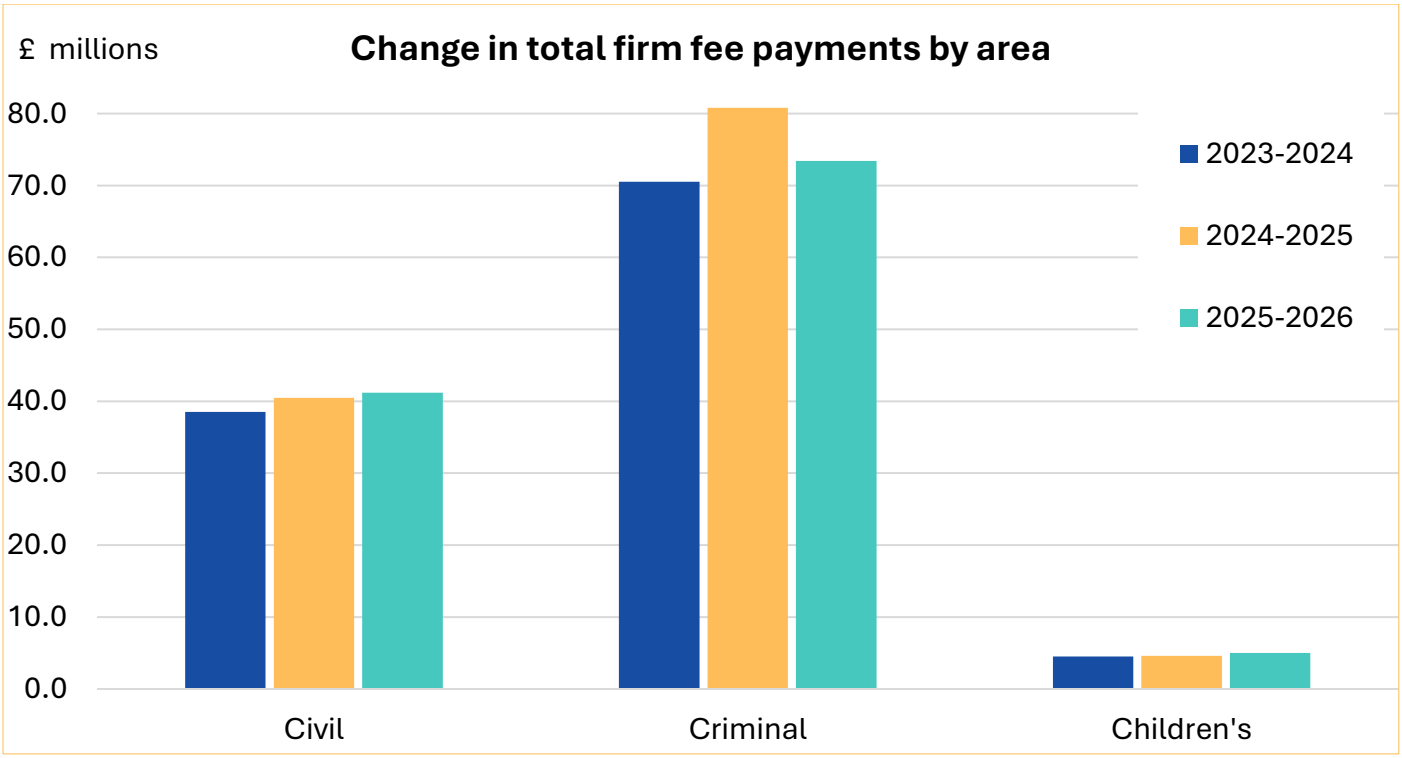


Payments to firms and advocates

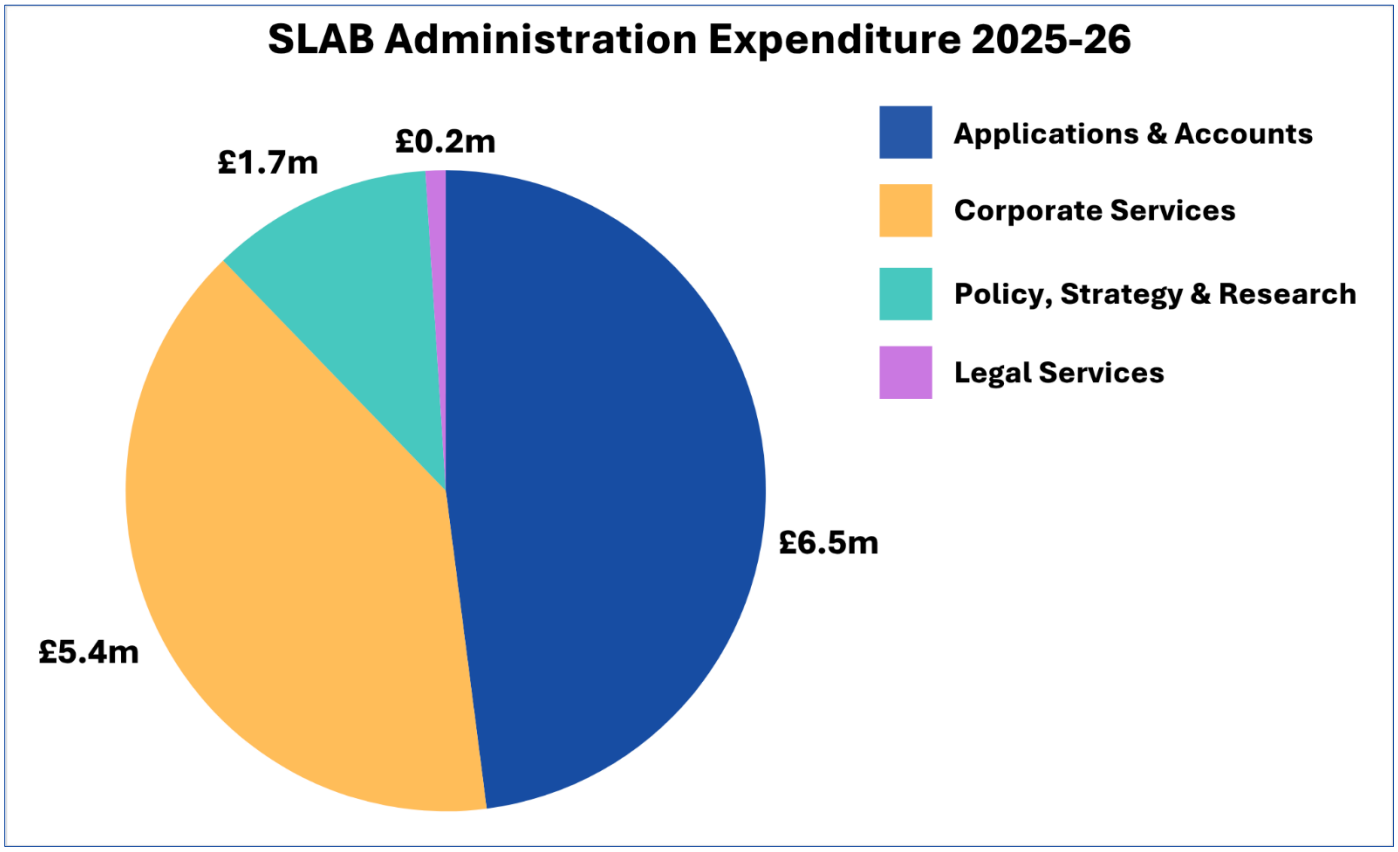
The levels of payments to solicitor firms have followed the trends seen in grants. Fee payments in civil have increased by 2%, in children's by 9%, and decreased in criminal by 9% to £73 million.

Payments to solicitors and solicitor-advocates in total were £120 million. This represents a 5% decrease on last year.

Payments to advocates were £17 million, following a 2% increase on 2024-25.



How we spent our Administration budget in 2025-26



The chart above shows Administration spend less pensions, whereas the table below shows full cost including pensions (with pension benefits paid included at staff costs).

Our Administration budget is distributed across three main Directorates and a central team, including the office of the Principal Legal Advisor, which provides legal support and advice across the organisation.

Our main costs are related to activity in assessing the applications and accounts we receive and corporate services to support the organisation. This includes our own in house technical team to assist with and develop our Legal Aid Online platform as the main interface with solicitors for application and account processing.

As the chart above shows, a significant amount of administrative expenditure (£6.5m) is directed at ensuring legal aid expenditure is in accordance with prevailing statutory provisions, regulations, fee tables and taxation standards.

The teams involved assess solicitor and advocate accounts, review applications received (only granting those that meet the statutory tests) and apply measures to minimise fraud and abuse. We make significant efforts to constrain administration costs whilst ensuring that fund expenditure continues to properly reflect both the intentions of Parliament and the level of demand by eligible people for services that are within scope.

SLAB's administration costs are funded through grant-in-aid from Scottish Government. Unlike the Legal Aid Fund, the Administrative budget **is capped**.

Net expenditure of SLAB (on a cash basis – as shown in the statement of cash flows) is broken down as follows:

Cash Spend	2025-26 £000	2024-25 £000
Staff costs	14,139	13,508
Running costs	1,687	1,590
Capital	95	76
Total administration spend	**15,921**	**15,174**

Staff costs include pension benefits paid (due to our pension scheme being unfunded). The main reason for increased staff costs is the effect of Scottish Government Pay Policy, which was a 4% pay increase with effect from 1 April 2025.

Running costs have increased from the prior year due to inflationary increases from our suppliers (including our commitment to use suppliers paying their employees, at least, the living wage), plus continued investment in our Digital Infrastructure.

Looking forward to future years, it will become increasingly difficult to operate within our existing budget whilst also paying a fair wage to employees (in line with Scottish Government Pay Policy) and ensuring our building is maintained to a good standard and meets Scottish Government Net Zero targets. Further investment in our Digital Infrastructure (with a view to obtain future staff savings through system efficiencies/automation) will be actioned and 2025-26 saw the start of the implementation of corporate workforce planning. This is in line with core objectives one, High Quality Administration and four, Shaping the Future. We are also investing in training for employees in line with core objective three, Investing in Our People.

The figures in the chart and table above are cash based, our financial statements are prepared on an accruals basis, which results in accounting adjustments to the cash spend. These adjustments comprise depreciation, disposal and purchase of assets, movements on accruals, prepayments, and provisions. Once such adjustments are made, the statement of comprehensive net expenditure on page 79 shows net operating costs, including pension costs, of £20.6m (2024-25: £19.7m).

Administration outturn v Scottish Government budget

We are required to manage our financial outturn against an agreed Scottish Government budget. The following table compares the outturn from SLAB's accounts to the budget allocated to us by the Scottish Government.

SoCNE (page 79)	Outturn £000	Budget £000	Variance £000
Staff and administrative costs (net of income)	13,724	16,049	2,325
Depreciation, amortisation plus loss on disposal	423	550	127
Pension scheme service and finance costs	6,432	6,500	68
Net operating costs	**20,579**	**23,099**	**2,520**

Pension service and finance costs continue to be difficult to predict due to levels of inflation and changes in HM Treasury's discount rate. The staff and administrative costs variance is largely due to the Scottish Government's budget figure including monies for cash payments we make in respect of

the SLAB pension scheme (for 2025-26 £2.2m). Under accounting rules, these payments aren't included in the net operating costs shown in the outturn figures above although they are included in the Statement of Cash Flows on page 81.

Our operational performance

Performance Reporting

SLAB has 33 Key Performance Indicators (KPIs) in the applications and accounts operational areas. For more detail please see our website page, Operational Performance Overview Reports (SOPOR).

Performance for each of these are measured against their own benchmarks – the benchmarks can be adjusted each year according to the aims of the business and the wider operating environment.

The KPIs and benchmark system were developed for the strategic objectives of:

- delivering improvements to our legal aid processes that increase efficiency and the experience of system users and customers
- ensuring that our organisation has the culture and capability to be responsive to our customers, the justice system, and developments in legal/advice sectors.

The KPIs are designed to promote timely and effective handling of applications and accounts with an emphasis on "getting it right first time". A high initial grant rate, or payment in full rate, is of benefit to stakeholders (the legal profession, assisted persons and the justice system) but also to SLAB in improving the efficiency of our administration.

Applications performance remained at 97%.

In applications, there are 14 KPIs and in 2024-25 the aggregate performance was 97%.

Three benchmarks were made more challenging in 2025-26.

Accounts performance fell to 77%.

In accounts, there are 19 KPIs with an aggregate performance of 85% in 2024-25.

In 2025-26, ten benchmarks were made more demanding which, alongside delivery challenges, led to a decline in performance. The accounts teams are investing in cross-training and departmental load-balancing, which will be used to support performance in line with the 2026-27 benchmarks.

Anti-corruption and anti-bribery

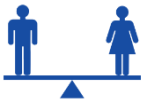
SLAB is committed to conducting its business in an honest and ethical manner. In accordance with the Bribery Act 2010, SLAB operate governance by implementing and enforcing robust policies to guard against illegal behaviour. We act openly in relation to all our dealings with colleagues and suppliers.

As an organisation we will not tolerate any form of bribery or corruption, and we expect individuals, firms and organisations we work with to uphold and adopt this approach. In the event of misconduct being identified, we will seek reimbursement/payment of funds and report the behaviour to the appropriate authority. There are further details about fraud, corruption and bribery in the **Governance Statement**.

Social, community and human rights issues

Legal aid supports access to justice for those people who are unable to pay for it on their own. It can deliver life changing assistance to people in need, ensuring that human and social rights are protected and enforceable. Legal aid makes an important contribution to the Scottish Government's purpose and aligns with its values, and in particular respect for the rule of law.

Legal aid can also support several of the National Outcomes, including supporting respect, protection, and fulfilment of human rights and freedom from discrimination; contributing to inclusive, empowered, resilient and safe communities; tackling poverty and reducing inequality. Our grant funding programmes also ensure that a range of help is available when people face difficulties with interrelated issues such as money, debt, and housing.



In terms of our own workforce, we continually review policies and practices around areas such as equalities, dignity at work, working conditions and recruitment. We support the work of our employees' Charity Committee and employee volunteering, as well as actively support trainees and work placements. SLAB also ensures that all employees are paid the Scottish Living Wage, having gained Living Wage Accreditation in 2015-16.



Equality and diversity

As a public body in Scotland, we are required by the Equality Act (2010) to consider equality in our day-to-day decisions and demonstrate that we pay due regard to the three aims of the Public Sector Equality Duty (PSED).

The Minister for Equalities has asked all public bodies to consider their recently published toolkit as part of their duties relating to outcomes, mainstreaming, policy review and procurement. We have reviewed the toolkit and incorporated findings into our work.

Equality Outcomes Plan 2023-26

Every three years we publish a set of Equality Outcomes to help us fulfil our duties. These outcomes are developed based on evidence, including a literature review, consultation with internal and external stakeholders, and our leadership team. Our **current set of equality outcomes** was developed and published in 2023.

Final summary of progress made against our Equality Outcomes

1. Create the conditions to narrow the gender, disability and ethnicity pay gaps.

We completed and implemented a full review of pay and grading, establishing a fairer and more transparent framework. A corporate workforce planning framework was developed, with ongoing roll out and monitoring continuing into the next cycle.

2. Gather and use equality data to inform our policies and improve our services.

We strengthened equality data collection and analysis across applicants, clients, and staff, improving disclosure rates, standardising equality analysis for EqIAs, and identifying research gaps. This work is now embedded with further development continuing as part of business-as-usual improvement.

3. Gather and use equality data to advise Ministers as part of our advice on legal aid reform and work to monitor availability and accessibility of legal services.

Equality considerations were embedded in advice to Ministers on legal aid reform through completed EqIAs and analytical work. We progressed analysis of the availability and accessibility of legally aided services, giving a foundation for work on equality groups' access to legal aid services.

4. Make key information about our work and legal aid accessible to those who need our help.

We improved the accessibility of legal aid information through stakeholder engagement, accessible formats, translations and BSL resources. Reviews of public materials and correspondence were completed, with ongoing promotion and review carried forward.

The full progress report can be found on **our website**.



Equality mainstreaming

Mainstreaming is the process of thinking about equality in day-to-day decision-making and applying it to our daily practices. The main ways that we achieve this are described below.

Leadership, governance and business planning

Commitment by leaders and senior management is a key factor in our mainstreaming approach. Our corporate equality work is governed by:

1. **Executive Team (ET)**

Chaired by our Chief Executive, the ET reviews progress on work to achieve our equality outcomes and actions to mainstream equalities.



2. **Board and Committee members**

Members receive an equalities report as part of our annual reporting cycle. Board and committee papers provide decision makers with an update on equality as appropriate to the topic.

3. **Business plan**

The equalities impact of our business plan projects is assessed through our established equality impact assessment process. We align our equality outcomes to key business plan priorities.



4. **Equalities Project Group**

Chaired by our Director of Strategic Development, the group helps us progress against our statutory equality duties, as well as to identify risks or issues, and advise how these should be mitigated.

Equality Impact Assessments (EqIA)

Our EqIA template and guidance ensure we mitigate negative and maximise positive equality impacts of new and current policies or projects. The Equalities team support members of staff with carrying out an EqIA and mainstreaming the Public Sector Equality Duty (PSED) into their work.

The 21 EqIAs published in the reporting period are available on our website's **Equalities and diversity** page.

We provide workshops to all new managers to support them. The aim of the workshop is to provide information on what EqIA are, what the purpose of undertaking them is, and how to complete them. It is provided in addition to our equality and diversity corporate training, which must be completed by all new members of staff and is retaken periodically.

Procurement process and award criteria

We continue to follow Scottish Government's Procurement Journey. Our EqIA toolkit helps policy owners record any equality requirements that should be included in any tender process.

Stakeholder feedback

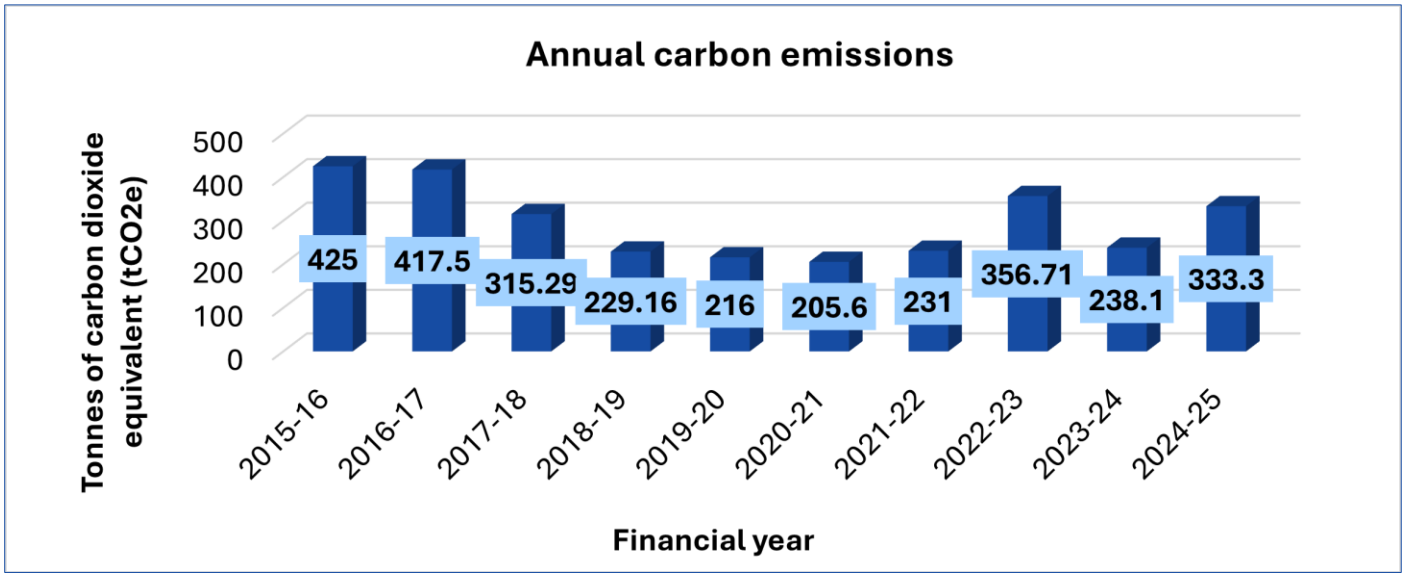
Research and engagement with stakeholders help us collect evidence where there are known inequalities to explore differences in experience and can help us increase the participation of equality groups. This financial year, we have published a **literature review on mental health law clients**, and **consulted** on our planned changes to civil legal aid financial eligibility assessment.

We have also undertaken internal work to understand the exercise of children's rights and needs of unaccompanied asylum-seeking children in the context of the UNCRC.

Environmental impact and sustainability

SLAB is committed to improving our operations in line with Scottish Government's objectives.

This commitment has resulted in a focus on reduction in our carbon emissions in our daily operations, and continual refinement of our reporting processes.



We are currently revising our Carbon Management Plan as reporting processes are upgraded, setting out our road map to further reduce emissions and use sustainable technological advancements wherever possible. A review of our baseline is required to reflect the addition of Scope-3 emissions, homeworking and our remote offices which have now been added to our monitoring.

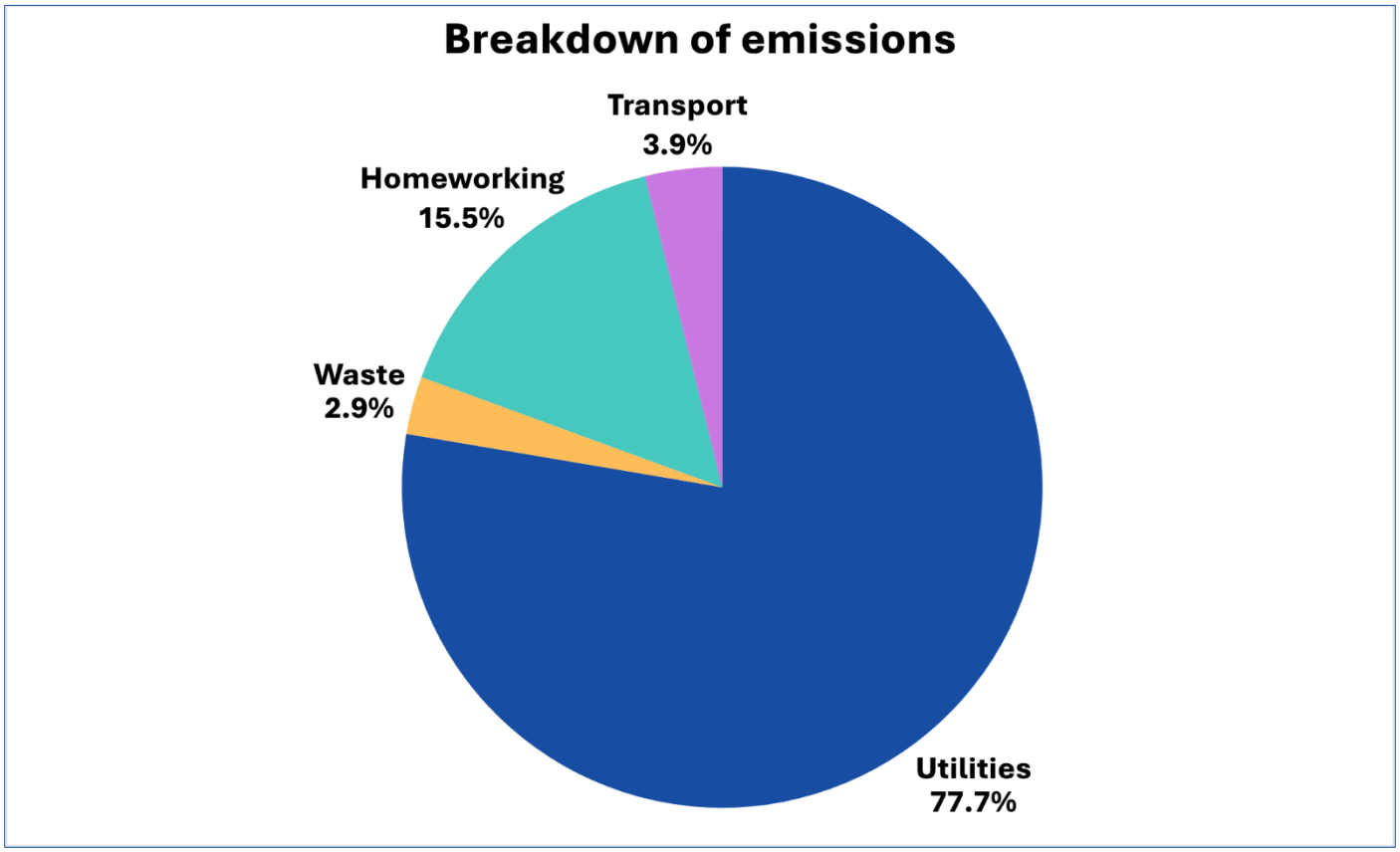
2025-26 figures will be published on our website as soon as they are available but this will not be until late Autumn 2026 as we must await offset figures before we can finalise them.

Annual emissions

Last year (2024-25) we reported emissions including homeworking and Scope 3 (indirect emissions that occur in the upstream and downstream activities of an organisation) for the first time.

We support sustainable procurement wherever possible, using Scottish Government Sustainability Tools, sustainability is considered as a major part of every tender process and we use local suppliers wherever possible to reduce carbon emissions.

Our adoption of a desk booking management system in Thistle House has allowed us to control hybrid working numbers in the office, which ensures we can use excess furniture in our remote offices to avoid purchasing new items. Any surplus items are donated to local charities for reuse.



Taskforce on Climate-Related Financial Disclosure

The Taskforce on climate-related Financial Disclosures (TCFD), was established to improve and increase reporting of climate-related financial information. It provides guidance to organisations on how to disclose climate-related risks and opportunities in their financial statements.

The UK and Scottish Governments have mandated TCFD-aligned disclosure for large entities in the public sector (£500m or greater operating income or 500 or greater full-time-equivalent staff or those in sectors with high environmental impact) however they have also cautioned that proportionality should be considered and bodies should not adopt if they fall out with the scope . Due to our smaller size less than £200m operating income and less than 400fte SLAB fall out with the scope of the TCFD. We will continue to keep this under review and will disclose in future should the scope or any factors affecting the organisation change.

Signed by:
9E484C78A1A242B...
02 September 2026

Colin Lancaster
Chief Executive and Accountable Officer

The Accountability Report

In this section we cover:

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Statement of Accounting Officer's responsibilities 29

Governance Statement 30

Remuneration and staff report 38

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- Learning & Development 46

Parliamentary accountability 48

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Director's report

Directors

The directors of the Scottish Legal Aid Board (SLAB) are the Executive Team and non-executive Board Members, whose details are set out in our **Governance Statement**.

Register of interests

Our Executive Team and Board Members complete a declaration of interests. No significant company directorships or other interests were held, which may have conflicted with their management responsibilities, and no member of the Board had any other related party interests which conflicted with their responsibilities. We keep a register of Board members' interests **available on our website along with biographies**.

Audit

Forvis Mazars carried out the audit of the organisation's accounts for the financial year ended 31 March 2026, covering both the Scottish Legal Aid Fund and SLAB accounts.

The agreed fee for this service was £67,860 (2024-25 was £65,040), which relates solely to the provision of statutory audit services.

Representations

The Accountable Officer and the Board members who held office at the date of approval of these accounts confirm that, so far as they are each aware, there is no relevant audit information of which the organisation's auditors are unaware. The Accountable Officer and each of the Board members have taken all the steps that they ought reasonably to have taken to make themselves aware of any relevant audit information and to establish that the organisation's auditors are aware of that information.

Statement of Accounting Officer's responsibilities

The Legal Aid (Scotland) Act 1986 ("the Act"), as amended by the Public Finance and Accountability (Scotland) Act 2000, states that SLAB must prepare a statement of accounts for each financial year in the form and on the basis determined by Scottish Ministers and set out in the account's direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Scottish Legal Aid Fund and SLAB, and of its income and expenditure, statement of financial position, and cash flows for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual, and in particular must:

- observe the accounts direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies consistently
- make judgements and estimates reasonably
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and show and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the organisation will continue to operate.

The Accountable Officer also confirms that the annual report and accounts are fair, balanced, and understandable, taking personal responsibility for the annual report and accounts, and the judgments required for determining that they are fair, balanced, and understandable.

The Scottish Government has designated the Chief Executive of SLAB as the Accountable Officer for the organisation. The responsibilities of Accountable Officer include responsibility for the propriety and regularity of the public finances for which he is answerable, for keeping proper records, and for safeguarding SLAB's assets, which are set out in the *Memorandum to Accountable Officers for Other Public Bodies*.

The Chief Executive is responsible for the maintenance and integrity of the corporate and financial information, including that published on SLAB's website.

The Accountable Officer also confirms that, as far as they are aware, there is no relevant audit information of which the entity's auditors are unaware, and that they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Governance Statement

The Accountable Officer has responsibility for maintaining a sound system of internal control.

They are also responsible for safeguarding the public funds and assets assigned to SLAB, in accordance with the responsibilities set out in the **Memorandum to Accountable Officers for Other Public Bodies**.

This Governance Statement sets out how we have discharged our responsibilities for governance, risk management, and internal control during the year ended 31 March 2026 and up to the date of approval of the Annual Report and Accounts.

Governance Framework

We are a Non-Departmental Public Body (NDPB) sponsored by Scottish Government's Justice Directorate.

We have a Non-Executive Board, arm's length but accountable to Scottish Ministers and Parliament. The broad governance framework within which we operate, including the key roles and responsibilities that underpin our relationship with Scottish Government, are set out in a **Joint Framework Agreement**.

Day to day management is delegated to the Chief Executive, who is also designated as the Accountable Officer. As Accountable Officer, the Chief Executive is personally responsible and accountable to the Scottish Parliament for the proper use of public funds, for ensuring propriety and regularity, and for maintaining a sound system of internal control.



The Executive Team

Our **Executive Team** comprises the Chief Executive, four Directors and the Principal Legal Adviser. Its role is to assist the Chief Executive in his decision-making functions. The role also involves day-to-day oversight of the administration of the legal aid schemes, including implementation of the Corporate Plan, managing risk, developing operational and corporate policies, and managing finances.

The Executive Team **biographies** are available on SLAB's website.

Annually, each director is set objectives by the Chief Executive and regular progress discussions are held throughout the year in one-to-one meetings. Annually each director's performance is appraised by the Chief Executive.

The Chief Executive's objectives and annual appraisal are carried out by the Board Chair.

The Board and its Committees

The Legal Aid (Scotland) Act 1986 includes provisions for Board membership and management of our business. Standing Orders made in accordance with Schedule 1 of 1986 Act set out arrangements for conduct of Board and Committee business.

The Board retains a range of decision-making powers and delegates other powers to the Chief Executive through a Delegated Authority Matrix.

Dr William Moyes (Chair)	**Stephen Humphreys**	**Raymond McMenamin**	**Brian Baverstock**
			
Started: 01/04/2024	**Started:** 01/04/2018	**Started:** 01/04/2018	**Started:** 01/04/2018
Appointment to: 31/03/2027	**Appointment to:** 31/03/2026	**Appointment to:** 31/03/2026	**Appointment to:** 31/03/2026
Committees: Legal Assistance Policy Committee, Remuneration and Appointments Committee	**Committees:** Legal Assistance Policy Committee, Remuneration and Appointments Committee	**Committees:** Legal Assistance Policy Committee	**Committees:** Audit Committee, Remuneration and Appointments Committee
Sheriff John Morris KC	**Gerry Bann**	**Brigid Whoriskey**	**Judith Robertson**
			
Started: 01/04/2018	**Started:** 01/04/2021	**Started:** 01/04/2021	**Started:** 01/04/2023
Appointment to: 31/03/2026	**Appointment to:** 31/03/2026	**Appointment to:** 31/03/2026	**Appointment to:** 31/03/2026
Committees: Legal Services Cases Committee	**Committees:** Legal Assistance Policy Committee	**Committees:** Audit Committee, Legal Services Cases Committee	**Committees:** Audit Committee, Legal Assistance Policy Committee
Gavin Stevenson	**Fiona Cook**	**William Cowan**	**David Massaro**
			
Started: 01/04/2023	**Started:** 01/04/2024	**Started:** 01/04/2024	**Started:** 01/04/2024
Appointment to: 31/03/2026	**Appointment to:** 31/03/2027	**Appointment to:** 31/03/2027	**Appointment to:** 31/03/2027
Committees: Audit Committee	**Committees:** Legal Services Cases Committee	**Committees:** Legal Assistance Policy Committee	**Committees:** Legal Services Cases Committee

The Board comprises a Chair and 11 non-executive members appointed by Scottish Ministers. It has overall responsibility for ensuring that effective systems of governance, risk management, and

internal control are in place, as well as seeking assurance that these systems operate as intended throughout the year.

Information on the SLAB Board is available on our website – Board members.

A change was implemented during 2025-26 in that the business of the Board was split between Governance and Strategy and Development meetings. Governance meetings focus on the decision-making and oversight functions of the Board. Strategy and Development meetings are more discursive and focus on strategic issues and individual and collective development of the Board.

The Board has four Standing Committees.



Audit Committee

The Audit Committee supports the Board on risk, governance and assurance. It advises the Board and the Accountable Officer on the effectiveness of the internal control system. This includes considering risk matters at each meeting, approving, monitoring the annual programme of internal audit work, and scrutinising financial management and the annual report and accounts.

The Board receives an annual summary report on activity of the Audit Committee during the financial year, and the assurances provided from this oversight and scrutiny.

Legal Assistance Policy Committee

The Legal Assistance Policy Committee assists the Board with the review and development of policies on the administration of legal aid funding and relevant advice to Scottish Ministers.

The Committee also acts as a review mechanism for cases that are decided at the Legal Services Cases Committee at first instance. Although the Committee has a defined membership, the Committee is open for all Board members to attend.

Legal Services Cases Committee

Following a review of its operation, the Board amended the remit of the Committee in 2025-26 to focus more on risk-based decision-making or where a conflict may arise. Meetings are as and when

required, there is no set schedule, while there were no meetings required in the year, a number of cases were considered via correspondence.

The Legal Services Cases Committee considers applications for legal aid to raise proceedings against the Scottish Legal Aid Board, as well as any other cases referred to it by an internal Cases Panel in exceptional circumstances.

Where the Committee is unable to reach a decision on any case, it refers the case to the Legal Assistance Policy Committee for decision.

Remuneration and Appointments Committee

The Remuneration and Appointments Committee considers pay policy, remuneration and performance of the Board's senior staff.

The Board committee structure is available on our website – Board committee structure and membership. Board and Committee papers which are suitable for publication are published and available on our website – Board and committee papers.

Board and Committee attendance during 2025-26

Meeting	Board	Audit Committee	Policy Committee	R&A Committee
Number of meetings	8	4	4	2

Meetings attended	Board	Audit Committee	Policy Committee	R&A Committee
William Moyes	6	4 (Observer)	4	2
Gavin Stevenson	8	4		
Brian Baverstock	6	3		2
Brigid Whoriskey	7	4		
Judith Robertson	8	4	4	
Sheriff John Morris KC	4			
Raymond McMenamin	7		4	
Stephen Humphreys	8		4	2
Fiona Cook	6			
David Massaro	7			
William Cowan	8		3	
Gerry Bann	5		3	

Risk management and internal control

Overall system of governance and internal control

Our system of internal control centres on identifying and managing risks to the delivery of its aims and objectives, supported by effective decision making and oversight. It operates through clear delegation and accountability, including a Delegated Authority Matrix, regular management information, and structured monitoring of strategy, priorities and operational performance by the Executive Team and the Board.

Internal controls are embedded throughout the organisation and are supported by regular reporting, performance monitoring and escalation arrangements.

Financial controls are maintained through Board approved budgets, ongoing monitoring of financial position and forecasting of Legal Aid Fund expenditure.

Assurance is strengthened by a risk based internal audit programme that is approved and overseen by the Audit Committee.

Risk management

Our **risk management framework** sets out the management of risk, and the different roles and responsibilities in the risk management cycle. A corporate risk register sets out the biggest and cross organisation risks and is reviewed on a regular basis by the Executive Team, at every meeting of the Audit Committee, and by the Board twice a year. Functional risk registers include operational risks.

Risks are aligned to corporate objectives, and the Board articulates its risk appetite in several areas which drives the Executive's response to risks. The framework sets out a delegation chain of responsibility for risk from the Board to the Executive. The Executive Team, Audit Committee and the Board considered a range of corporate risks during the year.

As at March 2026, principal risks recorded in the Corporate Risk Register related to:

- the resilience and security of SLAB's information systems and digital infrastructure
- the risk of fraud or misuse of public funds and the need for robust prevention and detection arrangements
- workforce capacity, capability and retention in a constrained public sector labour market
- maintaining compliance with legislation, policy and best practice in a changing legal and operational environment
- managing and influencing the impact of legal aid reform and wider justice system change
- financial sustainability, including the management of Legal Aid Fund expenditure and administration budgets
- maintaining effective relationships with Scottish Government, justice partners and key stakeholders.

The Board was assured that these risks are being actively managed within its agreed risk appetite, with most residual risks assessed as being within, or close to, tolerance levels.

Information Governance and personal data related incidents

A Data Protection Officer (DPO) reports to the Senior Information Risk Owner (SIRO) who is a director. Data breaches are recorded and investigated by the DPO, and all actions discussed with senior management, such as the Principal Legal Adviser.

Significant amounts of personal data are processed, some of which is highly sensitive. The extent of manual personal data processing brings with it the risk of data breaches arising from human error. As a result, some minor data breaches did occur during 2025-26.

Numbers of data breaches are small when compared to the amount of correspondence, and personal data processed. Four data breaches were reported to the Information Commissioner's Office (ICO) during 2025-26. The ICO did not consider it necessary to take any further action.

Fraud, corruption and bribery

Fraud risk was an active consideration on the corporate and functional risk registers, and a consideration by the Audit Committee, through 2025-26.

We updated our Anti-Fraud, Bribery and Corruption Policy in 2025. We are committed to maintaining a framework for the prevention and detection of fraud, bribery and corruption, alongside a robust process for responding to any suspected fraud, bribery or corruption.

Assurance

During 2025-26, the Assurance team provided specialist investigation and verification functions across the first and second lines of defence, supporting the Board's framework of risk management and internal control.

The team handled over 2,000 referrals, undertaking financial eligibility enquiries across civil, criminal, and advice and assistance legal aid. Assurance activity led to action or confirmation of compliance in around half of all full investigations.

Investigations identified estimated potential savings of £840,000, including reassessments, terminations and recoveries, while also contributing to improved assurance where allegations were not substantiated. Notably, levels of applicant non-compliance continued to fall, indicating improved engagement and more proportionate handling of complex cases.

Compliance Audits

During 2025-26, we continued to operate a risk-based programme of compliance audits and investigations on the work of legal aid solicitors to provide assurance over the proper administration of legal assistance and protection of public funds.

Compliance audits covered 113 firms, with the majority assessed as 'Good' or 'Satisfactory'. Targeted reimbursement activity resulted in recovery of most identified errors in charging.

Where audits were classified as 'Poor', SLAB auditors engaged with firms or solicitors to work towards improvement. Most firms strive to comply with the Code of Practice and where firms have failed a previous audit, they make efforts to improve matters.

Investigation activity was proportionate and policy-led, including enhanced compliance measures, recovery action, and regulatory referrals where appropriate, supported by strong engagement with external oversight bodies.

There were no reported instances of fraud involving our staff.

Assurance and audit arrangements

Internal audit

We maintain arrangements for internal audit in accordance with the Global Internal Audit Standards in the UK Public Sector and the Internal Audit section of the Scottish Public Finance Manual.

Internal audit services are provided through an audit plan approved by the Audit Committee. Internal Audit provides independent assurance on the adequacy and effectiveness of governance, risk

management and control arrangements, and reports its findings to management, the Audit Committee and the Board.

The Head of Internal Audit seeks assurance over the system of internal control. This is obtained by conducting a series of audit engagements, considering the results of the previous reviews carried out, discussion with management, review of risk profiles and through membership of our Corporate Governance and Risk Group.

The Head of Internal Audit has provided an Annual Report for 2025-26 to the Audit Committee which provides the annual internal audit opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of our risk management, control and governance processes.

A Reasonable Opinion has been provided and there are no major weaknesses that warrant disclosure in the Annual Governance Statement.

External Audit

We are appointed new external auditors every five years by the Auditor General's Office. Our current auditors are Forvis Mazars.

The external auditors also report any internal control issues that they identify during their normal audit activities to the Accountable Officer, the Audit Committee and the Board.

The Audit Committee has the opportunity to meet privately with the External Auditors to discuss any matters of interest or concern independently from the Executive. This is always done before the meeting that considers the Annual Report and Accounts.

External audit reports annually to the Board and provides an independent opinion on the financial statements, as well as conclusions on wider governance and Best Value arrangements.

Audit Assurance

During the year, neither internal nor external audit identified any material weaknesses in SLAB's system of internal control or governance arrangements, and the Board has taken assurance from this audit work.

Management Assurance

Annually, our directors certify to the Accountable Officer that:

- they have reviewed and are content with the assurances provided by their managers
- they are satisfied that the controls are working
- there are no significant matters in their area of responsibility which would require to be raised specifically in the Statement of Internal Control.

No significant issues that warrant disclosure in the Annual Governance Statement have been raised with the Accountable officer for the 2025-26 period.

Compliance with standards and codes

Board members are bound by the Ethical Standards in Public Life etc. (Scotland) Act 2000 and comply with the Model Code of Conduct for Members of Devolved Public Bodies. Registers of interest are maintained and reviewed in accordance with Scottish Government's On Board guidance, and Ethical

Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Amendment (No. 2) Regulations 2021.

Effectiveness review

The Board is committed to the continuous improvement of its governance arrangements. The Board reflected on its effectiveness and the operation of its governance framework, considering committee effectiveness, the adequacy of information and assurance received, and the Board's skills and experience.

During 2025-26 the Board agreed to set an annual Board Development Plan and the first of these is in place for 2026-27. The Plan is a framework for individual and collective board development with specific actions based on the current needs of the Board and its membership. In addition, the Board also reviewed and made improvements to the way in which new Board Members are inducted into their roles on the SLAB Board.

Governance arrangements have continued to operate effectively, and the Board remains satisfied that they are appropriate to support the delivery of SLAB's statutory functions.

Accountable officer review

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. This review is informed by:

- the work of internal audit
- the work of the Audit Committee
- the findings of external audit
- the assurances and representations provided by the Executive Team.

Based on this review, I am satisfied that SLAB's governance, risk management and internal control arrangements were effective during the year ended 31 March 2026.

Signed by:
9E484C78A1A242B...
02 September 2026

Colin Lancaster
Chief Executive and Accountable Officer
Scottish Legal Aid Board

Remuneration and staff report

The sections of this report marked with ** are covered by the audit opinion.

SLAB determines the pay and conditions for staff in accordance with the Scottish Government's Public Sector Pay Policy for Staff Pay Remits.

The Scottish Government Public Sector Pay Policy sets the parameters for public sector pay increases for a range of public bodies in Scotland, including SLAB. SLAB is required to seek approval from the Scottish Government for its proposals within these parameters and then negotiate detailed pay settlements with trade unions and staff.

Remuneration and Appointments Committee

SLAB's Remuneration and Appointments Committee considers appointment and remuneration of the organisation's senior staff and takes an overview of remuneration issues, including annual pay policy (issued by the Scottish Government), pension policies and related matters.

Executive Team

Appointments of senior management are on a permanent basis in accordance with individual contracts:

Name	Employment start date	Senior Appointment start date	Employment End date	Notice period
Colin Lancaster	June 1997	April 2007	-	12 weeks
Marie-Louise Fox	December 2008	October 2012	-	12 weeks
Linda Ross	April 2022	April 2022	-	12 weeks
Adam Ford	May 2022	May 2022	-	12 weeks
Carolyn McLeod	February 2023	February 2023	-	12 weeks
Ian Dickson	February 2002	February 2013	-	12 weeks

The current Executive Team have a minimum pensionable retirement age of 60 for members of the Legal Aid (Scotland) Pension Scheme before 1 October 2008; otherwise, it is 65 years of age. All contracts include notice periods as indicated above.

Termination payments are made under the organisation's redundancy policy, where appropriate, which allows either for a redundancy payment or a retirement pension and lump sum if a member of the Legal Aid (Scotland) Pension Scheme, subject to satisfying age and service-related criteria.

The Chief Executive's performance is appraised by the Chairman in consultation with the Remuneration and Appointments Committee. In accordance with the Scottish Government's pay policy for senior appointments. The Chief Executive (Colin Lancaster) was eligible to receive a pay increase of 4% from 1 April 2025.

In 2025-26 all other members of the Executive Team's salaries were uplifted by 4%, in accordance with Scottish Government's pay policy, plus progression (if applicable) subject to satisfactory performance. Bonus arrangements for members of the Executive Team are similar to those of staff, the current pay policy from Scottish Government prohibits bonus payments.

Their performance is appraised by the Chief Executive under the organisation's Performance Management system which applies to all staff.

No bonus payments were made in 2025-26 (2024-25: nil), in accordance with Scottish Government's pay policy for staff which continues to reflect the ongoing financial and budgetary stance.

Remuneration **

The following table provides a breakdown of remuneration for members of the Executive Team in 2025-26 and 2024-25 and has been audited by the organisation's auditors.

In line with the Financial Reporting Manual, the value of pension benefits accrued during the year in the table below is calculated as the real increase in pension multiplied by 20, plus the real increase in lump sum less the contributions made by the individual. The real increase excludes increases due to

inflation or any increase or decrease due to a transfer of pension rights. The Executive Team received no benefits in kind.

Employee	Salary 2025-26 £000	Salary 2024-25 £000	Pension benefits accrued in 2025-26 £000	Pension benefits accrued in 2024-25 £000	Single total remuneration 2025-26 £000	Single total remuneration 2024-25 £000
C Lancaster	130–135	125–130	33	58	165-170	185-190
M Fox	105–110	100–105	26	32	130-135	135-140
L Ross	105-110	95-100	46	38	150-155	135-140
A Ford	105-110	95-100	35	31	140-145	125-130
C McLeod	105-110	95-100	34	28	140-145	125-130
I Dickson	105-110	100-105	26	33	130-135	135-140

Pension benefits **

The pension benefits table below provides a breakdown of pension benefits for members of the Executive Team in 2025-26 and 2024-25 and has been audited by the organisation's auditors. Pension figures are calculated to normal retirement age unless the individual is older, in which case it is calculated to 31 March 2026.

Employee	Real increase/ (decrease) in pension & related lump sum £000	Accrued pension at 31 March 2026 & related lump sum £000	Cash equivalent transfer value at 31 March 2026 £000	Cash equivalent transfer value at 31 March 2025 £000	Real increase/ (Decrease) in cash equivalent transfer value £000
C Lancaster, Chief Executive					
Pension	0.0-2.5	40-45	-	-	-
Related lump sum	5.0–7.5	130-135	-	-	-
Transfer value	-	-	1,050	957	49
M Fox, Strategic Development Director					
Pension	0.0-2.5	30-35	-	-	-
Related lump sum	2.5–5.0	95-100	-	-	-
Transfer value	-	-	700	634	35
L Ross, Corporate Services and Accounts Director					
Pension	2.5–5.0	15-20	-	-	-
Related lump sum	N/A	N/A	-	-	-
Transfer value	-	-	296	242	39
A Ford, Operations Director					
Pension	0.0-2.5	5-10	-	-	-

Related lump sum	N/A	N/A	-	-	-
Transfer value	-	-	105	70	25
I Dickson, Principal Legal Advisor					
Pension	0.0-2.5	35-40	-	-	-
Related lump sum	2.5–5.0	105-110	-	-	-
Transfer value	-	-	920	851	30
C McLeod, Client Legal Services Director					
Pension	0.0-2.5	5-10	-	-	-
Related lump sum	N/A	N/A	-	-	-
Transfer value	-	-	89	54	26

Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued because of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the SLAB Pension Scheme and for which the organisation has received a transfer payment commensurate with the additional pension liabilities being assumed.

They also include any additional pension benefit accrued to the member because of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not take account of the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Pay Multiples **

SLAB is required to disclose the relationship between the remuneration of the highest-paid officer in the organisation and those in the 25th, 50th (median) and 75th percentiles of the organisation's workforce:

Pay Multiples	2025-26	2024-25
Band of highest paid director's remuneration (Chief Executive)	**£130-135k**	£125-130k
Remuneration at 25th percentile	**£30,740**	£29,000
Median remuneration	**£40,250**	£37,420
Remuneration at 75th percentile	**£53,360**	£51,300
25th percentile ratio	**4.3**	4.4
Median ratio	**3.3**	3.4
75th percentile ratio	**2.5**	2.5

The banded remuneration of the highest paid officer at SLAB in the financial year 2025-26 was £130-135k (2024-25: £125-130k). This was 3.3 times the median remuneration of the workforce (2024-25: 3.4), which was £40,250 (2024-25: £37,420).

Figures are also shown for the 25th and 75th percentiles of the organisation's workforce for the current and previous years.

The highest paid officer has moved into the next £5k band due to a pay increase of 4% in line with Scottish Government Pay Policy for senior appointments. The average overall increase for all other staff members (average of all staff excluding the highest paid) was 5.8% which is due to the application of Scottish Government Pay Policy plus progression (where applicable). All of the above has caused the median ratio to reduce.

The banded remuneration of the lowest paid employee at SLAB in the financial year 2025-26 was £20-25k (2024-25: £20-25k). Remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind and severance payments. It does not include pension benefits accrued in the year, employer pension contributions and the cash equivalent transfer value of pensions.

Board members **

The remuneration for the Chair and other Board members is determined by the Scottish Government, applying the Public Sector Pay Policy for Senior Appointments. The Chair formally assesses the performance of Board members annually against criteria as agreed between the Chair and Scottish Government. The current criteria include commitment/contribution, team working, ability to constructively challenge within the Board, contribution to strategy/policy formulation, and specific areas of contribution.

Remuneration (excluding any accrued pension benefits) of the Board members for 2025-26 was as follows:

Name	2025-26 £000	2024-25 £000
William Moyes (Chair)	**35-40**	**35-40**
Brian Baverstock	**10-15**	**10-15**
Stephen Humphreys	**10-15**	**10-15**
Raymond McMenamin	**10-15**	**10-15**
Sheriff John Morris KC	**10-15**	**10-15**
Brigid Whoriskey	**10-15**	**10-15**

Gerry Bann	**10-15**	**10-15**
Judith Robertson	**10-15**	**10-15**
Gavin Stevenson	**10-15**	**10-15**
Fiona Cook	**10-15**	**10-15**
William Cowan	**10-15**	**10-15**
David Massaro	**10-15**	**10-15**

Board members including the Chair are not members of the organisation's pension scheme.

Appointment of the Chair by the Scottish Government is on a part time basis (two days a week) for a fixed term, and the current chair's appointment began on 1 April 2024. Board members are appointed by the Scottish Government.

Scottish Ministers may terminate Board appointments, giving three months' notice in writing prior to the intended date of termination, where appropriate.

Staff Numbers & Costs **

The breakdown of staff numbers and costs are as follows:

	Scottish Legal Aid Fund		Scottish Legal Aid Board	
	2025-26 average WTE	2024-25 average WTE	**2025-26 average WTE**	2024-25 average WTE
Permanent staff	105	105	236	234
Other staff	7	11	3	4
Total	112	116	239	238

	£000	**£000**	**£000**	**£000**
Staff costs	7,144	6,541	14,003	13,076

Further detail can be found in notes 8, 9, 10, 11 and 31 to the accounts. More information on pensions can be found at notes 21 and 40.

Scottish Living Wage

In 2015 we obtained the Scottish Living Wage accreditation to demonstrate our public commitment to the Living Wage and tackling in-work poverty in Scotland. We continue this commitment to pay our employees at least the Scottish Living Wage.

Exit packages **

There were no exit packages during the year.

Employee communication

We post regular news on our intranet, including Executive Team updates, internal developments, justice sector news and social updates. The Executive Team also hosts quarterly online All-Staff Q&A sessions to share organisational updates and answer questions. Staff can submit questions in advance and recordings are available.

Each week, all staff receive an email summarising the previous week's intranet posts, solicitor updates and job vacancies. Managers can use this to support team briefings.

Managers also receive a Monday Bulletin with scheduled meetings and events, plus a summary of the previous week's Executive Team meeting.

We regularly review our internal communications channels to ensure they meet corporate and staff needs.

We run periodic employee opinion surveys on areas such as communications, learning and development, management practices and service quality. A joint consultative committee of management and union representatives also meets regularly.

Health and Safety at Work

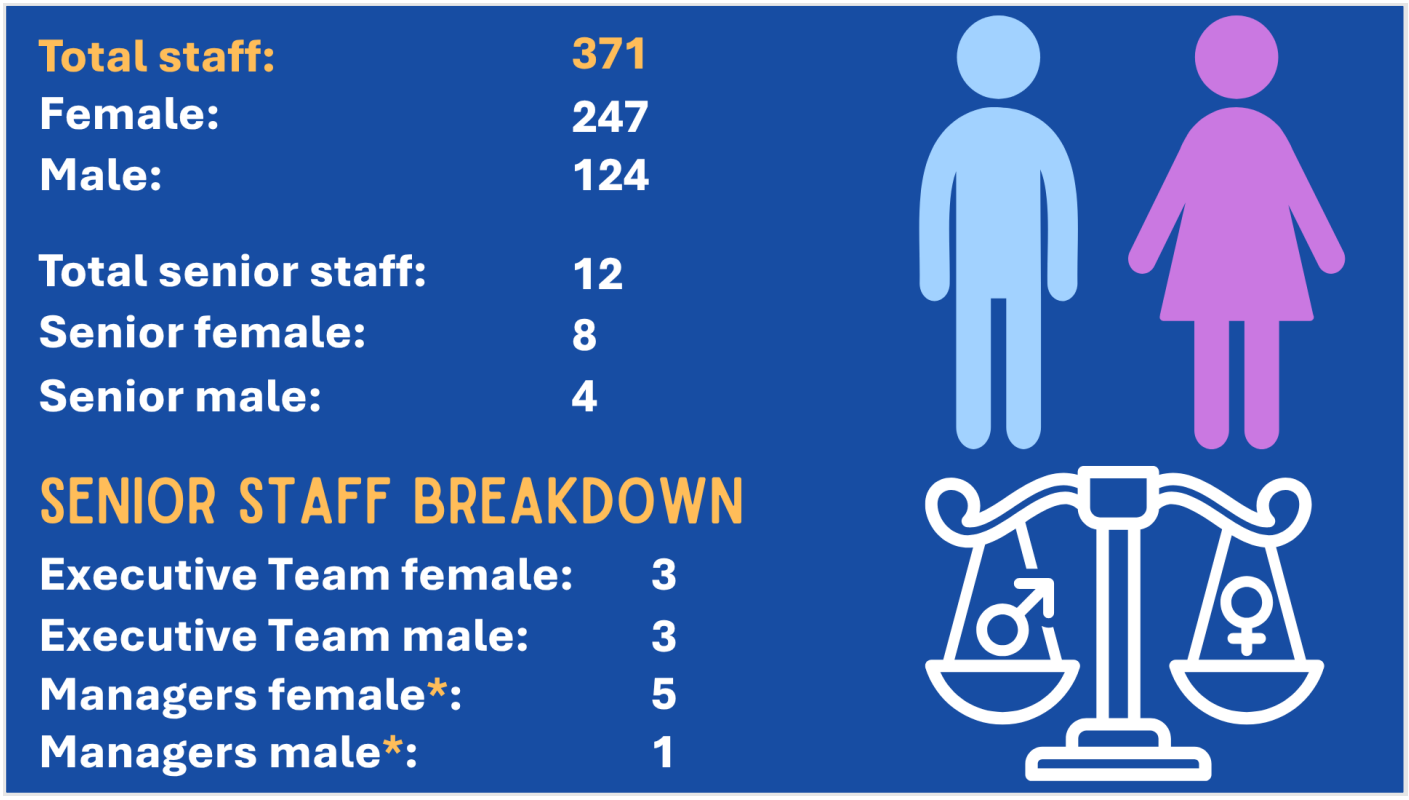


We have a Health and Safety Committee, chaired by the Director of Corporate Services & Accounts, which meets regularly and is comprised of staff members from across the organisation, as well as representatives of the trade union and Facilities management.

The group reviews and proactively raises health and safety concerns and topics for discussion.

Employee Information & Equal Pay

Our female/male split as at 31 March 2026



* *Senior managers' salaries are the equivalent of senior civil service level. In 2025-26, six senior managers were paid within the band £85-90k. In 2024-25, six senior managers were paid within the band £80-85k.*

How we gather and present our employee data

We gather information on employees and people who apply to work with us across all relevant protected characteristics: age, sex, sexual orientation, disability, religion or belief, race (including

ethnic origin and national identity), gender reassignment, marital status, and pregnancy and maternity.

Our full recruitment and employee equality monitoring information and analysis for the period 1 April 2025 to 31 March 2026 is published **on our website**.

What our employee data tells us

Current workforce

The demographic of our workforce remains similar to what was reported as at March 2025. The largest shift (as a percentage of total staff) was amongst staff aged 35–44 (minus 3.7%). Whilst there were a range of other changes, these were all smaller. The lack of more significant changes reflects our continuing low levels of turnover.

Other features of our workforce include:

- a majority female workforce, which is not uncommon within the public sector
- an older workforce when compared to the national picture of people in work, with people aged under 34 particularly under-represented – this can be explained in part by low rates of turnover within the organisation
- an under-representation of minority ethnic people amongst employees when compared to the Scottish workforce
- a slightly larger proportion of Disabled people make up our workforce than the Scottish workforce generally.

Recruitment

We are unable to report this financial year on the profile of the applicant pool or recruitment outcomes because equality monitoring data was not recorded during the transition to a new recruitment platform. Data capture resumed in early April 2026.



We have now fixed this issue and intend to report on recruitment as normal in 2026-27.

Gender pay gap

As a listed public authority, we are required to publish information every two years on the percentage difference between male employees' average hourly pay and female employees' average hourly pay (both excluding overtime). This is our gender pay gap.

One of the key strategic aims of our pay policy is to work towards making sure that pay is fair and non-discriminatory. We conduct an annual equal pay audit and apply our pay policy consistently and transparently.

In March 2026, our mean gender pay gap for all staff (full and part time) was **4.3%**. Our mean gender pay gap has decreased this year from 7.3% in 2025 and 9.6% in 2024, which demonstrates continued positive movement in the right direction. The mean gender pay gap for all employees in Scotland (using **ONC/ASHE data**) in 2024 was **8.3%**, meaning that SLAB is now outperforming the national position on this metric.

SLAB's median gender pay gap is now **14.0%** which is lower than the 17.7% reported in 2025 and was also the figure in both 2023 and 2024. In comparison, the median gender pay gap for all employees in Scotland (using **ONC/ASHE data**) is **9.2%.**

In looking at the profile of staff by sex and employee grade, we are aware that when compared to female staff, a greater proportion of male staff are employed at grade 7+, which may account for SLAB's remaining gender pay gap.

Disability pay gap

The disability pay gap shows the difference in the average hourly rate of pay between disabled and non-disabled employees in an organisation, expressed as a percentage of non-disabled employee earnings. It follows the same calculation methodology used for gender pay gap reporting.

Our mean disability pay gap is **-7.5%** (meaning staff declaring a disability have a higher mean hourly pay than those who do not). The median disability pay gap is **-1.7%.** SLAB's median pay gap compares very favourably to both the UK median figure of 12.7%[2] and more specifically to the Scotland figure of 18.5%, as reported in the most recently available ONS data (2021).[3]

Ethnicity pay gap

For the purposes of calculating our ethnicity pay gap, we have combined the 'white minority' and 'non-white minority ethnic' groups for comparison against the 'white majority' group. At present, the numbers of staff in the minority groups are too low to allow for further disaggregation.

Our mean ethnicity pay gap is **8.4%,** having fallen from 12.2% in 2025. Our median ethnicity pay gap is lower than the mean, at **3.3%** (also having reduced in 2025, from 8.3%). This contrasts with the position for the gender pay gap, where the median is higher than the mean. The most recent reliable Scotland data for 2019, at which point the median pay gap reported by the ONS was 10.3%, is slightly higher than ours. However, the 2019 median ethnicity pay gap for the UK was 2.3%.[4]

In looking at the profile of staff by ethnicity and grade, we are aware that when compared to white majority staff, a lower proportion of non-white ethnic minority staff are employed at grade 7+ , whilst a larger proportion of both non-white ethnic minority staff and white minority staff are employed at grades 1-3 when compared to white majority staff. This may account for SLAB's ethnicity pay gap.

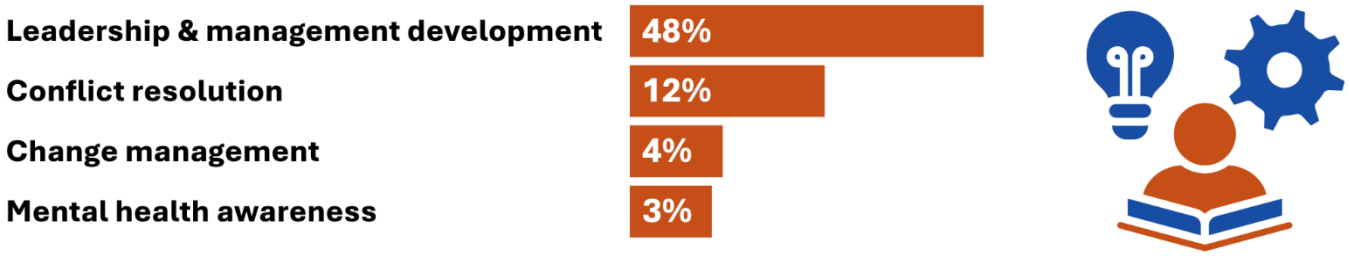
Note: Employees who answered 'prefer not to say' or who have not disclosed any information with regards to disability and ethnicity are excluded from the above calculations.

Learning & Development

From April 2025 to March 2026, we rolled out a total of **56 training courses**, totalling an investment of **3,077 training hours**. The total budget spent on the central Learning & Development (L&D) budget was **£162,400.**

The core focus of the training plan included:

[2] Office for National Statistics – Raw disability pay gaps, UK
[3] Office for National Statistics – Disability pay gaps in the UK
[4] Office for National Statistics – Ethnicity pay gaps



1. **Leadership & management development (including feedback, coaching and objective setting workshops)**
   A continuation of the Think Works Leadership & Management Development Programme which focused on High Performance Leadership Skills through interactive workshops and practical reflection sessions.
2. **Conflict resolution workshops**
   Delivered by Nicole Eisele, they covered the root causes and impacts of workplace conflict, distinguishing between healthy and unhealthy conflict, and applying practical tools like restorative models and active listening.
3. **Change management**
   Delivered by Knowledge Train, the course explored why people react differently to change, adapting to others' needs, improving communication, and shared learning during organisational change.
4. **Mental health awareness**
   Delivered by Headtorch, the workshops focused on proactive mental health support and empathetic communication to build trust and encourage open dialogue, and covered handling sensitive conversations, ensuring confidentiality.

Looking ahead, our L&D plans focus on both external and internal training. We will deliver external training on neurodiversity, data maturity, and sexual harassment. We are rolling out internal sessions to support employees on our new Performance Framework tools.

Employee sickness absence

The absence rate for SLAB is 3.96% which equates to 10.3 days lost per whole time equivalent (WTE). This is an increase in days from 2024–25 which had 3.6% (9.3 days) lost per WTE.

This increase has been on long term absence (over 28 days), from 2.4% in 2024–25 to 3.01% in 2025–26, however, short term absence has reduced from 1.21% last year to 0.95%.

The absence policy, introduced in 2023, is having a positive impact on short term absences, however, the management of long term absence is more complex and requires careful management to support individuals to return to work. We will continue to monitor the sickness levels within SLAB. Sickness levels across the UK are seeing an increase, with the average of 9.4 days in the last 12 months (CIPD). Our levels are higher than we would like and have an impact on some operational areas. Our absence rates are higher when compared to Scottish Government who are sitting at 8.4 days lost for the fourth quarter of 2025. The ONS has not yet published figures for 2025.

Trade Union Relationships

Trade Unions play an important role in the modern workplace and there are considerable benefits to both employers and employees when organisations and unions work well together. SLAB is

committed to working in partnership with our recognised trade union, demonstrated through our bargaining framework and supported by an ongoing recognition agreement with our recognised trade union, GMB.

The Trade Union (Facility Time Publication Requirements) Regulations 2017 place a legislative requirement on relevant public sector employers to collate and publish a range of data on the amount and cost of facility time within their organisation. Our data for 2025–26 is **published on our website**.

Parliamentary accountability

The Scottish Legal Aid Board (SLAB) presents its accounts for the financial year ended 31 March 2026.

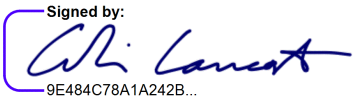
The organisation is a Non-Departmental Public Body set up in 1987 under the Legal Aid (Scotland) Act 1986 and is accountable to Scottish Ministers. A key objective for the organisation is to operate within its administration budget and to manage the Legal Aid Fund. Separate accounts have been prepared for the Scottish Legal Aid Fund and for SLAB.

The accounts have been prepared in a form directed by Scottish Ministers in accordance with section 5 (2) of the Legal Aid (Scotland) Act 1986, as amended by the Public Finance and Accountability (Scotland) Act 2000, and the Government Financial Reporting Manual 2025-26. In all material respects expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by Scottish Ministers.

Details of losses and special payments are disclosed in accounts notes 22 and 41. There are no contingent liabilities to disclose.

The Scottish Legal Aid Fund accounts show income of £6.5m as disclosed in note 4 to the accounts. This mainly comprises contributions made towards the cost of Legal Aid from assisted persons and expenses recovered from opponents.

SLAB accounts show income of £1.1m as disclosed in note 33 to the accounts. This is mainly derived from subletting space in our Thistle House head office to several different tenants.

Signed by:

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02 September 2026

Colin Lancaster
Chief Executive and Accountable Officer

Independent auditor's report

Independent auditor's report to the members of The Scottish Legal Aid Board, the Auditor General for Scotland, and the Scottish Parliament.

Report on the audit of the financial statements

Opinion on the Scottish Legal Aid Fund financial statements

We have audited the financial statements in the annual report and accounts of the Scottish Legal Aid Board for the year ended 31 March 2026 under the Legal Aid (Scotland) Act 1986. The financial statements for the Scottish Legal Aid Fund ("the Fund") comprise the Fund's Statement of Comprehensive Net Expenditure, the Fund's Statement of Financial Position, the Fund's Statement of Cash Flows, the Fund's Statement of Changes in Taxpayer's Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2025/26 Government Financial Reporting Manual (the 2025/26 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2026 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2025/26 FReM; and
- have been prepared in accordance with the requirements of the Legal Aid (Scotland) Act 1986 and directions made thereunder by the Scottish Ministers.

Opinion on the Scottish Legal Aid Board financial statements

We have audited the financial statements in the annual report and accounts of the Scottish Legal Aid Board for the year ended 31 March 2026 under the Legal Aid (Scotland) Act 1986. The financial statements for the Scottish Legal Aid Board ("the Board") comprise the Board's Statement of Comprehensive Net Expenditure, the Board's Statement of Financial Position, the Board's Statement of Cash Flows, the Board's Statement of Changes in Taxpayer's Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2025/26 Government Financial Reporting Manual (the 2025/26 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2026 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2025/26 FReM; and
- have been prepared in accordance with the requirements of the Legal Aid (Scotland) Act 1986 and directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland.

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 were appointed by the Auditor General on 18

May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body.

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 basis of accounting
We have concluded that the use of the going concern basis of accounting in the preparation of the Fund and Board 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 body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the **Audit Scotland Website**.

Risks of material misstatement
We report in our separate Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements
As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines 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 Accountable Officer is responsible for assessing the body'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 there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements
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 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. Procedures include:

- using our understanding of the central government sector to identify that the Legal Aid (Scotland) Act 1986 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website, **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion,

the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Legal Aid (Scotland) Act 1986 and directions made thereunder by the Scottish Ministers.

Other information
The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

Our responsibility is to read all 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.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Legal Aid (Scotland) Act 1986 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Legal Aid (Scotland) Act 1986 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception
We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities
In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Tom Reid, Director
For and on behalf of Forvis Mazars LLP
Forvis Mazars LLP
100 Queen Street
Glasgow
G1 3DN

02 September 2026

Signed by:
Tom Reid
84198FFF69CA47A...

The Fund Financial Statements

In this section we cover:

Statement of comprehensive net expenditure for the year ended 31 March 2026	55
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Statement of Comprehensive Net Expenditure for the year ended 31 March 2026

	Notes	2025-26 £000	2024-25 £000
Civil legal assistance			
Civil legal aid	3	40,708	38,634
Civil advice & assistance and advice by way of representation	3	29,334	23,426
Civil Legal Assistance Office	3	2,734	2,293
Grant funding	3	2,137	2,278
Gross civil legal assistance expenditure		74,912	66,632
Less operating income	4	(6,541)	(7,616)
Total net civil legal assistance expenditure		**68,372**	**59,016**
Criminal legal assistance			
Criminal legal aid	5	72,823	75,233
Criminal advice & assistance and advice by way of representation	5	18,756	17,295
Public Defence Solicitors' Office	5	4,907	4,672
Solicitor Contact Line & Glasgow Courts	5	1,279	1,307
Total criminal legal assistance expenditure		**97,766**	**98,507**
Children's legal assistance			
Children's legal aid	6	3,196	2,834
Children's advice & assistance	6	2,881	2,700
Total children's legal assistance expenditure		**6,077**	**5,535**
Other expenditure			
Contempt of court	7	103	154
Counsel Interest costs	2	-	-
Quality assurance costs	2	99	106
Advice Standards	2	149	135
Miscellaneous legal aid expenditure	2	41	67
Bad debt (including impairment charges)	12	1,577	658
Total other expenditure		**1,969**	**1,120**
Net			
Net operating costs before interest		174,183	164,177
Pension scheme finance costs	21	521	451
Net operating costs		**174,704**	**164,628**

Statement of Financial Position as at 31 March 2026

	Notes	2025-26 £000	2024-25 £000
Non-current assets			
Property, plant and equipment	13	13	23
Intangible assets	14	-	3
Right of use assets	15	769	954
Trade and other receivables	16	5,226	6,360
Total non-current assets		**6,008**	**7,340**
Current assets			
Trade and other receivables	16	1,126	1,273
Cash and cash equivalents	17	8,945	9,584
Total current assets		**10,071**	**10,857**
Total assets		**16,080**	**18,197**
Current liabilities			
Trade and other payables	18	(1,999)	(3,150)
Right of use lease liabilities	15	(166)	(171)
Provisions	20	(52,485)	(47,321)
Total current liabilities		**(54,650)**	**(50,642)**
Non-current assets less net current liabilities		**(38,570)**	**(32,445)**
Non-current liabilities			
Right of use lease liabilities	15	(687)	(852)
Provisions	20	(22,778)	(21,594)
Pension scheme liability	21	(10,051)	(10,226)
Total non-current liabilities		**(33,516)**	**(32,672)**
Assets less liabilities		**(72,087)**	**(65,117)**
Taxpayers' equity			
General fund		(72,087)	(65,117)
Total taxpayers' equity		**(72,087)**	**(65,117)**

The Accountable Officer authorised these financial statements for issue on 02 September 2026.

Signed by:
9E484C78A1A242B...

Colin Lancaster
Chief Executive and Accountable Officer
02 September 2026

The notes on pages 59 to 77 form part of these accounts.

Statement of Cash Flows for the year ended 31 March 2026

	Notes	2025-26 £000	2024-25 £000
Cash flows from operating activities			
Net operating cost before Scottish Government funding		(174,705)	(164,627)
Adjustments for non-cash items			
Depreciation on property, plant and equipment and amortisation of intangible assets	13 & 14	19	35
Depreciation on right of use assets	15	177	178
Loss on disposal of property, plant and equipment	13	-	-
Movements in working capital			
(Increase)/decrease in trade and other receivables	16	1,281	91
Increase/(decrease) in trade and other payables	18	(1,151)	(359)
Movements in provisions			
Increase/(decrease) in provisions	20	6,349	(5,026)
Pension scheme service and finance costs	21	982	926
Payments in respect of pension scheme	21	(227)	(166)
Net cash outflow from operating activities		**(167,275)**	**(168,948)**
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(6)	(12)
Purchase of intangible assets	14	-	(13)
Right of use assets acquired	15	-	(383)
Net cash outflow from investing activities		**(6)**	**(408)**
Cash flows from financing activities			
Scottish Government funding and retained pension contributions		166,805	165,960
Right of use lease financing	15	-	383
Right of use payments made	15	(162)	(138)
Net cash inflow from financing activities		**166,642**	**166,205**
Net decrease in cash and cash equivalents		(638)	(3,151)
Cash and cash equivalents as at 1 April	17	9,584	12,735
Cash and cash equivalents as at 31 March	17	**8,945**	**9,584**

Statement of Changes in Taxpayer's Equity for the year ended 31 March 2026

	Notes	2026 £000	2025 £000
Balance at 1 April		**(65,117)**	**(65,903)**
Changes in taxpayers' equity			
Net cost of operations		(174,705)	(164,627)
Net movement on pension scheme	21	930	(547)
Total recognised income and expense		**(173,775)**	**(165,174)**
Funding from the Scottish Government		166,461	165,584
Retained pension contributions & transfers in		344	376
Total funding		**166,805**	**165,960**
Balance at 31 March		**(72,087)**	**(65,117)**

Notes to the Accounts for the year ended 31 March 2026

1 Fund - accounting policies

Policies **highlighted in bold** text are those we deem to be material as opposed to significant in line with the recent adjustment to IAS 1.

1.1 Basis of accounting

The accounts have been prepared in accordance with the accounting principles and disclosure requirements of the 2025-26 Government Financial Reporting Manual (FReM). Without limiting the information given, the accounts follow generally accepted accounting practices as defined in International Financial Reporting Standards (IFRS) as adopted by the United Kingdom and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context and in accordance with the Accounts Direction given by Scottish Ministers. The accounting policies selected have been applied consistently in dealing with items considered material in relation to the accounts.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account, where material, for the revaluation of property, plant and equipment and intangible assets to fair value as determined by the relevant accounting standard. However, given the short useful economic lives and low values of property, plant and equipment and intangible assets, these assets are disclosed on a depreciated historical cost basis, which is used as a proxy for fair value.

1.3 Corresponding amounts

Corresponding amounts are shown for the primary financial statements and for the notes to the accounts. Where corresponding amounts are not directly comparable with the amount shown in the current financial year, International Accounting Standard 1 "*Presentation of Financial Statements*" requires that they should be adjusted and the basis for adjustment disclosed in a note to the financial statements.

1.4 New accounting standards

There are no new accounting standards or amendments to existing standards which come in to force in future accounting periods and would materially affect the SLAB Fund accounts.

1.5 Funding

Most of the expenditure of the Scottish Legal Aid Fund is met from funds advanced by the Scottish Government within an approved allocation. Cash drawn down to fund expenditure within this approved allocation is credited to the general fund. All income that is not classed as funding is recognised in the period in which it is receivable. Funding for the acquisition of general property, plant and equipment received from the Scottish Government is credited to the general fund.

1.6 Principal risks and uncertainties

The principal risks and uncertainties in the Scottish Legal Aid Fund accounts relate to the estimation techniques used to calculate the value of unbilled live cases disclosed in the accounts as a provision, the bad debt estimation and pension liabilities as detailed in notes 20, 12 and 21 respectively to the accounts. Further information on sources of estimation and uncertainty can be found at note 26.

1.7 Property, plant and equipment (PPE)

Property, plant and equipment is capitalised at the cost of acquisition and installation.

The Government Financial Reporting Manual provides for entities to elect to adopt a depreciated historical cost basis as a proxy for fair value for assets that have short useful lives or low values (or both). For depreciated historical cost to be considered as a proxy for fair value, the useful life must be

a realistic reflection of the life of the asset and the depreciation method used must provide a realistic reflection of the consumption of that asset class. Given that property, plant and equipment held by the Scottish Legal Aid Fund is of low value and has a short useful economic life, there is no revaluation of property, plant and equipment.

The threshold for capitalisation of property, plant and equipment is £5,000; however, individual items of property, plant and equipment whose cost falls below the threshold but are of a similar nature are grouped and capitalised, where the value of the group exceeds the capitalisation threshold.

Subsequent costs are included in the carrying amount of the item of property, plant and equipment or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Scottish Legal Aid Fund and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive net expenditure during the financial year in which they are incurred.

1.8 Depreciation

Depreciation is provided on all property, plant and equipment on a straight line basis, at rates calculated to write-off the re-valued cost, less estimated residual value, of each asset over its expected useful life as follows:

- office equipment and non-standard furniture: 5 years
- personal computer hardware and integral software: 3 years
- motor vehicles: 3 years
- other computer hardware: 5 years.

Property, plant and equipment during construction are not depreciated until the asset is brought into use.

1.9 Intangible assets

Future economic benefit has been used as the criteria in assessing whether an intangible asset meets the definition and recognition criteria of International Accounting Standard 38. The standard defines future economic benefit as “revenue from the sale of products or services, cost savings or other benefits resulting from the use of the asset by the entity”.

Given the short useful lives and low values of intangible assets, the Scottish Legal Aid Fund has elected to adopt a depreciated historical cost basis as a proxy for fair value for intangible assets. When capitalising internally generated intangible assets, such as in-house developed software, directly attributable costs, including staff costs and staff-related costs, are capitalised. On first time-adoption there has been no retrospective capitalisation of internally generated assets because of the inability to apportion historic cost information to specific intangible assets.

Intangible assets are amortised over the shorter term of the length of life of licence and its useful economic life. Intangible assets during construction are not amortised until the asset is brought into use.

1.10 Right of use assets – IFRS16

IFRS16 came into effect for public sector bodies for accounting periods beginning after 1 April 2022. The distinction between finance and operating leases is removed and all leases with 12 or more months to run become on balance sheet. Previously leases were classified as either ‘operating’ or ‘finance’ leases based upon the assessment of the risks and rewards being incidental to ownership of

the underlying asset. Under IFRS 16 SLAB recognises assets where we consider we have exclusive right to use the asset (right-of-use assets) and the lease liability on the balance sheet.

At transition, lease liabilities have been measured at the cost of the remaining lease payments at 1 April 2022. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The right-of-use asset is subsequently depreciated, in the same way as other assets of the same type, using a straight-line method over the lease term. Right-of-use assets will be periodically reviewed to account for potential impairment and any material re-measurement of the lease liability.

1.11 Income and expenditure recognition

Income and expenditure is accounted for in the year to which it relates and not when cash payments are made or received. Where income and expenditure has been recognised but cash has not been received or paid, a receivable or payable for the corresponding amount is recorded in the Statement of Financial Position. For expenditure, only invoices over £500 are accrued or prepaid.

IFRS 15 - Revenue from contracts with customers

IFRS 15 adapted for the public sector came into effect from 1 January 2019. Due to the unusual nature of The Scottish Legal Aid Fund, all income from client contributions and awards of expenses are deemed to derive from a non-exchange contract and, as such, are not party to the guidance in relation to income recognition in line with performance objectives.
The Scottish Legal Aid Fund's primary function is to assess applications and grant legal aid funding, we deem all obligations to have been met once legal aid has been granted.

1.12 Grant Funding

SLAB administers grant funding programmes on behalf of the Scottish Government who provide ring fenced funding. The Scottish Government funding is included in the DEL (Delegated Expenditure Limit) budget for SLAB.

1.13 Operating leases

Rentals applicable to operating leases are charged to the statement of comprehensive net expenditure on a straight-line basis over the period of the lease. Only low value or leases ending in less than 12 months are included here, the rest are included as right of use assets (see 1.10).

1.14 Provisions for liabilities and charges

The liability to pay accounts resulting from work performed up to and including 31 March is calculated based on the number of outstanding legal aid certificates and estimates of cost and time since the certificate was issued. The amount of the provision falling due within twelve months is shown within current liabilities; the amount of the provision falling due in over twelve months is shown in non-current liabilities. The nature of our provision does not lend itself to regular repayments and, as such, present value is not utilised in the calculation.

1.15 Short term employee benefits

Short term employee benefits (such as accrued holiday pay) are valued and, if material, included in current liabilities.

1.16 Pension costs (SLAB Client Legal Services)

The Legal Aid (Scotland) Pension Scheme 1988 (as amended) is an unfunded pension scheme providing benefits based on pensionable pay. The liabilities of the scheme are reported separately from those of the Board. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and

currency to the liability. The amounts charged to the statement of comprehensive net expenditure represent both the service cost (that is, the cost of the additional benefits earned because of employees' service in the current year) and the finance charge for the year arising from the interest on the scheme notional liabilities, in line with the requirements of International Accounting Standard 19, *"Employee benefits"*.

1.17 VAT

The organisation is not registered for VAT and all costs are shown inclusive of irrecoverable VAT.

1.18 Losses and special payments

Operating expenditure includes certain losses which would have been made good through insurance cover had the Scottish Legal Aid Fund not been bearing its own risks. Losses and special payments are disclosed separately in a note to the accounts (note 22).

1.19 Related party disclosures

Related party transactions are identified, considered and disclosed in line with the requirements of International Accounting Standard 24 *"Related party disclosures"* (note 23).

1.20 Financial instruments

The classification of financial assets is determined on initial recognition and comprises only receivables with fixed or determinate payments. Financial assets include trade and other receivables and cash at bank in the statement of financial position. Receivables are recognised at fair value less any provision for non-recovery, which is charged to the statement of comprehensive net expenditure. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or been substantially transferred from the Fund.

Financial liabilities are classified at the point of initial recognition and comprise trade and other payables. Financial liabilities are valued at fair value and derecognised when they have been extinguished, that is discharged, cancelled or expired.

1.21 Changes in estimation techniques

There has been no material changes between 2024-25 and 2025-26. More detail on the major assumptions used in estimations can be found at note 26.

2 Segmental analysis

	Civil legal £000	Criminal legal £000	Children's legal £000	Total £000
Legal aid				
Solicitors' fees	22,563	52,671	2,258	**77,492**
Advocates' fees	3,243	12,215	620	**16,078**
Solicitor advocates' fees	49	4,337	-	**4,386**
Outlays	14,811	3,600	318	**18,730**
Expenses paid to successful unassisted persons	41	-	-	**41**
Total	**40,708**	**72,823**	**3,196**	**116,727**
Advice & assistance and advice by way of representation				
Solicitors' charges	21,779	18,347	2,778	**42,905**
Outlays	7,555	409	102	**8,066**
Total	**29,334**	**18,756**	**2,881**	**50,971**
Client Legal Services				
Outlays	127	305	-	**432**
Salaries and wages	1,734	4,055	-	**5,789**
Social security costs	232	544	-	**776**
Pension scheme service costs	160	301	-	**461**
Accommodation	110	325	-	**435**
Audit fee	3	6	-	**9**
Rentals under operating leases	2	31	-	**33**
Depreciation, amortisation & loss on disposal	6	14	-	**19**
Right of use depreciation	29	147	-	**177**
Right of use interest	5	17	-	**22**
Other operating costs	325	441	-	**767**
Total	**2,734**	**6,186**	**-**	**8,920**
Grant funding	2,137	-	-	**2,137**
Total expenditure	**74,912**	**97,766**	**6,077**	**178,755**
Operating income	(6,541)	-	-	**(6,541)**
Net operating costs 2025-26	**68,372**	**97,766**	**6,077**	**172,214**
Net operating costs 2024-25	59,016	98,507	5,535	163,057

The following items, either impossible or impractical to allocate between segments, are required to reconcile the total segments to respective amounts included in the financial statements:

	£000
Segmental net operating costs	172,214
Contempt of court	103
Counsel Interest costs	-
Quality assurance costs	99
Advice Standards	149
Miscellaneous legal aid expenditure	41
Bad debt (including impairment charges)	1,577
Net operating costs before interest per statement of comprehensive net expenditure	**174,183**

3 Civil legal assistance expenditure

	2025-26 £000	2024-25 £000
Civil legal aid		
Solicitors' fees	22,563	22,154
Advocates' fees	3,243	3,537
Solicitor advocates' fees	49	34
Outlays	14,811	12,887
Total	**40,667**	**38,612**
Expenses paid to successful unassisted persons	41	22
Total	**40,708**	**38,634**
Civil advice & assistance and advice by way of representation		
Solicitors' fees	21,779	16,496
Outlays	7,555	6,930
Total	**29,334**	**23,426**
Civil Legal Assistance Office		
Civil defence costs – outlays	127	125
Salaries and wages	1,734	1,475
Social security costs	232	163
Pension scheme service costs	160	162
Accommodation	110	147
Audit fee	3	3
Rentals under operating leases	2	2
Depreciation and amortisation	6	9
Right of use depreciation	29	28
Right of use interest	5	5
Other operating costs	325	174
Total	**2,734**	**2,293**
Grant funding	2,137	2,278
Gross civil legal assistance expenditure	74,912	66,631
Less operating income (see note 4)	(6,541)	(7,616)
Total net civil legal assistance expenditure	**68,372**	**59,015**

These figures include estimates of the value of work done for which payment is outstanding at 31 March 2026 (see note 20).

4 Civil legal assistance income

	2025-26 £000	2024-25 £000
Contributions by assisted persons[1]	2,340	1,616
Expenses recovered[2]	3,549	4,977
Amounts recovered out of property recovered or preserved by assisted persons[3]	(134)	138
Amounts recovered from damages	785	885
Total operating income	**6,541**	**7,616**

[1] Contributions by assisted persons is shown net of any refunds. Amongst the reasons refunds may arise are:

- the financial circumstances of the assisted person having changed,
- the total cost of the case being less than the contribution, *or*
- the cost of a case having been fully recovered from a third party.

[2] Expenses recovered are shown net of any adjustments, which may arise because the legal aid account has been taxed (re-assessed) by the Auditor of Court.

[3] Included in the amounts recovered out of property recovered or preserved by assisted persons are sums relating to assets over which SLAB has taken a standard security. Under certain circumstances, SLAB will securitise assets such as property until the debt is repaid. Any outstanding sum will attract interest at 8% a year, unless the rate is adjusted by an Act of Sederunt, until the balance is settled. The total value of securitised assets for 2025-26, including accrued interest, is £313k (2024-25: £307k).

5 Criminal legal assistance expenditure

	2025-26 £000	2024-25 £000
Criminal legal aid		
Solicitors' fees	52,671	55,622
Advocates' fees	12,215	11,753
Solicitor advocates' fees	4,337	4,110
Outlays	3,600	3,748
Total	**72,823**	**75,233**
Criminal advice & assistance and advice by way of representation		
Solicitors' fees	18,347	16,933
Outlays	409	362
Total	**18,756**	**17,295**
Public Defence Solicitors' Office (PDSO)		
Criminal defence costs – outlays	295	321
Salaries and wages	2,995	2,805
Social security costs	411	321
Pension scheme service costs	256	273
Accommodation	325	455
Audit fee	5	4
Rentals under operating leases	31	31
Depreciation, amortisation and loss on disposal	14	22
Right of use depreciation	147	149
Right of use interest	17	13
Other operating costs	412	278
Total	**4,907**	**4,672**
Solicitor Contact Line & Glasgow Courts (SCL)		
Criminal defence costs – outlays	10	11
Salaries and wages	1,060	1,077
Social security costs	133	116
Pension scheme service costs	45	40
Accommodation	1	-
Audit fee	2	1
Depreciation, amortisation and loss on disposal	-	1
Other operating costs	30	61
Total	**1,279**	**1,307**
Total PDSO and SCL	6,186	**5,979**
Total criminal legal assistance expenditure	**97,766**	**98,507**

These figures include estimates of the value of work done for which payment is outstanding at 31 March 2026 (see note 20).

6 Legal aid for children

	2025-26 £000	2024-25 £000
Children's legal aid		
Solicitors' fees	2,258	2,001
Advocates' fees	620	546
Solicitor Advocates' fees	-	1
Outlays	318	286
Total	**3,196**	**2,834**
Children's advice & assistance and ABWOR		
Solicitors' fees	2,778	2,595
Outlays	102	105
Total	**2,881**	**2,700**
Total children's legal assistance expenditure	**6,077**	**5,534**

These figures include estimates of the value of work done for which payment is outstanding at 31 March 2026 (see note 20).

7 Contempt of court

	2025-26 £000	2024-25 £000
Solicitors' fees	73	126
Advocates' fees	15	5
Solicitor Advocates' fees	14	20
Outlays	1	3
Total	**103**	**154**

These figures include estimates of the value of work done for which payment is outstanding at 31 March 2026 (see note 20).

8 Public Defence Solicitors' Office (PDSO) Staff

	2025-26 £000	2024-25 £000
Staff costs		
Staff salaries and wages	2,995	2,805
Social security costs	411	321
Agency/temporary/contract	-	-
Pension scheme service costs	256	273
Total	**3,662**	**3,399**
	2025-26 Average WTE	**2024-25 Average WTE**
Staff numbers		
Operations and legal services	30.9	36.3
Administration and support functions	23.2	25.4
Agency/temporary/contract	3.9	0.6
Total	**58.0**	**62.3**

PDSO pensions and other benefits are payable out of the Scottish Legal Aid Fund account.

9 Solicitor Contact Line (SCL) and Glasgow Courts Staff

	2025-26 £000	2024-25 £000
Staff costs		
Staff salaries and wages	1,060	1,077
Social security costs	133	116
Agency/temporary/contract	-	-
Pension scheme service costs	45	40
Total	**1,238**	**1,233**

	2025-26 Average WTE	2024-25 Average WTE
Staff numbers		
Operations and legal services (SCL)	14.9	16.1
Administration and support services (GC)	2.0	2.0
Agency/temporary/contract	1.0	0.5
Total	**17.9**	**18.6**

SCL and GC pensions, and other benefits, are payable out of the Scottish Legal Aid Fund account.

10 Civil Legal Assistance Office (CLAO) Staff

	2025-26 £000	2024-25 £000
Staff costs		
Staff salaries and wages	1,734	1,475
Social security costs	232	163
Agency/temporary/contract	-	-
Pension scheme service costs	160	162
Total	**2,126**	**1,800**

	2025-26 Average WTE	2024-25 Average WTE
Staff numbers		
Operations and legal services	15.8	14.7
Administration and support functions	15.7	14.0
Agency/temporary/contract	2.4	3.8
Total	**33.9**	**32.5**

CLAO pensions and other benefits are payable out of the Scottish Legal Aid Fund account.

11 Advice Standards Staff

	2025-26 £000	2024-25 £000
Staff costs		
Staff salaries and wages	105	97
Social security costs	14	10
Agency/temporary/contract	-	2
Total	**118**	**109**
	2025-26 Average WTE	**2024-25 Average WTE**
Staff numbers		
Administration and support functions	2.5	2.5
Total	**2.5**	**2.5**

12 Bad Debt (including impairment charges)

	2025-26 £000	2024-25 £000
Irrecoverable amounts (including impairment charges)	1,577	658

The sums written off during the year were £1,174k (2024-25: £688k). The figures shown above are the overall movement in the provision which has increased this year by £403k (from £2,349k to, £2,752k). The £1,577k increase shown is the increase in provision of £403k plus the add-back for amounts utilised (written off) in the year of £1,174k.

13 Property, Plant & Equipment

	PC/computer hardware £000
Cost or valuation	
Balance at 1 April 2025	153
Additions	6
Disposals	(7)
As at 31 March 2026	**151**
Depreciation	
Balance at 1 April 2025	129
Disposals	(7)
Provided during year	16
As at 31 March 2026	**138**
Net book value at 31 March 2026	**13**
Net book value at 31 March 2025	23

These assets relate to the operation of the Public Defence Solicitors' Office and Civil Legal Assistance Office.

14 Intangible Assets

	Software £000
Cost or valuation	
Balance at 1 April 2025	26
Additions	-
Disposals	-
As at 31 March 2026	**26**
Amortisation	
Balance at 1 April 2025	23
Provided during year	3
Disposals	-
As at 31 March 2026	**26**
Net book value at 31 March 2026	**-**
Net book value at 31 March 2025	3

These assets relate to the operation of the Public Defence Solicitors' Office, Civil Legal Assistance Office, and Solicitor Contact Line.

15 Right of use Assets – IFRS16

Cost or Valuation	**£000**
Balance at 1 April 2025	1,436
Additions	-
Adjustments[5]	(9)
As at 31 March 2026	**1,427**
Depreciation	**£000**
Balance at 1 April 2025	(481)
Provided in year	(177)
Disposals	-
As at 31 March 2026	**(658)**
Net book value as at March 2026	**769**
Net book value as at March 2025	954
Lease Liability 2025-26	**£000**
Balance at 1 April 2025	**(1,023)**
Additions	**-**
Adjustments[5]	**9**
Interest charge	**(22)**
Repayments made	**184**
As at 31 March 2026	**(852)**
Due within 1 year	**(166)**
Due after more than 1 year	**(687)**
Total	**(852)**

[5] The lease liability for several offices was adjusted due to small contract changes during 2025-26.

16 Trade & Other Receivables

	2026 £000	2025 £000
Bodies external to Government		
Contributions due from assisted persons	4,219	4,153
Expenses to be recovered	432	741
Amounts due out of property recovered or preserved by assisted persons	1,483	2,283
Prepayments and other debtors	218	457
Total	**6,352**	**7,633**
Amounts falling due in less than one year included above are:		
Bodies external to Government		
Contributions due from assisted persons	844	706
Expenses to be recovered	18	32
Amounts due out of property recovered or preserved by assisted persons	46	79
Prepayments and other debtors	218	457
Total	**1,126**	**1,273**
Amounts falling due after more than one year included above are:		
Bodies external to Government		
Contributions due from assisted persons	3,375	3,447
Expenses to be recovered	414	709
Amounts due out of property recovered or preserved by assisted persons	1,437	2,204
Total	**5,226**	**6,360**

SLAB have more amounts falling due after more than one year as many of our assisted persons have multi-year payments plans in place.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Balance as at 1 April	2,349	2,379
Increase in provision	1,577	658
Provision utilised in the year	(1,174)	(688)
Bad Debt impairment allowance as at 31 March	**2,752**	**2,349**

17 Cash & Cash Equivalents

	2025-26 £000	2024-25 £000
Cash at bank and in hand	7,812	8,641
Principal sums* (note 18)	1,073	883
Funds held under arrestment pending resolution (note 18)	60	59
Total	**8,945**	**9,583**

* Principal sums consist of damages and other money recovered on behalf of assisted persons. They are held in an interest bearing account until all the financial transactions for a case are concluded. Once the net liability to the Legal Aid Fund can be settled, the remaining balance due will be transferred to the assisted person.

The movement in the account during the year was as follows:

	2025-26 £000	2024-25 £000
Balance as at 1 April	**883**	**818**
Received during the year	1,423	630
Interest received during year	13	12
Total	**1,437**	**642**
Less:		
Sums repaid to assisted persons	522	(245)
Interest paid to assisted persons	5	6
Amounts recovered from damages received	720	816
Amounts transferred to fund	-	-
Total	**1,247**	**577**
Balance as at 31 March	**1,073**	**883**

18 Trade & Other Payables

	2026 £000	2025 £000
Bodies external to Government		
Accruals	255	294
Amounts due to solicitors and advocates	611	1,914
Principal sums (note 17)	1,073	883
Arrestments (note 17)	60	59
Total	**1,999**	**3,150**

19 Financial Instruments

	2026 £000	2025 £000
Financial assets		
Trade and other receivables (see note 16)	6,134	7,176
Cash	7,631	8,460
Financial liabilities		
Other – trade and other payables (see note 18)	(611)	(1,914)

The Fund is exposed to credit, liquidity, and market risk. Management believes that liquidity and market risks are low. Other than interest bearing current accounts, the Fund has no interest bearing assets or liabilities, substantially eliminating the impact of changes in interest rates, and is not exposed to foreign exchange rates.

Expected credit loss

Trade and other receivables are primarily due from individuals, which exposes the Fund to credit risk. Credit risk is the financial loss to the Fund if an individual fails to repay their contribution or other monies due. The Fund operates a debt management process, including monitoring and escalation procedures to recover monies outstanding. Where material, a provision recognising SLAB's expected

credit loss is made for non-recovery (see notes 12 and 16 for movements) based on the age of debts and experience of collecting overdue debts.

The maximum exposure to credit risk at 31 March 2026 was £6,134k (31 March 2025: £7,176k). Financial assets are carried at amortised cost (net of any provision for non-recovery) as an approximation of fair value.

Fair Value Hierarchy
Financial assets are assessed as Level 3 instruments in the fair value hierarchy meaning, Inputs are unobservable (that is, market data is unavailable) for the asset or liability. There has been no movement between hierarchy levels since the previous financial year.

20 Provisions for Liabilities & Charges

	2026 £000	2025 £000
Provision for amounts outstanding on granted legal aid cases		
As at 1 April	68,914	73,940
Additions and increase to provision	72,528	64,850
Amounts used in the period	(39,252)	(43,425)
Unused amounts reversed in the period	(26,927)	(26,451)
As at 31 March	**75,264**	**68,914**
Split between:		
Current liabilities	52,485	47,321
Non-current liabilities	22,778	21,594

The organisation estimates the value of unbilled live cases each year to arrive at the amounts disclosed within the accounts as a provision. The amount is an estimate of the expenditure required to settle any obligation at the end of the reporting period following the requirements of International Accounting Standard 37 "*Provisions, contingent liabilities and contingent assets*". In estimating the provision, the organisation has adopted prudent measurement techniques based on the latest data available. One of the major assumptions used is our maximum cut off percentile. This is reviewed annually for accuracy and adjusted (if required) when we have three years of reliable data. 2023-24 saw a change in this percentile and as there is no material change it will not change again until 2026-27 in order ensure comparability between years (see note 26 for more details).

No income is anticipated for cases that may successfully recover costs.

21 Pension Arrangements

SLAB operates a contributory defined benefit pension scheme. The Legal Aid (Scotland) Pension Scheme 1988 (as amended) sets out the conditions for entitlement and determines the rate at which benefits are payable. The scheme is set up under paragraph 8(3) of Schedule 1 to the Legal Aid (Scotland) Act 1986 which gives SLAB power to make rules to provide pensions, allowances or gratuities for its employees. The scheme is administered on behalf of the organisation by the Scottish Public Pensions Agency, an Executive Agency of Scottish Government at a cost of £64,200 per annum.

From 1 October 2010 the scheme was split into two sections, the Pre October 2010 section for existing members and the Post October 2010 section for new members. The Pre October 2010 section calculates pension benefits on the best year's pensionable pay in the last three years of service whilst the Post October 2010 section uses an average of the best three years' consecutive pensionable pay in the last 10 years.

Although SLAB operates a single scheme for all staff, the income, costs and liabilities are apportioned between staff funded by the Scottish Legal Aid Fund, the Public Defence Solicitors' Office, Civil Legal Assistance Office and Solicitor Contact Line staff; and staff funded from SLAB's Grant-in-Aid.

There being no assets held; the scheme is unfunded. The pensions and other benefits are met as they fall due. Scheme members pay contributions at a rate of 6% of pensionable remuneration. Contributions from Public Defence Solicitors' Office, Civil Legal Assistance Office, and Solicitor Contact Line staff were £330k (2024-25 £304k). These contributions, along with transfers from other schemes, are used to offset expenditure.

An actuarial valuation of the scheme was carried out as at 31 March 2026 by Gallagher Benefit Services - UK, the agreed fee for this service was £13,179.60. The major assumptions used by Gallagher Benefit Services – UK were:

	31 March 2026	31 March 2025
Discount rate per annum	**5.60%**	5.15%
Revaluation of deferred pensions	**2.55%**	2.65%
Increases to pensions in payment	**2.55%**	2.65%
Long-term salary increases	**See below**	See below
Long-term inflation	**2.55%**	2.65%

In line with government policy, the measure of inflation used in the scheme is the Consumer Prices Index (CPI). The assumption adopted for salary increases is 3.5% from 1 April 2026 to 31 March 2027, 3.95% from 1 April 2027 to February 2030, and 3.05% from February 2030 onwards.

Mortality assumptions are determined based on standard mortality tables. The assumptions are based on the Continuous Mortality Investigation Bureau's tables as recommended by our actuary, and imply the following life expectancy:

Life expectancy in years	**2025-26**	2024-25
Male - aged 60	**86.4**	86.1
Female - aged 60	**88.8**	88.7
Male - aged 40	**88.3**	88.0
Female - aged 40	**90.3**	90.2

Analysis of the amount charged to operating costs	**2025-26 £000**	2024-25 £000
Current service cost (see notes 8, 9 & 10)	461	475
Finance charges on pension scheme liabilities	521	451
Total	**982**	**926**
Reconciliation of the liability in the scheme over the year	**2026 £000**	2025 £000
Scheme liability at the beginning of the year	10,226	8,919

Movement in year		
Current service cost	461	475
Benefits paid	(227)	(166)
Finance charge	521	451
Changes in financial assumptions	(1,323)	(52)
Changes in demographic assumptions	42	(189)
Actuarial (gain)/loss	351	788
Scheme liability at the end of the year	**10,051**	**10,226**

The pension liability is split between the Scottish Legal Aid Fund and SLAB. The full liability is £95.7m (2024-25: £98.5m).

Amounts for the current and previous four years are as follows:

	2026 £000	2025 £000	2024 £000	2023 £000	2022 £000
Defined benefit obligation	**10,051**	10,226	8,919	11,924	30,201
Experience adjustments on plan liabilities	**(351)**	(788)	2,217	(211)	(196)

The defined benefit obligation has been calculated by our actuary using the major assumptions detailed above. Estimation of the net liability depends on several complex judgements which are sensitive to changes. The effect on net pensions of changes in the major assumptions are detailed in the table below:

Assumption	Change in Assumption	Change in Pension Scheme Liability £000
Discount rate per annum	-0.25%	534
Long-term salary increases	+0.25%	193
Long-term inflation	+0.25%	325
Life expectancy	+1 year	180

This table shows the impact of changing each assumption in isolation, with all the other assumptions remaining unchanged. A 0.25% decrease in the discount rate assumption at 31 March 2026, from 5.60% to 5.35% would therefore increase the pension scheme liability from £10,051k to £10,585k (an increase of £534k). The effect of changing the assumption in the opposite direction would be to reduce the liabilities by a similar amount.

22 Losses & Special Payments

	2025-26		2024-25	
	No of cases	£000	No of cases	£000
Write-off of bad debt/claims waived or abandoned	485	1,181	782	724
Losses	15	3	6	2
Special payments*	7	6	9	12
Total	**507**	**1,190**	797	738

* There are cases where, in good faith, a solicitor or counsel provides advice for which SLAB cannot pay under the letter of the Act or Regulations. There are also cases where an error is made by SLAB. In such cases, the organisation may make an ex-gratia payment, without prejudice, of compensation up to an agreed limit.

23 Related Party Disclosures

SLAB is a Non-Departmental Public Body funded by grant-in-aid from the Scottish Government. During the year, the organisation had several other transactions with the Scottish Courts & Tribunal Service.

Sometimes SLAB have Board members (who were active legal aid practitioners) that transact with the organisation. All such transactions arise from providing legal aid to assisted persons in the normal course of their profession, via their firms. The amounts detailed include outlays and VAT but do not include amounts paid for work carried out, on behalf of other firms, as an Edinburgh agent. During the year, the organisation entered transactions of a value greater than £1,000 with the following related parties.

	2025-26 £000	2024-25 £000
G Bann[1] (Board Member and Partner at Adams Whyte Solicitors)	**1,810**	2,055
F Cook[2] (Board Member and former Partner at Cook Stevenson & Co Solicitors, and Peer Reviewer)	**79**	233

[1] Values shown are total earnings for Adams Whyte Solicitor Firm.

[2] Values shown are total earnings for Fiona Cook as a practitioner for Cook Stevenson & Co Solicitors of £77k plus Peer Reviewer costs of £2k. Fiona Cook is no longer a partner with the firm.

24 Capital Commitments

No capital commitments existed at the end of reporting period.

25 Operating Leases

Total commitments, at 31 March, under operating leases are as follows:

	2026		2025	
	Land & buildings £000	Other £000	Land & buildings £000	Other £000
Leases expiring:				
In one year or less	3	-	9	-
Between one and five years	-	2	-	3
In five years or more	-	-	-	-
Total	**3**	**2**	**9**	**3**

26 Assumptions about the future and other major sources of uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions about the future or that are otherwise uncertain. Estimates are made considering historical experience, current trends, and other relevant factors. However, because balances cannot be predicted with certainty, actual results may differ materially.

The items in our accounts as at 31 March 2026 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Pension Liability	Estimation of the net liability depends on several complex judgements which are sensitive to changes. These include the discount rate used, the rate at which salaries are predicted to increase, inflation rates and life expectancy. A firm of actuaries is contracted to conduct an actuarial valuation of SLAB's scheme and provide expert, certified advice about the assumptions to be applied.	The effect on the net pension liability of changes in individual assumptions can be measured. For instance, a change of -0.25% in the discount rate assumption would result in an increase in the pensions liability of £0.5m, a change of +0.25% in the salary increase rate would result in an increase in liabilities of £0.2m, a change of +0.25% to the inflation assumption would result in an increase in liabilities of £0.3m and increasing the life expectancy assumptions by one year would result in an increase to liabilities of £0.2m.
Fund Provision	The major assumption in calculating the fund provision is the average maximum case duration. This is estimated based on experience of past events and trends but is subject to change.	The impact of changing the maximum case duration percentage by +0.5% would increase the provision liability by £2.1m from £75.3m to £77.4m. The impact of changing the assumption in the opposite direction would be to reduce the liability by a similar amount (£2.4m reducing the liability to £72.9m).
Bad Debts	At 31 March 2026 SLAB has a debtor balance (before provision) of £8.9m. A sample of debts reviewed for the impairment of doubtful debts suggests that adjusting the provision for doubtful debts to £2.8m (£2.3m in 2024-25), would be appropriate.	We are unable to calculate what the effect would be of choosing a bigger sample as the outcome of the test depends largely on which debts are reviewed and the sample chosen is random.

27 Contingent Liabilities

There are no contingent liabilities for Fund.

28 Events after the end of the Reporting Period

No events have occurred since the end of the reporting period and the time these accounts were signed that would materially affect the information provided.

The Board Financial Statements

In this section we cover:

Statement of comprehensive net expenditure for the year ended 31 March 2026	79
Statement of financial position as at 31 March 2026	80
Statement of cash flows for the year ended 31 March 2026	81
Statement of changes in taxpayer's equity for the year ended 31 March 2026	82
Notes to the Accounts for the year ended 31 March 2026	83-93

Statement of Comprehensive Net Expenditure for the year ended 31 March 2026

	Notes	**2025-26 £000**	2024-25 £000
Expenditure			
Staff costs	31	14,003	13,076
Depreciation and amortisation	34 & 35	423	442
Loss on disposal of plant, equipment and intangibles	34 & 35	-	-
Other administrative expenses	32	2,829	3,050
Operating costs		**17,255**	16,568
Income			
Income from shared services	33	(1,143)	(1,150)
Net operating costs before interest		**16,111**	15,418
Pension scheme finance costs	40	4,492	4,252
Interest Receivable		(25)	(40)
Net operating costs		**20,578**	19,630

All income and expenditure is derived from continuing activities.

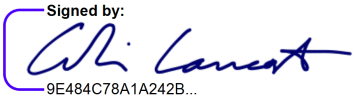
Statement of Financial Position as at 31 March 2026

	Notes	**2025-26 £000**	2024-25 £000
Non-current assets			
Property, plant and equipment	34	8,353	8,681
Intangible assets	35	-	-
Total non-current assets		**8,353**	8,681
Current assets			
Trade and other receivables	36	996	968
Cash and cash equivalents		1,049	1,494
Total current assets		**2,046**	2,462
Total assets		**10,398**	11,143
Current liabilities			
Trade and other payables	37	(330)	(281)
Total current liabilities		**(330)**	(281)
Non-current assets plus net current assets		**10,068**	10,862
Non-current liabilities			
Pension scheme liability	40	(85,670)	(88,265)
Total non-current liabilities		**(85,670)**	(88,265)
Assets less liabilities		**(75,602)**	(77,403)
Taxpayers' equity			
General fund		(82,457)	(84,258)
Revaluation reserve		6,855	6,855
Total taxpayers' equity		**(75,602)**	(77,403)

The Accountable Officer authorised these financial statements for issue on 02 September 2026.

The notes on pages 83 to 93 form part of these accounts.

Signed by:



9E484C78A1A242B...

Colin Lancaster
Chief Executive and Accountable Officer.

02 September 2026

Statement of Cash Flows for the year ended 31 March 2026

	Notes	**2025-26 £000**	2024-25 £000
Cash flows from operating activities			
Net operating cost before Scottish Government funding		**(20,578)**	(19,630)
Adjustments for non-cash items			
Depreciation on property, plant and equipment and amortisation of intangible assets	34 & 35	**423**	442
Loss on disposal of property, plant and equipment	34	**-**	-
Movements in working capital			
(Increase)/Decrease in trade and other receivables	36	**(28)**	263
Increase/(Decrease) in trade and other payables	37	**49**	28
Movements in provisions			
Pension scheme service and finance costs	40	6,432	6,195
Payments in respect of pension scheme	40	(2,124)	(2,396)
Net cash outflow from operating activities		**(15,827)**	(15,098)
Cash flows from investing activities			
Acquisition of property, plant and equipment	34	(95)	(76)
Purchase of intangible assets	35	-	-
Net cash outflow from investing activities		**(95)**	(76)
Cash flows from financing activities			
Scottish Government funding and retained pension contributions		15,477	15,467
Net cash inflow from financing activities		**15,477**	15,467
Net Increase/(Decrease) in cash and cash equivalents		**(445)**	293
Cash and cash equivalents as at 1 April		**1,494**	1,201
Cash and cash equivalents as at 31 March		**1,049**	1,494

Statement of Changes in Taxpayer's Equity for the year ended 31 March 2026

	Notes	2026 General Fund £000	2026 Revaluation Reserve £000	2025 General Fund £000	2025 Revaluation Reserve £000
Balance at 1 April		**(84,258)**	**6,855**	(80,199)	6,801
Changes in taxpayers' equity					
Net cost of operations		**(20,578)**	**-**	(19,630)	-
Net movement on pension scheme	40	**6,903**	**-**	104	-
Revaluation reserve movement		**-**	**-**	-	54
Total recognised income and expense		**(13,675)**	**-**	(19,526)	54
Scottish Government grant in aid		**14,875**	**-**	14,907	-
Retained pension contributions & transfers in		**602**	**-**	560	-
Total funding		**15,477**	**-**	15,467	-
Balance at 31 March		**(82,457)**	**6,855**	(84,258)	6,855

Notes to the Accounts for the year ended 31 March 2026

29 Board - accounting policies

Policies **highlighted in bold** text are those we deem to be material as opposed to significant in line with the recent adjustment to IAS 1.

29.1 Basis of accounting

The accounts have been prepared in accordance with the accounting principles and disclosure requirements of the 2025-26 Government Financial Reporting Manual (FReM). Without limiting the information given, the accounts follow generally accepted accounting practices as defined in International Financial Reporting Standards (IFRS) as adopted by the United Kingdom and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context and in accordance with the Accounts Direction given by Scottish Ministers. The accounting policies selected have been applied consistently in dealing with items considered material in relation to the accounts.

29.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account, where material, for the revaluation of property, plant and equipment and intangible assets to fair value as determined by the relevant accounting standard. However, given the short useful economic lives and low values IT equipment, furniture and intangible assets, these assets are disclosed on a depreciated historical cost basis, which is used as a proxy for fair value.

29.3 Corresponding amounts

Corresponding amounts are shown for the primary financial statements and for the notes to the accounts. Where corresponding amounts are not directly comparable with the amount shown in the current financial year, International Accounting Standard 1, “Presentation of financial statements”, requires that they should be adjusted and the basis for adjustment disclosed in a note to the financial statements.

29.4 New accounting standards

There are no new accounting standards or amendments to existing standards which come in to force in future accounting periods that would materially affect the SLAB Board accounts.

29.5 Funding

Most of the expenditure of SLAB is met from funds advanced by the Scottish Government within an approved allocation. Cash drawn down to fund expenditure within this approved allocation is credited to the general fund. All income that is not classed as funding is recognised in the period in which it is receivable. Funding for the acquisition of general property, plant and equipment received from the Scottish Government is credited to the general fund.

29.6 Principal risks and uncertainties

The principal risks and uncertainties in SLAB accounts relate to the estimation of the Pension Scheme liability as disclosed in note 40 to the accounts. The scheme liability is calculated annually by SLAB’s actuary and the major assumptions are also disclosed in note 40.

29.7 Property, plant and equipment (PPE)

Property – Land and buildings

Land and buildings are carried at fair value. Fair value is assessed by performing a full valuation at

least every five years, and an interim valuation in year three. Interim valuations are also carried out in the intervening years where it is deemed likely that there has been a material change in value. The valuations are carried out by professionally qualified valuers, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards, in so far as those standards are consistent with the FReM.

Plant and Equipment
Plant and equipment is capitalised at the cost of acquisition and installation. The Government Financial Reporting Manual provides for entities to elect to adopt a depreciated historical cost basis as a proxy for fair value for assets that have short useful lives or low values (or both). For depreciated historical cost to be considered as a proxy for fair value, the useful life must be a realistic reflection of the life of the asset and the depreciation method used must provide a realistic reflection of the consumption of that asset class.

The threshold for capitalisation of plant and equipment is £5,000; however, individual items of plant and equipment whose cost falls below the threshold but are of a similar nature are grouped and capitalised, where the value of the group exceeds the capitalisation threshold.

Subsequent costs are included in the carrying amount of the item of plant and equipment or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to SLAB and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the statement of comprehensive net expenditure during the financial year in which they are incurred.

29.8 Depreciation
Depreciation is provided on all property, plant and equipment on a straight line basis, at rates calculated to write-off the re-valued cost, less estimated residual value, of each asset over its expected useful life as follows:

- buildings: 40 years
- plant and equipment: 2 – 15 years
- personal computer hardware and integral software: 3 years
- other computer hardware: 5 years
- office equipment and non-standard furniture: 5 years
- motor vehicles: 3 years.

Depreciation is not applied until an asset becomes operational. Property, plant and equipment during construction is not depreciated until the asset is brought into use. Land is regarded as having an unlimited useful life and is therefore not depreciated.

29.9 Intangible assets
Future economic benefit has been used as the criteria in assessing whether an intangible asset meets the definition and recognition criteria of International Accounting Standard 38. The standard defines future economic benefit as “revenue from the sale of products or services, cost savings or other benefits resulting from the use of the asset by the entity”.

Given the short useful lives and low values of intangible assets, SLAB has elected to adopt a depreciated historical cost basis as a proxy for fair value for intangible assets.

When capitalising internally generated intangible assets, such as in-house developed software, directly attributable costs, including staff costs and staff-related costs, are capitalised. On first time-adoption there has been no retrospective capitalisation of internally generated assets because of the inability to apportion historic cost information to specific intangible assets.

Intangible assets are amortised over the shorter term of the length of life of licence and its useful economic life. Intangible assets during construction are not amortised until the asset is brought into use.

29.10 Income and expenditure recognition

Income and expenditure is accounted for in the year to which it relates and not when cash payments are made or received. Where income and expenditure has been recognised but cash has not been received or paid, a receivable or payable for the corresponding amount is recorded in the Statement of Financial Position. For expenditure, only invoices over £500 are accrued or prepaid.

29.11 Operating leases

Rentals applicable to operating leases are charged to the statement of comprehensive net expenditure on a straight-line basis over the period of the lease.

29.12 Provisions for liabilities and charges

Provisions for liabilities and charges are based on realistic and prudent estimates of the expenditure required to settle future legal or constructive obligations, arising from past events that exist at the statement of financial position date.

29.13 Short term employee benefits

Short term employee benefits (such as accrued holiday pay) are valued and, if material, included in current liabilities.

29.14 Pension costs

The Legal Aid (Scotland) Pension Scheme 1988 (as amended) is an unfunded pension scheme providing benefits based on pensionable pay. The liabilities of the scheme are reported separately from those of the Fund. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The amounts charged to the statement of comprehensive net expenditure represent both the service cost (that is, the cost of the additional benefits earned because of employees' service in the current year) and the finance charge for the year arising from the interest on the scheme notional liabilities, in line with the requirements of International Accounting Standard 19 "Employee benefits".

29.15 VAT

The organisation is not registered for VAT and all costs are shown inclusive of irrecoverable VAT.

29.16 Losses and special payments

Operating expenditure includes certain losses which would have been made good through insurance cover had SLAB not been bearing its own risks. Losses and special payments are disclosed separately in a note to the accounts (note 41).

29.17 Related party disclosures

Related party transactions are identified, considered and disclosed in line with the requirements of International Accounting Standard 24 “Related party disclosures” (note 44).

29.18 Financial instruments

The classification of financial assets is determined on initial recognition and comprises only receivables with fixed or determinate payments. Financial assets include trade and other receivables and cash at bank in the statement of financial position. Receivables are recognised at fair value less any provision for non-recovery, which is charged to the statement of comprehensive net expenditure. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or been substantially transferred from the organisation.

Financial liabilities are classified at the point of initial recognition and comprise trade and other payables. Financial liabilities are valued at fair value and derecognised when they have been extinguished, that is discharged, cancelled or expired.

29.19 Changes in estimation techniques

There have been no material changes in estimation techniques between 2024-25 and 2025-26.

30 Segmental analysis

These divisions are the basis on which SLAB monitors its operations and upon which decisions are made by SLAB.

	Operations £000	Legal Services £000	Corporate Services & Accounts £000	Strategic Development £000	Chief Exec Office £000	Total £000
Staff costs	4,613	226	5,584	1,133	507	**12,063**
Operating costs	62	11	2,718	34	4	**2,828**
Total expenditure	**4,674**	**237**	**8,302**	**1,168**	**511**	**14,892**
Income	-	-	(1,143)	-	-	**(1,143)**
Net operating costs 2025-26	**4,674**	**237**	**7,159**	**1,168**	**511**	**13,748**
Net operating costs 2024-25	4,289	274	6,914	1,048	503	13,028

Reconciliation of the total segment measures to respective amounts included in the financial statements includes the following items, which it is either impossible or impractical to allocate between reportable segments:

	£000
Segmental net costs	**13,748**
Pension scheme service costs	1,940
Depreciation and amortisation	423
Loss on disposal	-
Net operating costs before interest per statement of comprehensive net expenditure	**16,111**

31 Staff

Staff costs	2025-26 £000	2024-25 £000
Staff salaries	**10,674**	10,037
Social security costs	1,389	1,041
Pension scheme service costs	1,940	1,943
Agency/temporary/contract	-	55
Total	**14,003**	13,076

Staff numbers	2025-26 Average WTE	2024-25 Average WTE
Operations and legal services	**145.8**	146.2
Administration and support functions	**90.1**	88.6
Agency/temporary/contract	**3.2**	2.9
Total	**239.1**	237.7

32 Other administrative expenses

	2025-26 £000	2024-25 £000
Accommodation	**910**	888
Audit fee	**69**	57
Staff related costs	**225**	267
Travel and subsistence	**26**	23
Postage, stationery and telephones	**156**	123
Office equipment and maintenance	**781**	1,080
External research	**22**	28
Corporate publications, leaflets and forms	**14**	17
Costs of operating leases	**3**	1
Other administrative costs	**622**	566
Total	**2,829**	3,050

33 Income from shared services

	2025-26 £000	2024-25 £000
Accommodation services provided to third parties	**1,143**	1,150
Income from shared services provided to third parties	**-**	-
Total	**1,143**	1,150

34 Property, plant & equipment

	Land £000	Buildings & Plant £000	Office equipment and furniture £000	PC/computer hardware £000	Motor vehicles £000	Total £000
Cost or valuation						
Balance at 1 April 2025	1,997	6,540	186	797	35	9,555
Additions	-	-	-	95	-	95
Revaluation	-	-	-	-	-	-
Disposals	-	-	(1)	(298)	-	(299)
As at 31 March 2026	**1,997**	**6,539**	**185**	593	**35**	**9,351**
Depreciation						
Balance at 1 April 2025	-	24	123	692	35	874
Disposals	-	-	(1)	(298)	-	(299)
Revaluation adjustment	-	-	-	-	-	-
Provided during year	-	360	22	41	-	423
As at 31 March 2026	**-**	**384**	**144**	**435**	**35**	**998**
Net book value at 31 March 2026	**1,997**	**6,155**	**41**	**159**	**-**	**8,353**
Net book value at 31 March 2025	1,997	6,515	63	105	-	8,681

Property, Plant and Equipment includes SLAB's head office building, Thistle House. Whilst title to this property remains with Scottish Ministers, the Scottish Government transferred full operational, and management rights and responsibilities, to SLAB who have full use of the building on an ongoing basis and are responsible for all property management, maintenance and running costs. Thistle House is generally revalued in years three and five of a quinquennial cycle (in line with our policy in note 29.7). It was revalued at 31 March 2025 (year three of SLAB's cycle) in line with policy. In 2025-26 we have concluded there are no suitable indices to apply indexation (we do not have rights to sell the property and, although we let part of the building, we let to other Government ALB's and do not charge commercial level rent). We are scheduled to carry out a full valuation of the property at the end of 2026-27.

35 Intangible assets

	Software £000
Cost or valuation	
Balance at 1 April 2025	51
Additions	-
Disposals	(51)
As at 31 March 2026	**-**
Amortisation	
Balance at 1 April 2025	51
Disposals	(51)
Provided during year	-
As at 31 March 2026	**-**
Net book value at 31 March 2026	**-**
Net book value at 31 March 2025	-

36 Trade and other receivables

	2026 £000	2025 £000
Bodies external to Government		
Trade receivables	**295**	294
Prepayments	**701**	674
Total	**996**	968

Management have assessed that there is no impairment in relation to the trade and other receivables balance. At 31 March 2026 none of the debt was past its due date.

37 Trade & other payables

	2026 £000	2025 £000
Bodies external to Government		
Trade payables	**5**	23
Accruals	**326**	258
Total	**330**	281

38 Contingent liabilities

There are no contingent liabilities for Admin.

39 Financial Instruments

	2026 £000	2025 £000
Financial assets		
Trade and other receivables (see note 36)	**295**	294
Cash	**1,049**	1,494
Financial liabilities		
Other – trade and other payables (see note 37)	**5**	23

The organisation is exposed to credit, liquidity and market risk, but management believes that these risks are low. Trade and other receivables and trade and other payables are those arising during SLAB's routine business. Other than an interest paying current account, the organisation has no interest-bearing assets or liabilities, substantially eliminating the impact of changes in interest rates, and is not exposed to foreign exchange rates. Financial instruments are carried at cost as an approximation of fair value.

40 Pension arrangements

SLAB operates a contributory defined benefit pension scheme.

The Legal Aid (Scotland) Pension Scheme 1988 (as amended) sets out the conditions for entitlement and determines the rate at which benefits are payable. The scheme is set up under paragraph 8(3) of Schedule 1 to the Legal Aid (Scotland) Act 1986 which gives the organisation power to make rules to provide pensions, allowances or gratuities for its employees. The scheme is administered on behalf of the organisation by the Scottish Public Pensions Agency, an Executive Agency of Scottish Government at a cost of £64,200 per annum.

From 1 October 2010 the scheme was split into 2 sections, the Pre-October 2010 section for existing members and the Post October 2010 section for new members. The Pre-October 2010 section calculates pension benefits on the best year's pensionable pay in the last three years of service whilst the Post October 2010 section uses an average of the best three years' consecutive Pensionable Pay in the last 10 years.

Although SLAB operates a single scheme for all staff, the income, costs and liabilities are apportioned between staff funded by the Scottish Legal Aid Fund, presently Public Defence Solicitors' Office, Solicitor Contact Line and Civil Legal Assistance Office staff, and staff funded from SLAB's grant-in-aid. This disclosure, therefore, relates to staff other than Public Defence Solicitors' Office, Solicitor Contact Line and Civil Legal Assistance Office staff.

There are no assets being held; the scheme is unfunded. The pensions and other benefits are met as they fall due from grant-in-aid. Scheme members pay contributions of 6% of pensionable salaries amounting to £602k (2024-25: £560k). These contributions, along with any transfers from other schemes, are used to offset SLAB's grant-in-aid expenditure up to a limit of £250k. Excess receipts

are surrendered to the Scottish Government, and excess expenditure on pensions, including transfers out of the scheme over £327k, is met by the Scottish Government.

An actuarial valuation of the scheme was carried out as at 31 March 2026 by Gallagher Benefit Services - UK, the agreed fee for this service was £13,179.60. The major assumptions used by Gallagher Benefit Services – UK were:

	31 March 2026	31 March 2025
Discount rate per annum	**5.60%**	5.15%
Revaluation of deferred pensions	**2.55%**	2.65%
Increases to pensions in payment	**2.55%**	2.65%
Long-term salary increases	**See below**	See below
Long-term inflation	**2.55%**	2.65%

In line with government policy, the measure of inflation used in the scheme is the Consumer Prices Index (CPI). The assumption adopted for salary increases is 3.5% from 1 April 2026 to 31 March 2027, 3.95% from 1 April 2027 to February 2030, and 3.05% from February 2030 onwards.

Mortality assumptions are determined based on standard mortality tables. The assumptions are based on the Continuous Mortality Investigation Bureau's tables as recommended by our actuary, and imply the following life expectancy:

Life expectancy in years	2025-26	2024-25
Male - aged 60	**86.4**	86.1
Female - aged 60	**88.8**	88.7
Male - aged 40	**88.3**	88.0
Female - aged 40	**90.3**	90.2

Analysis of the amount charged to operating costs	2025-26 £000	2024-25 £000
Current service cost (see note 30)	**1,940**	1,943
Finance charges on pension scheme liabilities	**4,492**	4,252
Total	**6,432**	6,195

Reconciliation of the liability in the scheme over the year:	2026 £000	**2025 £000**
Scheme liability at the beginning of the year	**88,265**	84,570
Movement in year		
Current service cost	**1,940**	1,943
Benefits paid	**(2,124)**	(2,396)
Finance charge	**4,492**	4,252
Changes in financial assumptions	**(7,794)**	(481)
Changes in demographic assumptions	**182**	(615)
Actuarial loss/(gain)	**709**	992
Scheme liability at end of the year	**85,670**	88,265

The pension liability is split between the Scottish Legal Aid Fund and SLAB. The full liability is £95.7m (2024-25: £98.5m). Amounts for the current and previous four years are as follows:

	2026 £000	2025 £000	2024 £000	2023 £000	2022 £000
Defined benefit obligation	**85,670**	88,265	84,570	68,607	151,434
Experience adjustments on plan liabilities	**709**	992	(27,156)	(505)	(480)

The defined benefit obligation has been calculated by our actuary using the major assumptions detailed above. Estimation of net liability depends on several complex judgements which are sensitive to changes. The effect on net pensions of changes in the major assumptions are detailed in the table below:

Assumption	Change in Assumption	Change in Pension Scheme Liability £000
Discount rate per annum	-0.25%	3,465
Long-term salary increases	+0.25%	963
Long-term inflation	+0.25%	2,762
Life expectancy	+1 year	2,101

This table shows the impact of changing each assumption in isolation, with all the other assumptions remaining unchanged. A 0.25% decrease in the discount rate assumption at 31 March 2026, from 5.60% to 5.35% would therefore increase the pension scheme liability from £85,670k to £89,135k (an increase of £3,465k). The effect of changing the assumption in the opposite direction would be to reduce the liabilities by a similar amount.

41 Losses & special payments

	2025-26		2024-25	
	No of cases	£000	No of cases	£000
Losses	8	5	14	4
Special payments	-	-	1	-
Total	**8**	**5**	15	4

42 Capital commitments

No capital commitments existed at the end of reporting period.

43 Operating Leases

Total commitments at 31 March under operating leases are as follows:

	2026		2025	
	Land & buildings £000	Other £000	Land & buildings £000	Other £000
Lease expires in one year or less	**-**	**-**	-	-
Lease expires in between one and five years	**-**	**7**	-	5
Lease expires in five years or more	**-**	**-**	-	-
Total	**-**	**7**	-	5

44 Related party transactions

SLAB is a Non-Departmental Public Body funded by Grant-in-Aid from the Scottish Government. During the year, the organisation had several other transactions with government departments and other Non-Departmental Public Bodies, including the Department of Work and Pensions, the Scottish Public Service Ombudsman, the Scottish Court and Tribunals Service, the Judicial Appointments Board, the Office of the Chief Investigating Officer, the Scottish Parliamentary Standards Commissioner, and the Scottish Public Pensions Agency.

45 Assumptions about the future and other major sources of uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions about the future or that are otherwise uncertain. Estimates are made considering historical experience, current trends, and other relevant factors. However, because balances cannot be predicted with certainty, actual results may differ materially.

The items in SLAB's accounts as of 31 March 2026 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Pension Liability	Estimation of the net liability depends on several complex judgements which are sensitive to changes. These include the discount rate used, the rate at which salaries are predicted to increase, inflation rates and life expectancy. A firm of actuaries is contracted to conduct an actuarial valuation of SLAB's scheme and provide expert advice about the assumptions to be applied.	The effect on the net pension liability of changes in individual assumptions can be measured. For instance, a change of -0.25% in the discount rate assumption would result in an increase in the pensions liability of £3.5m, a change of +0.25% in the salary increase rate would result in an increase in liabilities of £1.0m, a change of +0.25% to the inflation assumption would result in an increase in liabilities of £2.8m and increasing the life expectancy assumptions by 1 year would result in an increase to liabilities of £2.1m.

46 Events after the reporting period

No events have occurred since the end of the reporting period and the time these accounts were signed that would materially affect the information provided.

Direction by Scottish Ministers



THE SCOTTISH LEGAL AID BOARD

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of Section 5(2) of the Legal Aid (Scotland) Act 1986, hereby give the following direction.

2. In accordance with Section 5(1) of the Legal Aid (Scotland) Act 1986, the Scottish Legal Aid Board has a duty to prepare a separate statement of accounts in respect of the Scottish Legal Aid Fund (the Fund) and the administration of the Fund (the Board). The statement of accounts, of both the Fund and the Board, for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.

3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.

4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 13 June 2002 is hereby revoked.

Signed by the authority of the Scottish Ministers

Dated 13 December 2005