ANNUAL REPORT AND ACCOUNTS

2025-26

Scottish Courts and Tribunals Service

Annual Report and Accounts 2025-26

Laid before the Scottish Parliament by the Scottish Courts and Tribunals Service in pursuance of section 67 of the Judiciary and Courts (Scotland) Act 2008 and section 22(5) of the Public Finance and Accountability (Scotland) Act 2000.

August 2026

Content

Lord President’s foreword

Rt. Hon. Lord Pentland

Lord President, Chairman of the SCTS Board

I am pleased to present the Annual Report and Accounts of the Scottish Courts and Tribunals Service (SCTS) for 2025-26. The past year has again underlined the importance of SCTS’ core purpose: supporting justice. That purpose is delivered through the effective operation of Scotland’s courts, devolved tribunals and the Office of the Public Guardian – ensuring that the services and support needed to administer our system of justice are accessible, reliable and responsive.

In a year marked by rising case volumes, increasing complexity and significant pressure on capacity, SCTS has continued to maintain resilient services and support the rule of law across Scotland. The most acute operational pressure remained in serious criminal business. High Court indictments increased markedly during the year – up 26% compared with the previous financial year. This increase has placed further pressure on court programming and capacity. The human impact of this is felt most directly by victims, witnesses, accused persons and jurors – through extended waiting periods, uncertainty and the demands of participating in the justice process. In response, SCTS has continued to work closely with the judiciary and other justice organisations to maintain throughput, support the effective management of solemn business and plan for additional High Court trial capacity.

At the same time, important progress has been made in improving how criminal cases are managed. Through the national rollout of the Summary Case Management project, evidence is disclosed earlier, parties engage at an earlier stage, and cases benefit from more active judicial case management. These are practical reforms which reduce unnecessary trial diets, improve certainty for court users and reduce the number of witnesses required to attend court unnecessarily - essential to manage rising demand in a way that is efficient, fair and trauma informed. SCTS has also continued to support the needs of vulnerable witnesses. Evidence by Commissioner provision has expanded, enabling more than 1,000 vulnerable witnesses to give pre-recorded evidence in safe and purpose-designed surroundings.

The civil courts continued to make important progress in modernising their services. Civil Online now provides case tracking for around 90% of Sheriff Court civil case types, and solicitors are increasingly able to submit documents digitally after proceedings have been raised. These are practical improvements which make civil business easier to manage, give court users clearer information about case progress, and create the foundations for a more integrated digital civil justice system.

The devolved tribunals and the Office of the Public Guardian continued to deliver essential public services while facing rising demand. Increased tribunal case volumes, particularly in the Social Security Chamber, have placed pressure on capacity and waiting times. At the same time, the Office of the Public Guardian continues to receive an increasing number of Power of Attorney applications, reflecting the continuing growth in demand for these important protections. Digital modernisation is helping to support these services, but the pressures underline the need to keep people, systems and resources aligned with demand.

Open justice remains a fundamental principle of our legal system. It is not enough that justice is done; it must also be visible, understandable, and accessible to the public. During the year, SCTS strengthened open justice by commencing livestreaming of Criminal Appeal Court hearings, adding to the established use of livestreaming in significant civil appeals. Together with the publication of clearer operational data, these developments will help improve understanding of how courts operate and how decisions are made.

I am grateful to all SCTS staff, members of the judiciary, Board members, and justice partners for their commitment throughout the year. Their professionalism and dedication to public service have allowed the courts, tribunals and Office of the Public Guardian to continue to work effectively alongside significant reform and modernisation.

1. Performance report

1.1 Overview

1.1.1 Chief Executive review

Malcolm Graham, Chief Executive, SCTS

The purpose of this performance report is to provide an overview of the Scottish Courts and Tribunals Service (SCTS) and its performance during 2025-26. It sets out our purpose, structures, activities and functions, summarises our operational and financial performance, and describes the key issues, risks and trends which influence our work.

This has been a demanding year. Rising business volumes, increasing complexity, financial constraint and the need to maintain a safe and resilient estate have all placed pressure on SCTS. Our focus has been on sustaining day-to-day services, supporting our people, managing resources carefully and strengthening the systems, buildings and capabilities on which Scotland's courts, tribunals and the Office of the Public Guardian depend.

SCTS delivered within its allocated budget, supported by close financial control, increased civil fees income and timely reprioritisation of emerging underspends. Finance and resources remain our highest-rated treated risk, reflecting the need to balance operational delivery, reform, estate investment and longer-term resilience – against a backdrop of growing and changing expectation and demand. Work to deliver significant reform is particularly challenging where annual budget settlements require careful prioritisation and sequencing. Modernising services, improving resilience and responding to rising demand require planning and investment over more than a single financial year. Stable longer-term investment will be essential to deliver the scale of reform needed across our services, digital systems and the estate in the years to come.

The Office of the Public Guardian and devolved tribunals illustrate both the importance of SCTS' services and the scale of demand-led pressure we are managing. In OPG, 104,000 Power of Attorney applications were received during the year, an increase of 39.5% over the last five years. Tribunals also experienced significant growth and complexity, particularly in the Social Security Chamber and the Mental Health Tribunal for Scotland. SCTS responded by reviewing the Social Security Chamber operating model, strengthening contingency support for hearings, streamlining processes to maximise available hearing capacity and adding targeted scheduling support. We also established a governance group with Scottish Government officials to address operational issues while respecting judicial independence. These actions are improving the use of available capacity, but continued growth in demand underlines the need to keep resources, systems and operating models aligned.

Our people are at the heart of all we do. More than 2,000 colleagues support the delivery of justice across Scotland. The evaluation of the introduction of a 35-hour working week provided assurance that service delivery has been sustained, and absences reduced, alongside positive feedback on morale, wellbeing and work-life balance. We also continued to invest in skills, leadership development, wellbeing support and modern digital tools, supported by an organisation-wide Digital Skills Needs Analysis.

Sustainability is now a core part of our long-term planning. SCTS achieved Carbon Reduce certification for a second consecutive year, and the latest verified data shows that our carbon footprint reduced by 10% between 2023-24 and 2024-25. Continued progress will depend on investment, estate condition, clean heating options, behaviour change and operational choices – which will be dependent on securing financial sustainability.

I would like to thank all SCTS staff for their professionalism, commitment and public service ethos throughout the year. I am also grateful to the judiciary, the SCTS Board, staff representative bodies and other justice organisations for their continued support and engagement. By strengthening our foundations in people, finance, resilience, sustainability and reform, SCTS will be better placed to support justice and deliver safe, effective and sustainable services.

1.1.2 Purpose and activities of SCTS

Business model and environment

The Scottish Courts and Tribunals Service (SCTS) was established on 1 April 2015, following the merger of the Scottish Court Service (a Non-Ministerial Office established on 1 April 2010 by the Judiciary and Courts (Scotland) Act 2008) with the Scottish Tribunals Service (previously a delivery arm of the Scottish Government)[1].

SCTS has a presence in many of Scotland's communities where court and tribunal business is conducted daily. We operate from 51 distinct locations across Scotland's six sheriffdoms, together with 13 remote video witness sites. In total, our estate comprises 70 buildings made up of courts, vulnerable witness suites, tribunals, and offices. Tribunals also make use of additional venues across Scotland for hearings.

Our court locations, the Office of the Public Guardian (OPG), and our Tribunals administrative centres in Glasgow, Hamilton and Edinburgh are shown at Annex 2.

The function of SCTS is to provide or ensure the provision of the resources to support:

- **the Scottish courts, devolved tribunals and their judiciary;**
- **the Lord President or his delegates in respect of his functions as Head of the Judiciary;**
- **the Sheriffs Principal in respect of their functions under the relevant provisions of the Courts Reform (Scotland) Act 2014;**
- **the Office of the Public Guardian and Accountant of Court; and**
- **the Scottish Sentencing Council, Scottish Civil Justice Council and Criminal Courts Rules Council**[2].

Our annual SCTS Business Plan for 2025-26 was published in April 2025, making this the third and final business plan based on the three-year Corporate Plan 2023-26 (published April 2023).

This report details how SCTS carried out its functions in 2025-26 as required by section 67 of the Judiciary and Courts (Scotland) Act 2008 and section 22(5) of the Public Finance and Accountability (Scotland) Act 2000.

The Lord President's foreword (page 4) also forms part of this performance report.

Purpose and values

The purpose of SCTS is **supporting justice**. SCTS fulfils this purpose by providing the people, buildings and services needed to support the work of Scotland's courts, devolved tribunals and their judiciary and the OPG and Accountant of Court.

In delivering its purpose, SCTS must take account of the needs of the judiciary, of the people involved in proceedings and the wider public.

Our work focuses on improving access to justice, reducing delays and cost within the justice system, and maximising the use of technology to improve our services.

The core values we observe as an organisation and seek to promote in others are **respect, service, and excellence**.

Structure of SCTS

SCTS is led by its Board. It has a judicial majority and oversees the administrative arrangements that support the judiciary in the delivery of justice. The SCTS Board meets at least six times per year. Day-to-day management of the organisation rests with the Chief Executive and the Executive Team. Further information on the SCTS Board and Executive Team can be found in the Directors' Report, on pages 31-36.

Our purpose and strategic priorities are illustrated in our strategy map overleaf. It sets out how our priorities align with delivery of our purpose – supporting justice.

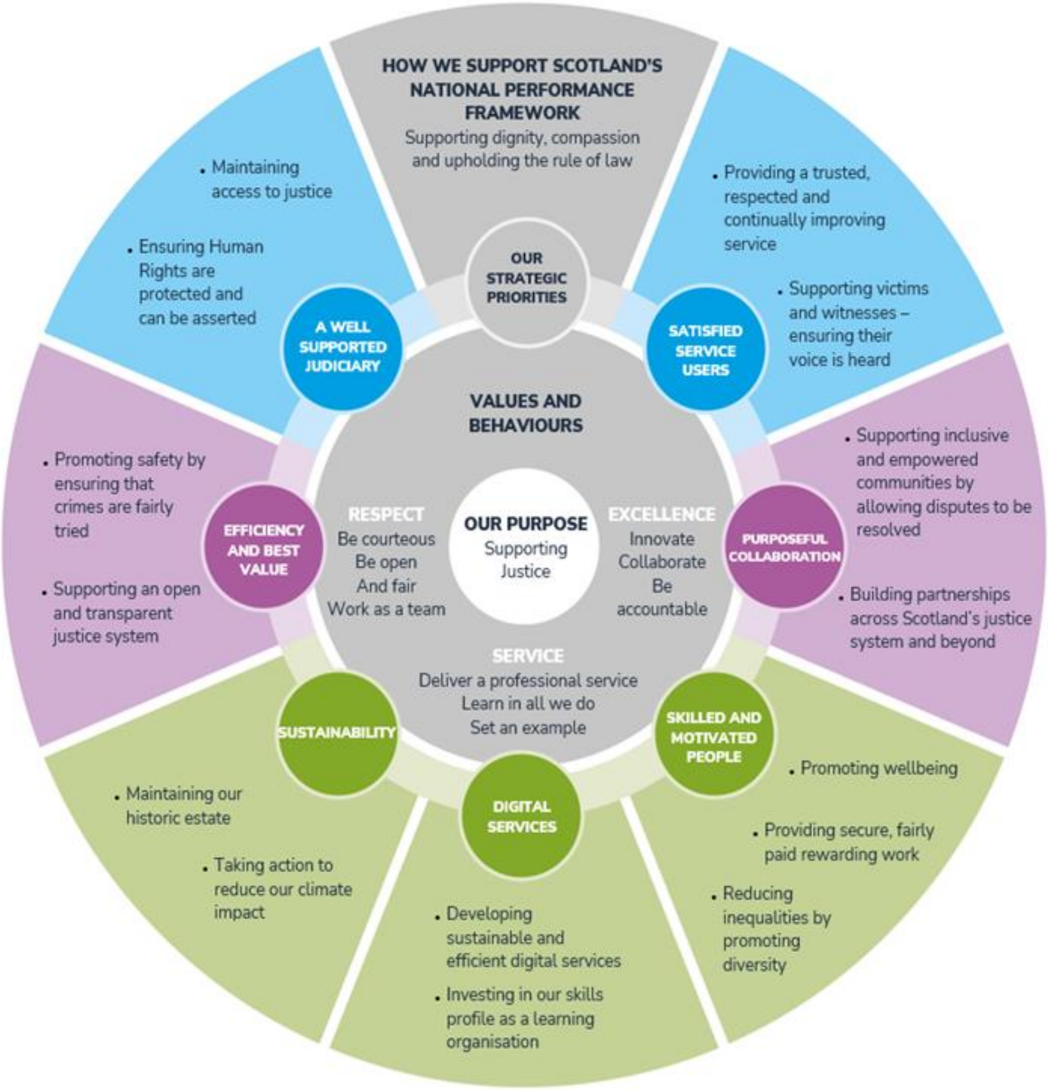
[1] Section 130 of the Courts Reform (S) Act 2014 facilitated the merger by extending the functions of the Scottish Court Service established under the Judiciary and Courts (Scotland) Act 2008 to include the administration of devolved tribunals. As such the 2008 Act remains the founding legislation for the SCTS.

[2] Sections 61 and 62 of the Judiciary and Courts (Scotland) Act 2008.

Our strategy

Our **Strategy Map** sets out our purpose, values and key behaviours that guide our priorities and work as we support Scotland's justice system. Our seven **strategic priorities** help us organise the work we do in the most effective way. They also demonstrate how that work contributes to a significant number of the outcomes and goals set out in Scotland's National Performance Framework.

SCTS Strategy Map



Whilst independent, we work collaboratively with the Scottish Government, the Justice Board for Scotland, and a broad range of justice organisations. The Vision for Justice in Scotland, published in 2022, provides a common focus for all involved in the delivery of criminal and civil justice. Our work supports the delivery of its outcomes and goals.

The Vision was accompanied by a Year One Delivery Plan setting out the existing commitments, at that time, from justice agencies. A three-year delivery plan was published in November 2023.

Reform activity

Our Corporate Plan for 2023-26 details the strategic objectives we sought to implement over this three-year period – including this reporting year – 2025-26. In support of achieving these objectives we set detailed outcomes in our Annual Business Plan. Our business outcomes are organised under four key reform areas: Criminal Justice; Civil Justice; Tribunals and Office of the Public Guardian; and Corporate.

Reform Areas	Vision Statement
Criminal justice	*Developing high-quality services using digital solutions to support the judiciary, staff and partners to deliver fair, accessible, effective and efficient criminal justice, inspiring confidence in all who use it*
Civil justice	*Supporting the judiciary to deliver outstanding civil justice underpinned by modern, user-centred systems that provide efficient and accessible services for all*
Tribunals and Office of the Public Guardian	*Providing high-quality access to justice for Tribunals' users and protection for vulnerable people and their families through modern, efficient and user-friendly power of attorney and guardianship systems*
Corporate	*Giving our people the systems, processes, facilities and skills to deliver the best possible service, allowing justice to be done fairly, openly, effectively and efficiently*

There are five dedicated 'Change Labs', governed by Executive Action Boards (EABs), which exist to direct the delivery of projects in support of our business outcomes. Each EAB is chaired by an Executive Director.

The services we deliver provide access to justice. We utilise technology to improve the service we offer and take a trauma informed approach to service design. To help us achieve the outcomes we set over the past year, each business unit within SCTS produces its own annual plan, setting out more detailed priorities and activities on which they will focus. All our work is underpinned by our core values of **respect, service and excellence.**

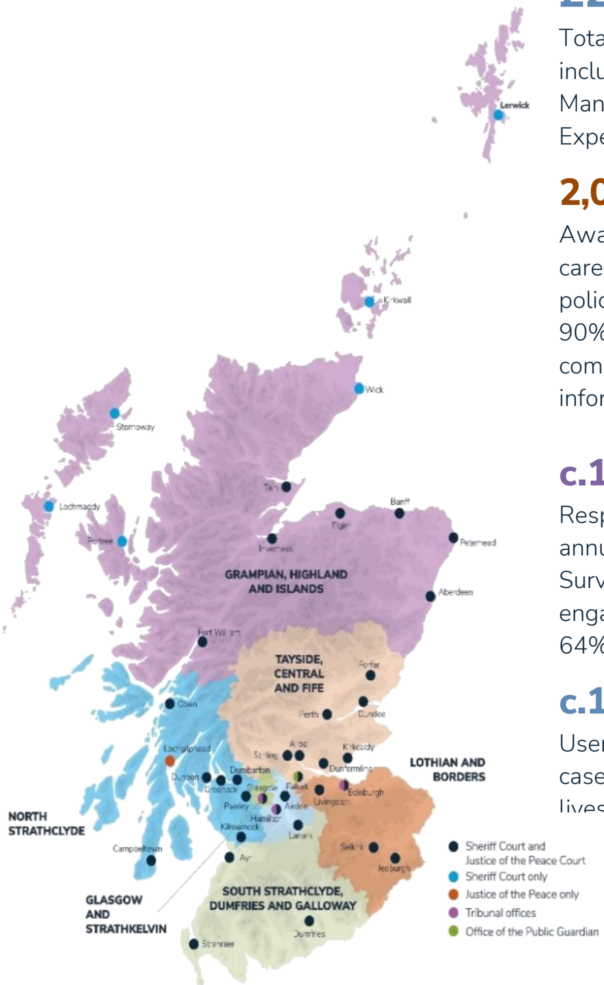
Monitoring Performance

Our performance against the outcomes we set in our Annual Business Plan for 2025-26 is summarised on pages 9 to 11 and full detail is included at section 1.2.2. Performance is also monitored at local and organisational level using centrally produced management information, ensuring decisions are based on robust evidence. Risk management is embedded within this approach, with oversight from the Audit and Risk Committee and an Assurance and Best Value Framework that brings together internal controls, corporate oversight and independent review to support effective risk management, continuous improvement and accountability. Key statistical publications on the processing of Criminal, Civil, Tribunals and the Office of the Public Guardian business is publicly available and can be accessed here.

1.1.3 Performance summary

The SCTS Board monitored delivery of the 19 outcomes in the 2025–26 Business Plan throughout the year. 12 outcomes were completed, 6 were partially delivered and one measure was paused (**Page 11** sets out all the agreed outcomes. You can find more detail in the year-end report on the [SCTS website](), with a fuller analysis provided in this report's [Development and Performance section]()).

Delivery took place in a challenging and demand-led environment. Rising volumes and complexity in solemn criminal business, tribunals and OPG operations placed sustained pressure on services, while financial constraints continued to affect both day-to-day delivery and the pace of reform. Although SCTS managed expenditure carefully, annual budget settlements, estate maintenance pressures and the need for stable multi-year investment meant that choices had to be prioritised carefully.



£219.8m
Total budget including Annual Managed Expenditure

2,000 staff
Award winning carers and diversity policies and over 90% have completed trauma informed training

c.1,300
Responded to the annual People Survey 2025, with engagement at 64%

c.1m
Users have viewed cases being livestreamed since

c.1,350
High Court solemn cases registered - up 26% on prior year.

c.95,000
Civil cases registered with online case tracking now available for c.90% of cases

c.8,512
First witness citations issued – new SCM processes reduced the numbers issued by 47% on prior year.

c.22,000
Tribunal cases registered - a 130% increase over the past 5 years

c.100,000
Powers of Attorney applications

The most significant pressure was experienced in the High Court. Indictments averaged 116 per month in 2025–26, compared with 92 per month in the previous year - forecasts indicate further upward pressure (as indicated in [SCTS criminal case modelling]()).

Against this backdrop, we have prioritised practical measures that support court users and other justice organisations as workloads grow. Remote Provision of Evidence continued to be promoted in the High Court, reducing the need for police and expert witnesses to travel and helping to make better use of time across the justice system. SCTS also continued to support digital evidence sharing, improving the way evidence is accessed and used by justice partners.

SCTS continued to support delivery of Summary Case Management, working with justice partners to promote earlier disclosure, earlier engagement and more active case management. The national rollout has produced measurable benefits, including reductions in pending summary trials, reduced domestic abuse trial volumes improvements in trial efficiency and significant reductions in the number of witnesses cited to appear.

The same pattern of rising demand and targeted response was also evident in tribunals and OPG. The Social Security Chamber experienced significant pressure, with decision times increasing to 54 weeks compared with 32 weeks in January 2025. This reflects increased case volumes and constraints in Tribunal member availability. In response, a new governance group has been established with Scottish Government officials to address operational challenges, while respecting judicial independence. In OPG, where the number of Power of Attorneys (PoA) being registered is now over 100,000 each year, the first phase of the new case management system was introduced for PoA applications. These changes are designed to support recovery, improve resilience and enable a more responsive digital service over time.

Alongside work to manage rising case volumes, SCTS delivered a range of improvements focused on the experience of court and tribunal users. Trauma informed practice remained a central theme. Over 90% of staff completed trauma training, and Evidence by Commissioner provision expanded to eight facilities, supporting more than 1,000 witnesses to give pre-recorded evidence in a safe and supportive environment. This strengthens the service available to vulnerable witnesses and supports the wider justice sector ambition to reduce the risk of re-traumatisation. However, progress - in some areas - was constrained by external dependencies. In particular, the planned Trauma Informed Domestic Abuse Model was paused during an ongoing dispute between defences agents and the Scottish Government over legal aid.

SCTS continued to improve transparency and public access. Criminal Appeal Court livestreaming commenced during the year, adding to the organisation's wider open justice work. In civil justice, reform activity focused on strengthening the core digital offer. Civil Online coverage expanded, with case tracking now available for around 90% of Sheriff Court case types and non-initiating document submission in place. Initiating Ordinary Action submission was introduced through a soft launch in the All-Scotland Sheriff Personal Injury Court, creating a platform for wider rollout during 2026–27. These improvements are important, providing the building blocks for an end-to-end digital case interaction.

In tribunals, service improvement was supported by better information and digital access. The Mental Health Tribunal for Scotland progressed work on a new website and online portal, intended to provide secure access to case papers. Tribunals Operations also improved transparency through the publication of operational statistics and continued to build staff capability through service and empathy training. These actions support clearer information for users and more consistent service delivery, while the organisation continues to address the capacity pressures affecting some jurisdictions.
Delivery of the outcomes set in our Business Plan depended on the strength of SCTS' corporate foundations: its people, digital capability, estate and resources. During the year, SCTS continued to support staff wellbeing, skills and inclusion. Wellbeing activity, and development programmes supported the organisation's focus on capability and culture at a time of sustained operational pressure.

Digital capability also continued to develop. The Automated Transcription Service supporting Evidence by Commissioner hearings continued to perform strongly, with reported quality assurance accuracy above 97% and speaker identification accuracy of around 85% using ceiling array microphones. SCTS also developed a delivery roadmap for the organisational wide rollout of Microsoft Copilot and established dedicated AI delivery capability. These developments support productivity and service improvement, while recognising that new technology must be introduced in a controlled, ethical and user-focused way.

The estate remained a key enabler and a source of pressure. Maintenance spend was constrained earlier in the year but improved following in-year reprioritisation, with spend at £11.5m. At the same time, SCTS progressed estate rationalisation and modernisation in Edinburgh, including new tribunals accommodation at Parliament House and Edinburgh Sheriff Court, along with the development of a dedicated Remote Jury Room. These changes support new ways of working, improve facilities and contribute to longer-term efficiency and sustainability improvements.

Sustainability was also a positive area of progress. SCTS achieved Carbon Reduce certification for a second consecutive year, with reported reductions in gas and electricity emissions and overall reported emissions. Continued progress will depend on investment, estate constraints and operational choices, but the direction of travel supports the organisation's net zero ambition.

Overall, 2025–26 demonstrated that SCTS continued to deliver meaningful reform and service improvement while managing rising demand, external dependencies and resource constraints. SCTS used the year to maintain operational delivery, improve services for users and strengthen the foundations needed for the next phase of reform. The priority for 2026–27 will be to sustain progress in high-pressure areas, continue digital and service modernisation, and ensure that people, systems and estate capacity remain aligned to future demand, against the backdrop of public service reform.

Performance against business outcomes 2025-26

Business Outcomes 2025-26							
Criminal Reform Outcomes		**Civil Reform Outcomes**		**Tribunals and OPG Outcomes**		**Corporate Outcomes**	
We will continue to manage a sustained increase in the volume of cases being registered and the increasing complexity of solemn trials, while aiming to reduce the number of criminal cases awaiting trial.		We will provide solicitor firms with the ability to submit all documents (initiating and non-initiating) electronically in the Court of Session, enhancing security and integrity, reducing risk of loss, damage or misfiling, and reducing paper, printing and storage costs.		We will complete phases 2 and 3 of the Office of the Public Guardian transformation project, transferring both Guardianship functions and Accountant of Court functions onto a new case management system . This will allow us to develop a new operating model that will deliver a more efficient, effective and accessible service to help those who require protection.		We will continue to rationalise the Edinburgh Justice estate, improving the facilities we provide to support new ways of working whilst reducing both accommodation costs and our carbon output.	
We will support the judiciary and work with justice partners to introduce improved summary case management across Scotland – promoting early case resolution and a reduction in the number of witnesses required to attend courts - while supporting the introduction of the Digital Evidence Sharing Capability.		We will extend the use of online services in the sheriff court, allowing for the bulk submission of ordinary actions and enabling the submission of non-initiating miscellaneous case types - benefiting solicitor firms that with high volume business and increasing convenience and efficiencies through self-service digital platforms.		We will further refine the operating model of Scottish Tribunals, to deliver a high quality and efficient public service.		We will develop our pilot work in Artificial Intelligence (AI), commencing use of transcription and summarisation services in specified case types, to deliver efficiencies and improved service, ensuring our use of AI is ethical, inclusive and trustworthy.	
We will support the implementation of the recommendations of Lady Dorrian's review of the management of sexual offences, providing facilities across Scotland to allow witnesses to have their evidence pre-recorded in advance of trial, supporting the most vulnerable and reducing the risk of re-traumatisation.		We will implement our assisted digital plan and continue to adapt and develop inclusive civil online systems – ensuring our digital services can be used by as many people as possible and that support is in place to ensure accessible services for all.		We will deliver a new website and online portal for the management of business in the Mental Health Tribunal for Scotland and continue to develop our digital capability across all Tribunals - to ensure the judiciary and staff have access to the right technology to support efficient and effective operations.		We will continue to upgrade our network connectivity, expanding coverage across the SCTS estate to support the delivery of key reform initiatives, while protecting the justice system from security risks and business disruption	
We will progress our commitment to Open Justice by extending livestreaming into the Criminal Appeal Court, taking forward a programme of work through the judicially led Open Justice Advisory Group.		We will manage the flow of new legislation, and rules of court, ensuring that case management systems keep pace with changes in law and procedure.		We will ensure that our systems and processes keep pace with changes in law, supporting the judiciary by administering tribunals that are fair, accessible, efficient and user-focused and the OPG in their work to protect the vulnerable.		We will ensure our people have the skills to deliver an excellent service, implementing trauma awareness training across the organisation and publishing revised technical training manuals, to ensure we provide a professional, trauma-informed service.	
We will roll-out a trauma informed domestic abuse model, initially in Grampian, Highland and Islands, transforming the management of cases, through increased case management, designated specialist sheriffs and trauma informed training for all – improving services to victims and witnesses, reducing the potential for re-traumatisation and enabling support to be effectively focussed.						We will embed flexible workforce planning and succession planning processes across the organisation, ensuring the way we work supports the business we need to deliver.	
We will continue to build our digital capability, increasing flexibility and resilience in the management of criminal business, specifically - Transforming how we manage the citation of jurors, developing a fully digital process to improve communications, and streamline the excusal process.						Complete Part complete Not complete	

1.1.4 Key issues, risks and future trends

SCTS delivers its functions in a complex and demand-led justice environment, where service pressures, public expectations and cross-system dependencies must be carefully managed. This section summarises the principal risks and trends that could affect delivery of our purpose and priorities. It draws on the Corporate Risk Register reviewed by the Executive Team, Audit and Risk Committee (ARC) and SCTS Board, and complements the Governance Statement, which explains the wider system of internal control and assurance.

The statutory functions of SCTS are multi-faceted and complex. The justice system relies on a number of independent organisations working together to ensure that people can assert their rights and settle disputes. Our work is significant in volume, increasingly complex in nature and subject to a high degree of political, public and media scrutiny. For these reasons, SCTS places strong emphasis on effective planning, risk management, performance monitoring and change governance to support delivery of its priorities.

Risk management and oversight

The SCTS Board, supported by the ARC and the Executive Team, considers the key risk areas that must be managed to support the business, deliver priorities and maintain sound controls. Corporate risks are kept under regular review by the Executive Team and are formally reviewed by ARC at each of its meetings. The Board sets the overall approach and appetite for risk and holds an annual workshop involving members of its Committees and the Executive Team to review the major risks facing the organisation.

SCTS has a Risk Management Framework that sets out how risk is managed at corporate, business unit and project level. The framework is based on evaluating the likelihood and impact of key risks, reviewing the effectiveness of controls and identifying where further action is required. The Corporate Risk Register is not reproduced in full in this report; instead, the section below summarises the principal risks, their current status and the main themes that may affect future performance. Further information on risk governance is provided in section 2.1.3.

Operational performance is monitored both locally and through organisational Key Performance Indicators reviewed by the SCTS Board (full details are available in section 1.2.1). Detailed data on business volumes is available on the statistical page of the SCTS website.

Changes to the Corporate Risk Register - 2025-26

The Corporate Risk Register was refreshed to improve alignment with the organisation's current operating environment. Cyber security and service resilience were brought together as a single risk: Organisational Resilience and Cyber Security. This reflects the close relationship between operational continuity, digital dependency and cyber resilience. A new Sustainable Services risk was added to focus attention on the ability to maintain core justice services against rising demand, capacity pressures and financial constraint. The climate-related risk was reframed as Climate Change Compliance and Estate Preparedness, reflecting both statutory climate duties and the practical challenges of adapting a complex estate.

Risk profile at a glance

The risk profile remains stable but elevated. Finance and Resources is assessed as red, reflecting ongoing funding and affordability pressures. Most other risks remain amber, with continued focus on service sustainability, delivery of reform, cyber resilience and information governance. Health, Safety and Security remain Green, reflecting established controls and assurance activity.

The table on page 13 summarises the current strategic risk profile based on treated scores in the April 2026 Corporate Risk Register, with a short summary of the principal risks and key issues set out below.

RISK SCORING KEY

Risk scoring key		
Impact scores		
	Insignificant	1
	Minor	2
	Moderate	3
	Major	4
	Catastrophic	5
Likelihood scores		
	Rare	1
	Unlikely	2
	Possible	3
	Likely	4
	Almost certain	5
Risk score	Impact x likelihood	
Current risk score: Definition of levels		
Unlikely to occur and / or is fully manageable by SCTS		Low (1-6)
May or may not occur and / or SCTS has influence in managing risk, but cannot control it completely		Medium (8-12)
Very likely to occur and / or SCTS' ability to actively manage risk is limited		High (15-25)

Risk	Status	Score	Key focus
Finance and Resources	Red	16	Funding uncertainty, estate maintenance, reform affordability and multi-year investment.
Data Protection and Security	Amber	12	ICO audit follow-up, records management, training and embedding controls.
Organisational Resilience and Cyber Security	Amber	12	Cyber Assessment Framework, off-network resilience, incident response and recovery.
Delivering Change and Service Reform	Amber	12	Portfolio delivery pressure, capacity, benefits realisation and reform prioritisation.
Sustainable Services	Amber	12	High Court solemn demand, OPG recovery, tribunals capacity and service sustainability.
Workforce Wellbeing and Skills	Amber	9	Capacity, resilience, digital and data skills, wellbeing and leadership capability.
Climate Change Compliance and Estate Preparedness	Amber	9	Net zero, clean heating, carbon reduction, estate constraints and statutory duties.
Health, Safety and Security	Green	6	Effective controls, security audits, radon monitoring and estate mitigations.

Risk Appetite

The Board recognises that appetite varies across risk areas. Appetite is lowest where risks affect safety, security, information protection and continuity of essential services. A higher appetite is accepted for carefully controlled change and reform where innovation is required to improve services and deliver better value, provided risks are actively managed and benefits are clearly defined.

Principal risks and trends

Finance and Resources

Finance and Resources is the highest-rated treated risk. Although SCTS continues to manage expenditure carefully, financial pressure continues to represent a high-likelihood, high-consequence risk to both core service delivery and delivery of the reform programme. The risk is heightened by annual budget settlements, underlying estate and maintenance pressures, and the need for stable multi-year investment to deliver the key reforms outlined in the 2026-29 Corporate Plan. SCTS continues to engage with the Scottish Government on funding requirements, develop efficiency and productivity plans, and prioritise resources towards the areas of greatest operational and strategic pressure.

Sustainable Services

Service sustainability remains a principal risk. Pressures are most evident in solemn criminal business, the Office of the Public Guardian and parts of the tribunals system. The full implementation of Summary Case Management across all sheriffdoms provides an important mitigation for summary criminal business, but High Court/solemn demand, OPG recovery and Social Security Chamber waiting times continue to require close monitoring and targeted action. This risk links directly to the performance information elsewhere in the report and will remain a key focus as demand, capacity and affordability pressures persist.

Delivering Change and Service Reform

SCTS must continue to deliver significant reform while maintaining core services in a financially constrained and digitally dependent environment. Delivery pressure remains evident across the reform portfolio, including where projects depend on partner capacity, funding, technology, operational readiness or legislative change. A review of delivering change was carried out during 2025. The outcomes have strengthened change governance, standardised tools and guidance, and supported a more people-centred approach to change. Continued focus will be placed on prioritisation, benefits realisation, sustainable delivery capacity and alignment with the 2026-29 Corporate Plan. Partnership work to explore the significant reform required to criminal justice systems and processes will be a key feature in 2026-27.

Organisational Resilience and Cyber Security

This risk is distinct from Data Protection and Security. It focuses on SCTS' ability to maintain essential operations during system failure, cyber incident or wider disruption, and to recover priority services within acceptable timescales. SCTS is strengthening resilience through work aligned to the National Cyber Security Centre's Cyber Assessment Framework. This includes improved off-network access to business continuity material, secondary incident communication arrangements, business impact analysis and cyber incident management arrangements. These controls will require continued testing and embedding before the risk can be reduced.

Data Protection and Security

Data Protection and Security remain an amber risk. SCTS recognises the value of information and the importance of strong information governance and controls. Progress has been made in addressing the Information Commissioner's Office audit recommendations, supported by Executive Team oversight, and additional temporary resource. Further work is required to complete and embed improvements in records management, training, assurance and data retention. Detailed information on data breaches and information security is provided at page 36 in the report, avoiding duplication in this strategic risk section.

Workforce Wellbeing and Skills

Supporting Workforce Wellbeing and Skills is a key priority across the organisation. The risk increased during the year, reflecting continuing pressure on capacity, resilience and critical skills, particularly digital and data capability. SCTS is responding through workforce planning, leadership development, the Digital Skills Needs Analysis, People Survey action planning and wellbeing support. The continued development of trauma informed practice, compassionate leadership and mental health awareness also supports staff resilience and service quality.

Health, Safety and Security

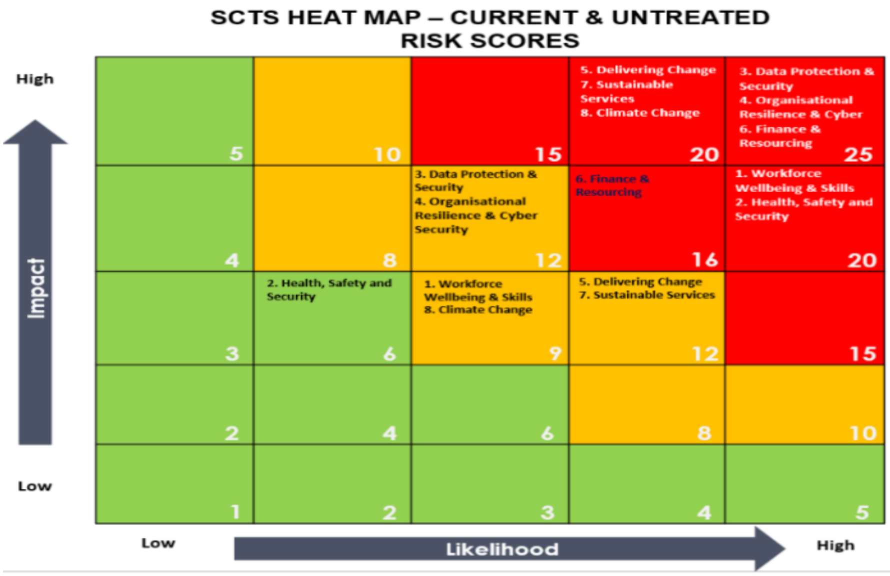
Health, Safety and Security is currently assessed at target treated score, reflecting effective operation of key controls and routine assurance. The risk continues to be managed through specialist oversight, policies, compliance checks, incident reporting, audits and risk assessments. During the year, mitigation activity included radon monitoring and remedial works at Inverness Justice Centre, wider estate monitoring where required, and development of an enhanced courtroom security programme informed by rolling security audits. SCTS will continue to monitor safety and security standards across the estate.

Climate Change Compliance and Estate Preparedness

SCTS continues to take forward work set out in the Sustainability Strategy 2024-2027 and its pathway to net zero by 2045. Good progress has been made, including Carbon Reduce certification for the second year running and reported reductions in emissions. However, sustained progress remains challenging as it is dependent on available investment, current estate condition, clean heating options, behaviour change and the constraints of a large, complex and historic estate. SCTS will continue to develop sustainability training, business travel actions, climate duties reporting and clean heating assessment work to inform future prioritisation.

Overall Outlook

Overall, the risk profile remains elevated. Finance and Resources is the highest-rated treated risk, while service sustainability, data protection, cyber resilience and delivery of reform remain Amber. Workforce risk has increased slightly, reflecting capacity and skills pressures. Progress will depend on the extent to which planned mitigations translate into demonstrable improvement. These include digital skills actions, ICO audit recommendations, resilience and cyber assurance work, OPG recovery activity and future funding. The Board, ARC and Executive Team will continue to monitor these risks closely and adjust mitigations as evidence develops.



1.2 Performance analysis

1.2.1 Performance measures – Business Plan outcomes and KPIs

In addition to reviewing progress against business plan outcomes, the SCTS Board appraises the organisation's performance on a quarterly basis through its **key performance indicators (KPIs)** scorecard. The KPIs are subject to annual review to ensure they remain relevant and sufficiently stretching. A summary of the KPI measures is on **page 17**. The full-year scorecard for 2025-26 is published on our website along with a descriptions and definitions document that describes the 19 KPIs contained in the scorecard – explaining what is measured, the performance thresholds, how the data is used to drive decision making and how and why it helps provide assurance.

The KPI measures are aligned to our strategic priorities. This allows the SCTS Board to maintain oversight of core service delivery, key operational and corporate processes and wider performance. In addition to providing an exception-based report on performance, the KPIs provide the SCTS Board with a means of assuring that the organisation is carrying out its activities as planned, **to mitigate key risks and manage uncertainty** so far as possible.

Throughout the past year, overall performance has been strong with 14 out of 19 indicators reporting as green in all quarters. Only measure 2(b): Delivering our Change Programme and 6(g): Office of the Public Guardian Recovery, were in exception for the full year. The remaining 3 measures, reported as red or amber for one or more quarters of the reporting year. An extract from the Board Scorecard is detailed below, highlighting those measures which were in exception at any point during the year. Commentary on these is also provided below.

SCTS Board Scorecard 2025-26 Q4

Strategic Priority	Measure	RAG Criteria: R	RAG Criteria: A	RAG Criteria: G	Q1 2025/26	Q2 2025/26	Q3 2025/26	Q4 2025/26
2. Satisfied Court Users	2b. Delivering our Change Programme	Overall summary of programme delivery status			A	A	A	A
4. Sustainable Buildings and Business	4a. Maintaining the estate	More than 5% below required expenditure level	Between 5% above & 5% below required expenditure level	More than 5% above required expenditure level	A	A	G	G
6. Efficiency and Best Value	6b. Sheriff Court Solemn Business Recovery	At least two at Amber and one at Red or two at Red	Two or more indicators at Amber or one at Red	All indicators at Green or one at Amber but no Red	G	G	A	A
	6g. Office of the Public Guardian Recovery	At least two at Amber and one at Red or two at Red	Two or more indicators at Amber or one at Red	All indicators at Green or one at Amber but no Red	R	R	R	R
8. Financial Performance	8a. Expenditure profile	Outwith green and amber	Between minus 2.5% & minus 5.0% of forecast	Between forecast & minus 2.5% of forecast	G	R	G	G

1. Measure 2(b): Delivering our Change Programme

This measure reported as amber throughout the year. It reflects delivery of the 2025-26 business plan outcomes across the reform portfolio. While good progress was made overall, delivery pressure remained evident in a number of areas, with seven reform outcomes reporting as amber or paused during the year. The main areas of pressure related to High Court business, civil digital reform, the Office of the Public Guardian review, tribunal capacity and workforce planning.

The measure is expected to move to green once planned mitigations are fully implemented and demonstrate improved delivery performance and capacity. These include the senior leadership review, the outputs from a review of how we deliver and manage change initiatives, and the implementation of the Office of the Public Guardian Strategic Case for Change review.

2. Measure 4(a): Maintaining the Estate

This measure reported as amber in quarters 1 and 2, before moving to green in quarters 3 and 4. The measure assesses annual spend on estate maintenance as a proportion of the backlog maintenance requirement. For 2025-26, the amount of spend required to maintain statutory compliance and essential maintenance was £5.30m. The final outturn for the year was £11.5m.

The amber ratings in the first half of the year reflected that forecast maintenance spend was within the amber tolerance range at that point. By year end, projected spend was more than 5% above the required level, meaning the indicator reported as green. This reflected increased expenditure on statutory compliance and essential maintenance works during the year.

3. Measure 6(b): Sheriff Solemn Business Recovery

This measure reported as green in quarters 1 and 2, before moving to amber in quarters 3 and 4. Sheriff Court solemn recovery continued to show positive performance against a number of indicators: trial delay was green at 4.1 months at year end, matching the modelling projections, and cases concluded were green at 143% of pre-pandemic levels.

The amber rating in the second half of the year was driven by the number of scheduled trials. At the end of Q4, there were 1,078 trials scheduled, compared with a projected level of 597 under the September 2025 modelling. This red sub-indicator resulted in the overall measure reporting as amber, despite the other two reported indicators remaining green. A Sheriff Solemn performance working group has been convened, which will, working in collaboration with other justice organisations, consider opportunities to improve performance.

4. Measure 6(g): Office of the Public Guardian (OPG) Recovery

This measure reported as red throughout 2025-26. The measure consists of a basket of six operational indicators covering Powers of Attorney, accounts, guardianships and interventions. At year end, four indicators reported as red and two as amber, resulting in the overall red rating.

At Q4, Postal Power of Attorney applications registered to target reported as red at 21%, and Electronic Power of Attorney applications registered to target reported as red at 26%. Expedited Power of Attorney performance reported as amber at 87%, while accounts reviewed to target also reported as amber at 11%. Guardianships registered to target reported as Red at 67%, and interventions registered to target reported as red at 61%.

The year-end position indicates that, while there has been improvement in some areas - particularly expedited Power of Attorney performance - overall recovery remains constrained across several core operational processes. Modernisation and recovery work therefore remains important to improving performance and efficiency in future periods.

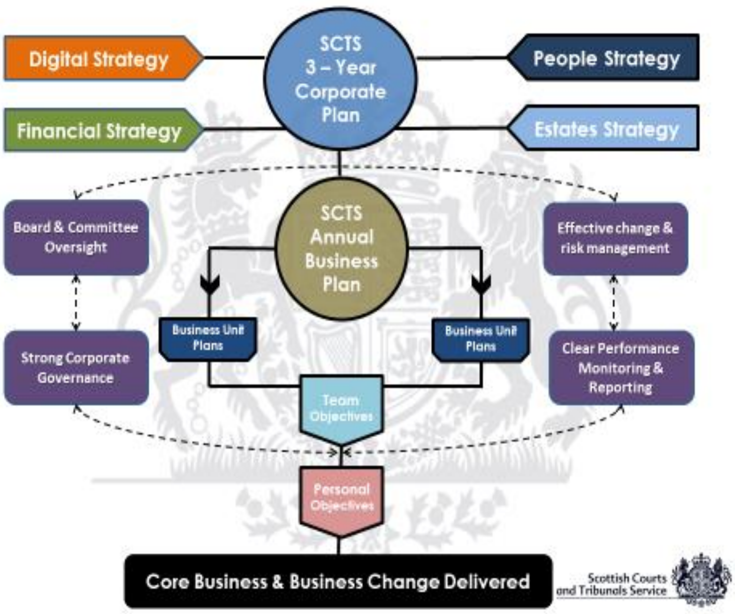
5. Measure 8(a): Expenditure Profile

This measure reported as green in Q1, red in Q2, and green in quarters 3 and 4. The red rating in Q2 reflected the forecast position at that point in the year. By Q4, the position had improved, with total net expenditure forecast to be £2.7m, or 1.5%, below budget, meaning the measure reported as green at year end.

The year-end rating reflects careful financial management during the year and an improved overall expenditure position, which was partly attributable to increased fee income.

Longer-term objectives and strategies

The annual performance reporting provided by our Business Plan Delivery Report and Board KPI Scorecard sit within a broader framework of the 17 strategic objectives set out in our Corporate Plan 2023-26. In addition to our annual work programme, the delivery of these longer-term elements is informed by our corporate strategies – these set out both the context and our medium-term agenda across the key enabling areas of people, estates, digital and finance, as set out in the diagram below.



Summary of SCTS Key Performance Indicators at March 2026

Performance against the KPI measures is monitored quarterly by the SCTS Board, using its Performance Scorecard published on our website, assessing a range of measures relating to delivery of our seven Strategic Priorities. These are summarised below:

1 A well supported judiciary	
1a	Judicial satisfaction levels (Assessment of most recent judicial attitudes survey plus qualitative assessment by SCTS Executive Team)
2. Satisfied service users	
2a	User satisfaction levels (based on quantitative survey and assessment data, including SCTS Court User Survey data)
2b	Delivery our Change Programme
3 Skilled and motivated people	
3a	Employee engagement levels (based on staff turnover, absence levels, complaints and grievance monitoring and survey data)
3b	Delivery of development activities (based on proportion of staff who have engaged in and completed key learning and development activities)
4 Sustainability	
4a	Maintaining the estate (assessment of investment levels to ensure backlog maintenance is being manage effectively)
4b	Sustainability and carbon reduction (assessment of the extent to which the organisation is meeting agreed carbon reduction targets)
5 Digital services	
5a	Automated and online transactions (assessment of the proportion of online fines transactions and payments made via automated systems)
5b	IT resilience and service (assessment of the resilience of core SCTS systems available for use when required)
6 Efficiency and best value	
6a	High Court business recovery (assessment of measures aligned to Criminal Court Recovery Modelling
6b	Sheriff Court solemn business recovery (assessment of measures aligned to Sheriff solemn Criminal Court Recovery Modelling
6c	Sheriff court summary business recovery (assessment of measures aligned to Sheriff summary Criminal Court Recovery Modelling
6d	Justice of the Peace Court business recovery (assessment of three operational indicator aligned to business recovery)
6e	Civil and miscellaneous business waiting times (assessment of 10 indicators measuring waiting times for civil and appellate business and guardianship orders administered by Office of the Public Guardian)
6f	Effective Tribunals Operations (assessment of 21 key operational indicators measuring effective administration)
6g	Office of the Public Guardian (OPG) operations - (assessment of 6 target based measures to monitor recovery of OPG performance)
7 Purposeful collaborations	
7a	Sufficient and effective collaboration (analysis of the overall quality and quantity of collaboration between the SCTS and key partner agencies)
8 Financial indicators	
8a	Expenditure profile (comparison of actual expenditure with profiled expenditure to the year end to ensure robust budgeting)
8b	Fines and fees income (comparison of actual fines and fees income received with profiled income to the year end to ensure robust profiling)

1.2.2 Financial performance 2025-26

The original budget allocated to SCTS in the 2025–26 Budget Bill was £177.0m. During the year, budgets are subject to revision and adjustment via the Scottish Government Autumn Budget Revision (ABR) and Spring Budget Revision (SBR) processes. The total budget, including Annually Managed Expenditure (AME), was £219.8m.

The Departmental Expenditure Limit (DEL) underspend of £3.8m (FY 2024–25: £0.1m overspend) comprised a £2.7m cash budget underspend and non-cash underspend of £1.1m. This underspend position (representing 1.9% of the allocated budget) reflects continued robust financial management across the organisation, with in-year monitoring enabling the identification and redeployment of emerging underspends to priority areas.

Overall net Fiscal Resource expenditure was £162.3m, £2.7m (1.6%) below budget. This position was driven by higher than anticipated income, particularly civil court fees which were £3.0m above budget, alongside underspends across a range of areas including rent and rates, judicial costs, tribunal members' fees and jury expenses. These were partially offset by increased building maintenance expenditure; reflecting both inflationary pressures and a proactive decision to accelerate estate works within the year. Capital investment of £19.5m was closely aligned to budget, with a minor underspend of £0.1m (0.4%), demonstrating effective programme delivery. Ring fenced non-cash expenditure was £1.1m below budget and AME expenditure was £0.2m lower than anticipated, primarily due to reduced requirements for provisions and impairments.

Total Managed Expenditure (TME) for the year was £215.7m, representing an overall underspend of £4.1m (1.9%) against budget and an increase of £11.0m (5%) compared to 2024–25. This increase reflects both inflationary impacts and targeted investment in service delivery and infrastructure. Overall, the 2025–26 outturn demonstrates effective stewardship of public funds, with strong cost control, improved income performance and the ability to flex resources to meet operational priorities while maintaining delivery within budget limits.

Financial performance summary (£000's)

	2025-26					2024-25
Budget Classification	Budget Bill	ABR/SBR	Total Revised Budget	Outturn	Variance (Outturn v Budget)	Outturn
Fiscal Resource	123,342	41,715	164,957	162,299	(2,658)	154,099
Capital	19,600	0	19,600	19,529	(71)	17,718
Non-Cash	34,140	0	34,140	33,040	(1,100)	32,370
DEL Total	176,982	41,715	218,697	214,868	(3,829)	204,187
CAME (Capital)	0	1,020	1,020	216	(804)	31
RAME (Resource)	0	50	50	613	563	474
HMT Total	**176,982**	**42,785**	**219,767**	**215,697**	**(4,070)**	**204,692**

With respect to the Statement of Comprehensive Net Expenditure (SoCNE), the net operating expenditure is £195.9m. In comparison to the above outturn, summary capital additions are not included in the SoCNE and these reconciling items are detailed within Notes 6a, 8a and 9 (see table below).

	Outturn
Net Outturn per SoCNE	**195,952**
Add: PPE additions (note 6a)	16,644
Add: Intangible additions (note 8a)	2,522
Add: ROU lease additions (note 9a)	579
Capital Additions	**19,745**
Outturn	**215,697**

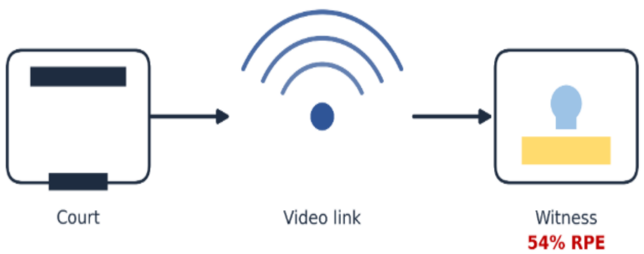
1.2.3 Development and performance 2025-26

Criminal Reform	Developing high-quality services using digital solutions to support the judiciary, staff and partners to deliver fair, accessible, effective and efficient criminal justice, inspiring confidence in all who use it

During 2025, SCTS introduced a single monthly workbook, [Courts & Tribunals Data Scotland: Criminal](), bringing together criminal court data in a clearer, more accessible, format to support informed decisions and greater openness across the justice system. The published data shows Scotland's criminal courts are operating in a changed landscape: a sustained rise in serious, resource-intensive solemn business is placing increasing pressure on the High Court. SCTS received, on average, **116 High Court indictments each month in 2025–26, compared to 92 per month** in the prior financial year (an increase of 26% in a single year).

Forecasts provided by the Crown Office indicate further upward pressure, with projected case volumes and waiting periods set out in the [SCTS criminal case modelling]().

Against this backdrop, we have prioritised practical measures that support court users and other justice organisations as workloads grow. We continued to promote **Remote Provision of Evidence (RPE)** in the High Court for police and expert witnesses, with uptake averaging around 54% since May 2024 (as a share of all evidence heard) – reducing travel and time away from normal duties, helping witnesses return to work sooner and lowering costs for their organisations.



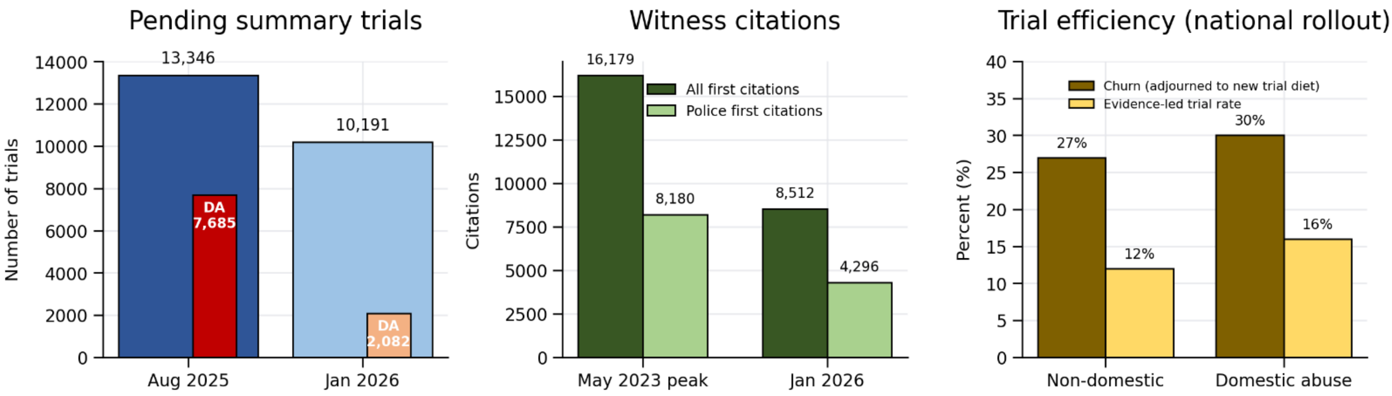
We also strengthened Open Justice through practical measures that improve public access and understanding. The Criminal Appeal Court became the first criminal court in Scotland to offer a regular **livestreaming service**, allowing the public to view hearings online. Solemn criminal appeals began being livestreamed from 29 August, initially covering appeals against conviction and Crown appeals against sentence – this complements our published data by improving transparency and public confidence in how the courts operate.

Given the exceptional pressures in the High Court, from October 2026 four additional trial courts will be added, bringing the concurrent trial court complement to 26 (10 above the number in operation up until September 2021). Alongside this, work is underway to review the criminal courts system and, during 2026–27, to develop a revised target operating model underpinned by a new digital modernisation plan. High Court pressures also reinforce the importance of the jury system in sustaining solemn throughput. Jurors are the largest group of customers SCTS serves, with **over 700,000 members of the public receiving a jury citation** in each of the past two years. Without juror attendance, solemn criminal business cannot proceed. We secured Public Sector Reform "Invest to Save" funding to support the initial phases of our **Jury Transformation Project** and, in the coming year, will introduce a new automated digital jury portal to improve the end-to-end juror journey for jurors and reduce repetitive manual tasks for staff.

A new approach to managing summary criminal cases (those without a jury), known as **Summary Case Management (SCM)**, was rolled out nationally from January 2025 to January 2026. It centres on early disclosure of evidence, early engagement between the defence and the Crown, and proactive judicial case management to progress cases more efficiently. The [rollout report]() highlights that pending summary trial volumes fell to 10,191 by January 2026 (with domestic abuse trials reducing by 73%), witness citations reduced significantly (first citations down to 8,512, and police first citations down to 4,296), and trial efficiency improved (churn reduced to 27% in non-domestic and 30% domestic abuse; evidence-led trial rates improved to 12% and 16% respectively).

These improvements were supported by strengthened digital and operational foundations: **DESC** (secure Digital Evidence Sharing Capability platform) and **DAG** (secure Defence Access Gateway) – improving case outcomes by enabling earlier access to digital evidence and disclosure, which supports earlier, better-informed decisions.

SCM national rollout: key performance changes (selected metrics)



Note: DA = Domestic Abuse.

The outcomes from the national rollout make clear that, by addressing long-standing inefficiencies in the system, such as late pleas of guilty, frequent adjournments and unnecessary trials, SCM has embedded a more streamlined and reliable summary justice process – improving case progression and enhancing the experience of victims and witnesses, while strengthening collaboration with other justice organisations.

SCTS has been on a sustained journey to become a more **trauma informed organisation**, recognising that improving the experience of victims and witnesses, while safeguarding the rights of the accused, requires both cultural change and practical improvements to how cases are managed. Over 2025–26, we strengthened organisational capability through dedicated trauma informed training, including NHS Education for Scotland trauma informed e-modules (levels 1 and 2), with over 90% of staff completing the learning. We also began embedding the leadership and wellbeing support needed to sustain this change, including Compassionate Leadership training for senior managers and vicarious trauma training.

Alongside capability building, we delivered tangible service improvements designed to reduce the risk of re-traumatisation and support witnesses to give their best evidence. A key example is our expansion of **Evidence by Commissioner (EbyC)** provision: last year SCTS created three additional EbyC facilities, bringing the total to eight across all six sheriffdoms. Over the past year, more than 1,000 witnesses gave pre-recorded evidence in safe, purpose-designed facilities intended to reduce re-traumatisation. Progress across the wider justice system is also reflected in the 2025–26 Standards of Service for Victims and Witnesses Annual Report.

During 2025–26, we committed to roll out a **Trauma Informed Domestic Abuse Model (TIDAM)** in Grampian, Highland and Islands, improving the management of cases through increased case management, designated specialist sheriffs and trauma informed training – thereby improving services to victims and witnesses, reducing the risk of re-traumatisation and enabling support to be more effectively focused. However, progress was paused during 2025–26 due to an ongoing legal aid dispute between the Scottish Government and the defence community, which prevented the programme going live (including the planned pilot in Aberdeen). Now that the dispute has been resolved, we will recommence this work as it remains a key element of our trauma informed service design approach and our wider commitment to improving the experience of vulnerable court users.

Looking ahead, SCTS will continue to **update processes, procedures and supporting systems** to respond to legislative change, working with other justice organisations to ensure reforms are implemented effectively. The Victims, Witnesses, and Justice Reform (Scotland) Act 2025 is a key example, placing trauma informed practice on a statutory footing and, from 1 January 2026, abolishing the “not proven” verdict for new criminal trials and introducing a two-thirds jury majority for conviction. It also provides for further reforms that SCTS will support through updates to our operating procedures and service design, including preparations for a specialist Sexual Offences Court with national jurisdiction, supported by our EbyC facilities.

Civil Reform

Supporting the judiciary to deliver outstanding civil justice underpinned by modern, user-centred systems that provide efficient and accessible services for all.

In 2025–26, we focused on completing the core building blocks for a modern, accessible civil justice service. We extended **Civil Online** so that more case types can be tracked digitally and a greater range of documents can be lodged online. These improvements build on existing online services for simple procedure and caveats, and the rollout of case tracking in both the Sheriff Court and Court of Session.

Across the Sheriff Court civil jurisdiction, we launched tracking for miscellaneous case types in Civil Online and enabled solicitors to submit documents lodged after a case is raised (non-initiating documents) digitally. Approximately 90% of Sheriff Court civil case types can now be tracked via Civil Online, reducing routine enquiries to court offices and supporting more efficient case progression.

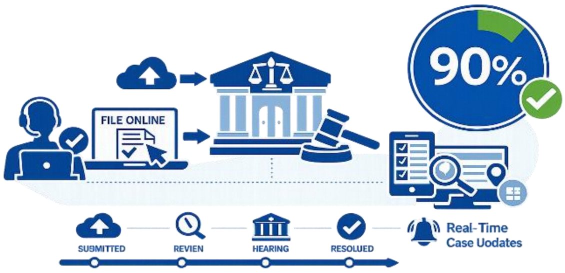
Artificial Intelligence (AI) enabled functionality was introduced within our Integrated Case Management System (ICMS) and is being piloted in the All-Scotland Sheriff Personal Injury Court, streamlining elements of the registration process for court staff. It supports the input of case data by extracting and populating key details (including names, addresses and postcodes) – reducing manual data entry. Staff continue to verify the extracted information and check the competency of Initial Writs in line with current procedures. Wider rollout across Sheriff Courts has been re-profiled due to resourcing dependencies, including specialist AI capacity.

Separately, we continued to develop the **Simple Procedure Application Programming Interface** (API), which allows solicitor firms to submit cases digitally from their own systems. Around one-third of simple procedure cases are now submitted this way. An API for ordinary actions has also been developed and has successfully completed testing. Solicitor firms will begin to be onboarded to the new system from summer 2026.

In the **Court of Session**, online submission of non-initiating documents (documents lodged after a case is raised) went live in October for around 90% of case types. Motions were excluded pending a rule change.

In parallel, we have completed the initial design work to identify the first set of documents and case types for initiating documents (the documents that start a case), and development is now underway. Further work will continue into 2026–27.

We also continued work to improve accessibility and inclusion. Development of an **Assisted Digital Plan** has been informed by engagement sessions with Citizens Advice and Registers of Scotland, alongside further user engagement with court staff and legal professionals to validate the latest Civil Online designs. These designs are being incorporated into a new service due to be launched later in the year. Further work will carry forward into 2026–27 to finalise the Assisted Digital Plan in collaboration with Court Operations and ensure that support arrangements are in place alongside digital services.



A key element of our work is to support the **Scottish Civil Justice Council (SCJC)** and the wider civil justice system by managing the flow of new legislation and rules of court, ensuring that case management systems keep pace with changes in law and procedure. Over the past year this included supporting ongoing work on the mode of attendance rules and group procedure and developing rules in areas such as simplified tables of fees for sheriff officers and messengers at arms and costs protections in environmental cases. Work will continue in 2026–27, including follow-up from the SCJC strategy programme and other priority areas for rules development such as judicial factors and Inner House rules.

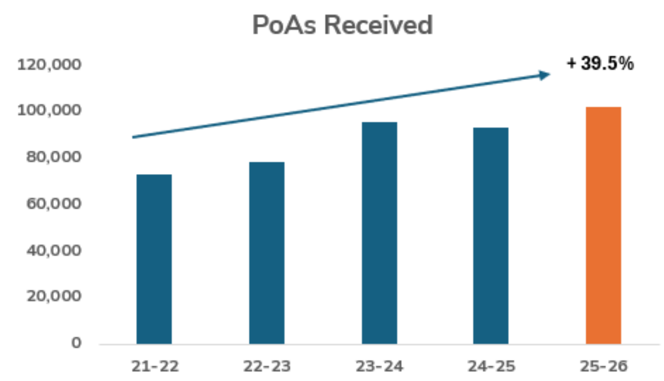
Taken together, these activities will move the service from establishing core digital capability towards a more **fully integrated, end-to-end, digital civil justice system**, while maintaining a clear focus on accessibility, legal compliance and user outcomes.

Providing high-quality access to justice for Tribunals' users and protection for vulnerable people and their families through modern, efficient and user-friendly power of attorney and guardianship systems

SCTS provides the administrative arrangements for the devolved tribunals in Scotland, including the jurisdictions that have transferred into the First-tier Tribunal for Scotland and the Upper Tribunal for Scotland. SCTS also supports the Office of the Public Guardian (OPG) and the Accountant of Court (AoC).

To improve transparency and access to information on these services, from October 2025 SCTS began publishing **enhanced monthly statistics on Tribunals and OPG business volumes** on the SCTS Statistics webpage bringing core operational data into a single location.

In OPG, demand for **Power of Attorney (PoA)** registrations has increased significantly in recent years. In 2025–26, 104,000 PoA applications were received – an increase of 39.5% over the last five years. This reflects greater public take-up by individuals of legal protections that assist future planning and decision-making, supported by public information and guidance on Power of Attorney. It also creates operational and financial pressures for OPG in delivering the registration service to expected timescales



The OPG commenced a major transformation project in 2023, which aims to deliver a new secure system for all OPG processes and data, supporting faster case processing that will allow us to meet key performance indicators and reduce the backlog of applications that has built up since the pandemic. The first phase was launched in January 2025, modernising the processing of PoA applications.

As PoA volumes continued to increase during the past year, we needed to stabilise service delivery while continuing to address a backlog of cases. As a result, we reprioritised resources to bring forward further improvements to the new system for PoAs. We also recruited additional staff to increase processing capacity. Both measures are required so that delivery can be brought in line with Key Performance Indicators

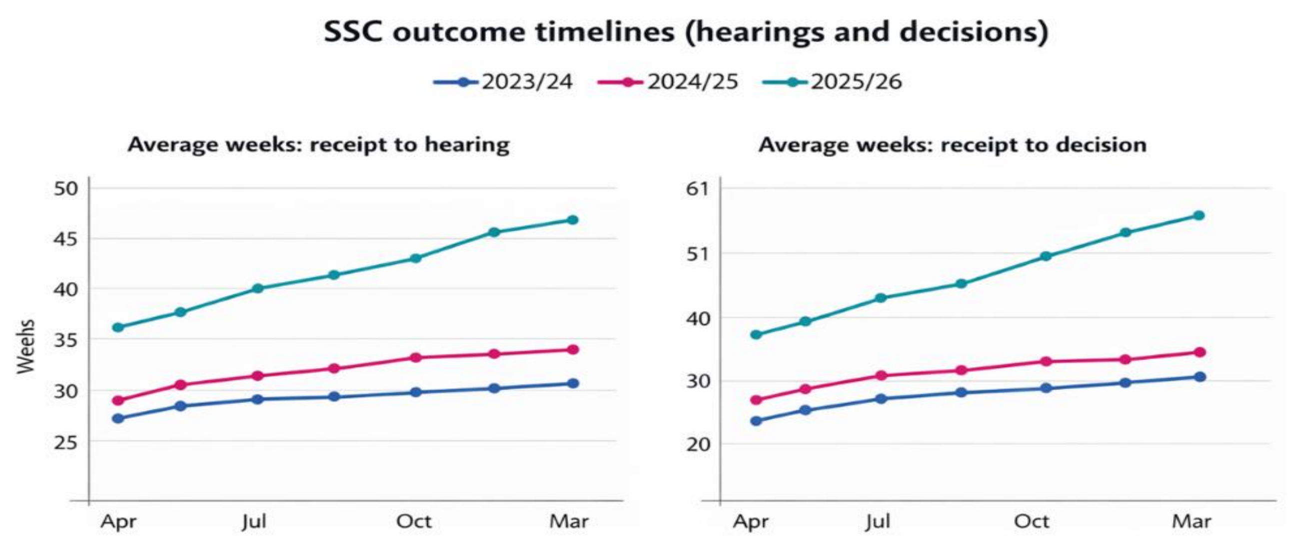
Once fully implemented, the new Case Management System (CMS) will enable a more digital-first, responsive and accessible service, including improvements such as an **Online Public Register** – a secure, accessible, register giving members of the public and stakeholders the ability to access information on orders made under Adults with Incapacity legislation in real time.

We also continued to engage with the Scottish Government on consultation and policy development relating to the **Adults with Incapacity (AWI)** legislative framework. During 2025–26, staff contributed to consultation activity and expert working groups and considered potential implications for future workflows and system requirements. Any legislative change will be subject to the parliamentary process and commencement arrangements. During 2026–27, we will keep the strategic operating model for OPG under review and assess operational and system impacts as and when legislative proposals progress.

Alongside pressures in OPG, demand also increased across the devolved tribunals, placing pressure on both judicial and administrative capacity. The **Social Security Chamber (SSC)** faced particular challenges. As shown in the timeline chart, average times from receipt to hearing and from receipt to decision have lengthened markedly over the last three years. By the end of the period, the average receipt-to-hearing time was around 144% higher, and the average receipt-to-decision time around 143% higher, than in 2023–24. This reflects rising demand alongside constraints in judicial member availability and hearing capacity.

Social Security Chamber	Receipts	Hearings	Hearing Days
2023/24	2,615	1,124	585.5
2024/25	7,154	4,856	1,951
2025/26	7,687	5,312	2,651

In response, the SSC operating model was reviewed, strengthening contingency arrangements and processes to maximise hearing capacity and make best use of available hearing slots. SCTS also worked closely with Social Security Scotland to improve the stability of the **SSC integration platform** and the accuracy of case documentation. Changes were also made to the appeal submission approach so that key documents are provided earlier in the process, improving the experience for appellants and supporting more effective case preparation.



During 2025–26, SCTS further extended the Scottish Tribunals' case management system to support new jurisdictions and emerging operational needs. Following the transfer of Police Appeals Tribunal functions into the First-tier Tribunal for Scotland (General Regulatory Chamber), the Tribunals Case Management System was enhanced to accommodate the new appeal types. An interim process was also put in place for receiving and sharing audio recordings submitted by respondents.

Improving accessibility and user experience remained a priority despite operational pressures. New mobile sensory hearing venues were secured in Dundee, Stirling and Aberdeen to support users with additional needs, and Tribunals Operations rolled out call-handling and empathy training for staff. In the SSC, improvements to published information, such as details of forthcoming hearings and representative organisations, were introduced following user feedback.

The **Mental Health Tribunal Scotland (MHTS)** caseload has increased by 27.4% since 2019–20, creating a need to improve how members and parties access information and case papers. During the year, SCTS completed procurement and progressed development of a **new MHTS website and secure online portal**. The website launched shortly after year end, on 2nd June 2026, and the members' portal is due to go-live in late summer 2026. The platform will give users improved access to information and provides a secure space for digital submission and online access to tribunal papers.

Looking ahead, work with the Scottish Government progressed to prepare for new and expanding jurisdictions, including the introduction of Scottish Aggregates Tax from 1 April 2026 and the implementation of Visitor Levy appeals in the Local Taxation Chamber from July 2026.

Overall, performance in 2025–26 reflected both the scale of demand growth and the organisation's focus on maintaining core service delivery while progressing modernisation. Across tribunals and OPG, SCTS delivered important steps in digital transformation and improved transparency and governance. At the same time, pressures in areas such as PoA processing and the SSC underlined the continuing need to align capacity, systems and operating models with rising demand, and to work closely with partners to protect accessibility, timeliness and public confidence.

Corporate Reform

Giving our people the systems, processes, facilities and skills to deliver the best possible service, allowing justice to be done fairly, openly, effectively and efficiently

Building on our People Strategy for 2024–28, over the past year we continued to strengthen the systems, support, facilities and skills our people rely on to deliver a fair, effective and efficient service.

Our People Survey 2025 achieved a 64% response rate (circa 1,300 people), with engagement at 64% (one percentage point below the previous year). The Executive Team, working in collaboration with the PCS Union, will take forward a series of actions to address key areas for improvement that were highlighted.

A key focus for SCTS is looking after the wellbeing of our staff. This is vital to the safe and effective delivery of the essential work we do, particularly where colleagues may be operating under sustained pressure. Over the course of the past year, we continued to support staff wellbeing through online sessions covering mental, physical, social and financial health. We strengthened practical support through grief awareness training and dedicated **Wellbeing Hub** resources, promoted stress-management activity during Stress Awareness Month, and sustained our trauma informed approach through e-learning (Levels 1 and 2) and the introduction of vicarious trauma training for colleagues.

Alongside these initiatives, a comprehensive evaluation of the 35-hour working week, which was introduced from 1 October 2024, was completed. The evaluation provides assurance that delivery has been sustained and there have been reductions in long and short-term absences. Feedback from the evaluation noted improved morale, wellbeing and work-life balance, with no significant impact on productivity or service delivery.

With Scottish Ministers' approval and following agreement between SCTS and PCS, a two-year pay award covering 2025–26 and 2026–27 was implemented: 4% in year one and a further 3.5% in year two. The award retained our no compulsory redundancy guarantee and recognised, as far as possible, the ongoing impact of cost pressures and inflationary uncertainty for our employees, against an extremely challenging budgetary context. Alongside this focus on wellbeing, reward and working patterns, we continued to invest in the development, skills and practical support our people need as SCTS reforms and modernises. To ensure our workforce is equipped for digital change, we undertook an organisation-wide **Digital Skills Needs Analysis** in December 2025, drawing on robust input from 505 colleagues. The results highlight a strong appetite for digital transformation and are being used to inform practical development activity, particularly around Microsoft 365, information management, automation and AI – so colleagues can make best use of new tools and ways of working.

Through the **Scottish Courts Knowledge and Information Management (SCKIM)** project, we are improving consistency in operational practice by providing Sheriff and Justice of the Peace Court staff with a single, centrally maintained, set of online technical manuals and desk instructions.

We secured access to the **UK Civil Service-Learning platform** through an initial pilot for 400 employees – an evaluation will inform a business case for any wider roll-out in 2026–27. We also continued our established development programmes: the third cohort of the 12-month Talent Programme graduated in October 2025 (with a fourth cohort starting in January 2026), and a delegate from each Sheriffdom took part in the **2025 Administrative Officer Development Programme**.

Alongside development, we strengthened how we support and recognise our people. We launched the **SCTS Service Excellence Awards** to recognise colleagues who exemplify our values through excellent service delivery, collaboration and a strong one-team culture. We achieved re-accreditation of the **Customer Service Excellence** standard and continued to focus on equality and inclusion – achieving the silver award in this year's **Talent Inclusion and Diversity Evaluation (TIDE)** benchmarking exercise, recognising our commitment to equality and inclusion through the UK's leading employer network (formerly the Employer's Network for Equality and Inclusion).

We refreshed our analysis of critical roles (between Senior Executive Officer and Executive Director grades) and rolled out operational workforce planning data and tools across Sheriffdoms. Priority workforce needs for the next 24–48 months were identified and a consolidated operational workforce planning report is being prepared. We will complete work to finalise our succession planning model and the methodology for assessing skills needs, ahead of organisation-wide implementation.

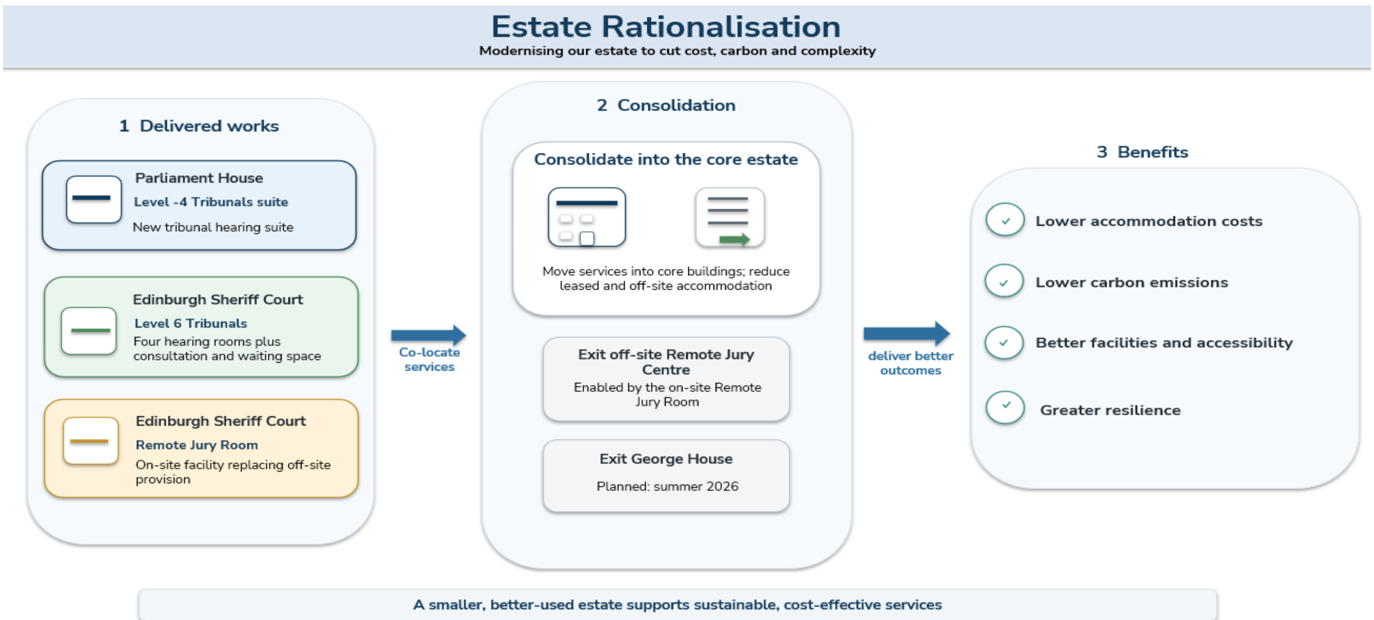
We also continued to modernise the wider working environment – improving the estate, digital tools and resilience arrangements that support our people and services. Over the past year, we concluded key estates works in Edinburgh to modernise tribunals accommodation, make better use of our core estate, and reduce running costs and carbon impact. New Tribunals accommodation at Parliament House was completed, while works on Level 6 of Edinburgh Sheriff Court created four new hearing rooms, judicial chambers, open-plan offices and a new reception area. These improvements support the planned move of Tribunals staff and judiciary from George House during June 2026.

We also strengthened our support for remote proceedings and evidence. A dedicated Remote Jury Room has been developed within a separate area of Level 6 at Edinburgh Sheriff Court to replace the current Odeon Cinema provision, with specialist audio-visual equipment installed and the first remote hearing held on 20 April 2026. In addition, Evidence by Commissioner (EbyC) provision is nearing completion across Scotland: the EbyC facilities in Paisley and Kilmarnock are in the final stages of technology installation and are expected to go live shortly, which means there will be provision in all six Sheriffdoms across Scotland.

We modernised our digital workplace by upgrading staff and the judiciary to **Windows 11 and Microsoft 365**. We also began migrating file management to SharePoint and progressed a new electronic document and records management system to strengthen data security and records management compliance. In addition, we began rolling out **Microsoft 365 Copilot Chat** to support people and productivity, helping teams work through questions, drafts and analysis, while reinforcing that employees remain accountable for decisions.

During 2025–26, SCTS strengthened cyber security and resilience by tightening governance and improving how we monitor, respond to and learn from incidents. This included putting in place replacement cyber incident management arrangements and strengthening monitoring and threat intelligence to improve early detection and response. In parallel, we began Phase 1 of a refreshed **Business Impact Assessment (BIA)** process – a structured review that identifies our most critical services, what they rely on, and the point at which disruption would cause unacceptable impact.

This work is helping us prioritise practical resilience actions, including more targeted disaster recovery planning and mitigations for the systems and dependencies that matter most. Together, these reforms have strengthened support for our people, improved the facilities and tools they rely on, and enhanced organisational resilience. In 2026–27, we will continue to build on this progress, supporting colleagues through change while improving how we use our estate, digital systems and resources to deliver safe, effective and sustainable services.



Sustainability Reporting	Using available resources to embed sustainable practices in all our activities to support justice and achieve our Net Zero ambition

SCTS recognises and welcomes the critical leadership role that public sector bodies must take in reducing carbon emissions and meeting the challenge of climate change.

This section has been prepared with reference to the 2025-26 Government Financial Reporting Manual and HM Treasury's Sustainability Reporting Guidance 2025-26. It reports against the Task Force on Climate-related Financial Disclosures (TCFD) pillars of **governance, strategy, risk management, and metrics and targets**, alongside the minimum sustainability reporting requirements. Additional information is provided where material and proportionate.

Where full-year 2025-26 verified data is not yet available, this is explained and the latest available verified data is provided.

Governance – the SCTS Board has committed to becoming a net zero organisation by 2045. Sustainability is one of the organisation's seven strategic priorities and managing the impact of climate change is also recognised as one of our eight corporate risks. To manage this risk, the Board is supported by three committees:

- **Audit and Risk** – in relation to issues of risk, control, governance and best value;
- **Estates** – principal responsibility for oversight of climate related issues and receives quarterly reports on the organisation's performance on reducing carbon output and work to enhance our buildings to make them more resilient and energy efficient; and
- **People** – scrutinises and advises the Executive in the discharge of people-related functions, considering and advising on proposals with significant implications for SCTS as an employer.

Strategy – in order to deliver progress and mitigate the risk impacts, the SCTS Board approved and published the [SCTS Sustainability Strategy 2024-2027]. This Strategy sets out how our work to support justice can be done in a way that uses our resources most efficiently and makes a substantial contribution to tackling climate change and protecting Scotland's environment.

The strategy has four main goals (detailed below). Goals 1 and 2 are the main means by which we collect data to measure our progress. Goal 3 is essential to embedding sustainability across SCTS and goal 4 is helping us plan for the future.

During 2025-26, delivery of the Sustainability Strategy focused on five priority areas: business travel, waste and recycling, estates management, embedding sustainability into decision making, and training, guidance and policies. Activity during the year strengthened sustainability data, supported reductions in energy use, improved waste and recycling arrangements, and further embedded sustainability considerations into operational, procurement and contract management decisions.

- **Business travel** – SCTS piloted a commuting survey and undertook additional business travel surveys of pool car users and other high-mileage roles. The results will help inform future annual surveys and identify where further support may be needed to encourage more sustainable travel behaviours.
- **Waste and recycling** – a project to standardise arrangements across the estate was launched in March 2026. This will improve internal waste stations and signage, encourage greater segregation of materials for recycling, improve collection efficiency, reduce disposal costs and strengthen the quality of data available for carbon reporting.
- **Estates management** – activity has continued to focus on improving energy efficiency and reducing emissions. During the year, new solar photovoltaic panels were installed at three locations, LED lighting upgrades continued, and LED projects were completed at Dunfermline,

Jedburgh, Selkirk and Wick Sheriff Courts. SCTS has also continued to use Grid Edge analytics across its 10 largest buildings to monitor building performance, identify inefficiencies and reduce energy waste.

- **Embedding sustainability** – into decision making through procurement and contract management in line with the Sustainable Procurement Duty (Procurement Reform (Scotland) Act 2014). Regulated procurements consider environmental, social and economic impacts, supported by the Scottish Government's sustainability tool, and contract and supplier management arrangements help track supplier performance and identify opportunities to reduce the impact of key contracts – see our Annual Procurement Report for further information.

Risk Management – climate related risk features amongst the corporate risks identified by SCTS. This year we renamed the corporate risk as 'Climate Change Compliance and Estates Preparedness', reflecting the need to address both statutory and reporting obligations and the practical preparedness of the SCTS estate. It is identified, assessed and managed in line with the provisions of the SCTS risk management framework, ensuring that the approach taken is consistent with, and integrated into, our wider corporate risk management arrangements.

During 2025-26, SCTS began work to further strengthen its understanding of climate-related physical risks across the estate, including an initial review of flood risk to SCTS buildings using SEPA flood map information. This work considers river, coastal, surface water and future flood risk indicators and recognises that mapped risk does not, of itself, determine property-level impact, which will depend on local conditions such as drainage capacity, flow routes, flood defences and potential water ingress points. The findings will be used to inform estates preparedness, local resilience planning and future prioritisation of adaptation activity, including consideration of access and egress, basement or ground-level services and storage, drainage maintenance and other site-specific mitigations.

The Corporate Risk Register is made available to and monitored at Board, Committee and Executive Team level. Specific actions to manage and reduce risks are allocated to Executive Directors and Directors (see section 1.1.4 for full detail on our approach to risk management).

Climate-related responsibilities are assigned to specific senior managers who coordinate activity across SCTS business units:

- SCTS's Chief Executive, Malcolm Graham, has overall responsibility for climate related risks & opportunities and for ensuring that climate issues are appropriately considered at Board level.
- SCTS's Chief Finance Officer, Alice Wallace, identifies available funding for projects to align with the SCTS climate reduction plan.
- Executive Director Tim Barraclough is sustainability lead and has responsibility for monitoring and reporting on progress in delivering the goals detailed in our Sustainability Strategy, alongside joint ownership of the climate change corporate risk.
- Director of Property Services Unit, Kate Leer, has joint ownership of the climate change corporate risk and manages development of the new carbon monitoring and reduction accreditation scheme as well as the development of specific SCTS climate related staff policies.
- SCTS Executive Directors and Directors adapt SCTS policies and identify climate-related risks within their specific business units and include them in local risk registers.

Metrics and targets – SCTS tracks carbon emissions, energy use and water consumption to monitor progress against its sustainability objectives, statutory climate reporting duties and wider net zero ambition. Carbon, energy and water data is monitored through monthly reports provided by the Facilities Management contractor, OCS. Performance is reported to the Estates Committee through regular sustainability reporting, and to the SCTS Board through the quarterly Board Scorecard, where sustainability and carbon reduction are reflected in measure 4b.

SCTS is required to report annually on its compliance with the climate change duties established under section 44 of the Climate Change (Scotland) Act 2009 and Schedule 2 of the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015. This is done through the Public Bodies Climate Change Duties reporting process, with the full report published each year on the Sustainable Scotland Network website. The statutory report provides detailed methodology, historic trend data and a breakdown of greenhouse gas emissions across Scope 1, 2 and 3.

Scope 1 covers direct emissions from sources such as natural gas, refrigerants, diesel, gas oil and LPG. Scope 2 covers indirect emissions from purchased electricity. Scope 3 covers other indirect emissions, including business travel, homeworking, waste and recycling, water and wastewater, and paper. The table below includes the latest audited and verified carbon emissions data available for 2023-24 and 2024-25, supplemented by in-year facilities management data for 2025-26 gas, electricity and water consumption. The full 2025-26 Scope 1 to 3 carbon emissions dataset will be audited and verified through the Carbon Reduce certification process before submission as part of SCTS's Public Bodies Climate Change Duty reporting. The submission deadline for 2025-26 Duties reporting data is 30 November 2026, and a full suite of audited and verified 2025-26 Scope 1 to 3 emissions data is expected to be available in September 2026. SCTS has achieved Carbon Reduce certification since 2023-24. The Carbon Reduce scheme is an internationally recognised carbon reduction programme aligned to ISO 14064-1:2018 for the quantification and reporting of greenhouse gas emissions and removals.

The latest verified data shows that the SCTS carbon footprint reduced from 6,916 tCO_2e in 2023-24 to 6,207 tCO_2e in 2024-25, a reduction of around 10%. Scope 1 emissions reduced from 3,655 tCO_2e to 3,121 tCO_2e, and Scope 2 emissions reduced from 2,553 tCO_2e to 2,124 tCO_2e. Scope 3 emissions increased from 708 tCO_2e to 961 tCO_2e, reflecting changes in reported indirect emissions such as travel, homeworking, waste and recycling, water and wastewater, and paper.

Verified emissions data

Metric	Unit	2023-24	2024-25	Movement
Scope 1 emissions	tCO_2e	3,655	3,121	Reduced
Scope 2 emissions	tCO_2e	2,553	2,124	Reduced
Scope 3 emissions	tCO_2e	708	961	Increased
Total emissions	tCO_2e	6,916	6,207	Reduced by around 10%

In 2023-24, SCTS introduced a new energy reduction target of a 3% reduction in energy use per year. This target was set as a KPI for the Facilities Management contract, alongside a requirement to develop a plan capable of supporting a 6% reduction in energy use per year. This approach recognises the need to balance carbon reduction with funding constraints by developing a pipeline of projects that can be taken forward as funding opportunities arise.

In-year KPI data for 2025-26 shows continued progress on energy consumption. Gas consumption reduced from 15,545,482 kWh in 2024-25 to 13,969,495 kWh in 2025-26, and electricity consumption reduced from 10,624,971 kWh to 10,194,880 kWh. Taken together, this represents an overall reduction in gas and electricity consumption of around 8% compared with 2024-25. Water consumption also reduced from 43,259 m^3 in 2024-25 to 41,673 m^3 in 2025-26. These figures provide useful in-year performance information, while the full audited and verified 2025-26 emissions position will be reported through the Carbon Reduce and Public Bodies Climate Change Duties reporting processes.

2025-26 in-year operational KPI data

Metric	Unit	2024-25	2025-26	Movement
Gas consumption	kWh	15,545,482	13,969,495	Reduced
Electricity consumption	kWh	10,624,971	10,194,880	Reduced
Water consumption	m^3	43,259	41,673	Reduced
Energy expenditure	£	5,665,979	4,377,033	Reduced

The reductions in gas, electricity and water consumption should be read alongside the delivery activity described under the Sustainability Strategy section, including estate efficiency projects, waste and recycling improvements, business travel data work, and the continued embedding of sustainability through procurement and contract management.

Overall, the progress reported this year demonstrates that SCTS is continuing to take practical action to reduce emissions, improve estate efficiency and resilience, and strengthen sustainability data to support decision making. Continued progress will depend on sustained focus across estate, procurement, travel and operational activity, supported by investment where required. SCTS will continue to use verified data, statutory reporting and established governance arrangements to monitor progress and ensure that climate-related risks and opportunities are reflected in future planning and performance management.

Supplementary statutory reporting	The SCTS is committed to open and transparent reporting of its statutory duties. Where not already covered updates are provided in this section

Bribery Act 2010 – Dealing with bribery or corruption. SCTS has proportionate and effective systems and processes in place to prevent, control and, if necessary, deal with allegations or incidences of bribery and corruption.

The structures established within the Scottish justice system are designed to minimise the potential for acts of bribery or corruption. Parties to a case are separate. They seek legal advice and representation independently. Court administrators are independent of parties, and the judiciary are independent of both the parties and SCTS.

Bribery or corruption identified in the justice process is taken very seriously. There are clear and robust legal processes to investigate any allegations, with significant penalties available to the judiciary should it be established. Such cases are very rare. SCTS has in place a well-developed control environment. It aims to prevent and minimise the impact of any incidences of bribery or corruption. These are set out below.

A register of staff interests ensures that any connections between staff (or their immediate family members) and companies, charities or other bodies that may have an actual or potential interest in, or connection with, SCTS are declared and appropriately managed.

Robust **procurement policies** ensure that those staff involved in goods or services procurement with potential suppliers do so with honesty, fairness and impartiality. Suitable due diligence is carried out in respect of those with whom we contract, and relationships with suppliers are managed professionally, transparently, and with due regard to ethics and propriety.

A well-established second jobs policy ensures that individuals do not take on roles that may lead to actual or perceived conflicts with their SCTS duties.

A rigorous gift registration policy ensures that external parties cannot seek to gain privilege or differential treatment by offering members of staff incentives beyond the formal system.

A Counter-Fraud policy which sets out a zero-tolerance approach to fraud and corruption, with a full Fraud Risk assessment. Our Conduct and Discipline Policy state that all instances of fraud and bribery will be treated as gross misconduct.

A whistleblowing policy which explains clearly how concerns can be raised and provides direct reporting lines to both an identified SCTS Director and a Board member. The policy and any instances of whistleblowing are reviewed annually by the Audit and Risk Committee and People Committee.

Clear separation of roles, responsibilities, system and software privileges and approval levels – designed to minimise the potential for misuse of finances.
The Procurement Reform (Scotland) Act 2014 requires Scottish public bodies, including SCTS, to prepare a Procurement Strategy setting out how we intend to ensure our regulated procurements will deliver value for money and contribute to the achievement of our broader aims and objectives, in line with Scotland's National Outcomes. The Act also requires SCTS to prepare an Annual Procurement Report on our Regulated procurement activity and compliance with our Procurement Strategy.

Equalities Act 2010 – The Fairer Scotland Duty
The duty came into force in Scotland in April 2018, contained in part 1 of the 2010 Act. It is one of several duties placed on the public sector to tackle socioeconomic disadvantage – which can be defined as living in less favourable social and economic circumstances than others in the same society. The duty requires that public authorities ensure their strategic decision making takes into account those who may experience such disadvantage; to ensure that, where possible, the actions of public authorities minimise both the incidence and impact of such disadvantage.

As a public body with a significant presence in communities across Scotland, SCTS adopts a progressive stance, seeking to tackle inequality both for its people and its surrounding communities where possible, within the statutory duties placed upon it as an independent non-ministerial office by the Judiciary and Courts (Scotland) Act 2008. Our founding legislation limits our functions to the provision of the property, services, officers and other staff necessary for the administration of justice in Scotland's courts and devolved tribunals, the judiciary of those courts and tribunals, and the Office of the Public Guardian.

Our services are for all those who seek redress before the law. We have no control over those who use or access our services. The Crown determines the participants in criminal cases, based on reports submitted to them. Civil and tribunal business is initiated by the parties to the dispute.

The scope for SCTS to interact with defined socio-economic groupings is, therefore, limited compared to organisations with universal service delivery. Most of our work cannot prioritise the Fairer Scotland Duty, as our main focus is maintaining a fair and impartial court and tribunal system, ensuring compliance with key European Convention of Human Rights (ECHR) rights such as the Article 6 right to a fair trial.

Over the course of the year, SCTS has maintained consideration of the Duty in strategic decision-making processes, where it can. We have maintained Living Wage Employer accreditation from the Poverty Alliance. This ensures both SCTS staff and those with whom we contract receive the Scottish Living Wage. In addition to paying our employees rates above the Living Wage, we also promote Fair Work practices through our tender activities. Whilst we cannot mandate the payment of the Living Wage by our suppliers we do evaluate as part of the tender process suppliers' approach to Fair Work Practices in their organisation. This is monitored as part of our Contract and Supplier Management processes.

Community Empowerment Act 2015 - Under s.95, each year the SCTS is obliged to publish an asset transfer report, setting out the number of requests we have received, and where such a request has been made – the number granted and refused. In 2025-26 there have been no requests received in year requesting transfer of ownership.

Island Communities Act 2018 - Under s.7 of the Act, SCTS is obliged to have regard to island communities in the delivery of its functions. SCTS is present in five island locations across Scotland – part of a long heritage of supporting justice in the Scottish Islands and providing local people with access to justice without having to travel to the mainland. Investments made in improved technology extend to our Island locations. This ensures that these communities benefit from remote access, video links and remote hearing technology, and reduces the need to travel to give evidence, improving accessibility.

Over the past 12-months there have been no policy, strategic or service developments pursued by SCTS which would have required SCTS to prepare an island communities impact assessment, the effect of which would be significantly different for island communities.

Community Wealth Building (Scotland) Act 2026. SCTS recognises its responsibilities set out in the Act, including the duty to have regard to statutory guidance issued under s.11. As the Act received Royal Assent in March 2026, no action was taken during the reporting period.

The Civil Litigation (Expenses and Group Proceedings) (Scotland) Act 2018 – Part 3 of this Act came into force on 30 January 2019. SCTS has responsibility for appointment of new staff to the offices of the Auditor of the Court of Session, Auditor of the Sheriff Appeal Court, and Auditors of the Sheriff Courts. The Report on taxation and the fees charged by the auditors SCTS employs can be found in the Office of Auditor or Court sections at Annex 1.

Our work continues to support key elements of Scotland's National Performance Framework. The framework promotes a "society which treats all people with kindness, dignity and compassion, respecting the rule of law and acting in an open and transparent way". A number of cases in recent years have highlighted the importance of the courts' role in safeguarding human rights in society. Article 6 of the ECHR enshrines the right to a fair hearing before an independent and impartial tribunal. The work of the SCTS promotes observance of other key rights, including:

- The right to recognition as a person before the law.
- The right to be treated as equal before the law.
- The right to an effective remedy from acts violating a person's human rights; and
- The right to be presumed innocent until proven guilty

Malcolm Graham

Malcolm Graham
Chief Executive
10 August 2026

2. Accountability report

2.1 Corporate governance report

2.1.1 Directors' report

Membership of the SCTS Board
The Lord President of the Court of Session, the Rt. Hon. Lord Pentland, is Chair of the SCTS Board. The Board includes 13 other members – seven members selected from the judiciary and six non-judicial members.

Members of the SCTS Board 2025-26

Judicial members

- The Rt. Hon. Lord Pentland Lord President
- The Rt. Hon. Lord Beckett Lord Justice Clerk
- The Rt. Hon. Lady Wise
- Sheriff Principal Aisha Anwar KC
- Summary Sheriff Frank Gill
- Sheriff Olga Pasportnikov
- Mrs Anne Scott
- Dr David Caddick MBE, JP

Non-judicial members

SCTS Chief Executive
Mr Malcolm Graham

Advocate Member
Ruth Innes KC

Solicitor Member
Lynsey Walker

Members external to the justice system

- Steven Dickson
- Maggie Craig
- Dr Sophie Flemig

At the end of 2025-26, all 14 SCTS Board positions were filled. The gender split of the Board is eight women and six men.

During the year 2025-26 there were no changes to the Board membership

Board meetings and operations
SCTS has made Standing Orders[3] under which it conducts its business and has established Standing Committees to provide specific assurance and scrutiny of performance and advice to the SCTS Board. Over the course of 2025-26 these committees were:

- **People Committee**
- **Estates, Health and Safety, Fire and Security Committee**
- **Audit and Risk Committee**
- **Remuneration Committee**

The SCTS Board met on six occasions during 2025-26. Four of these were in-person meetings in Parliament House, Edinburgh, and two included a visit to the wider SCTS Estate. The first was to the Office of the Public Guardian in Falkirk on 9 June and the second included visits to Sheriff and Justice of the Peace Courts at Airdrie, Hamilton and Livingston, with the formal meeting taking place in Livingston Sheriff Court on 6 October 2025. Committees met quarterly, with the exception of the Remuneration Committee, which met once to review the remuneration of SCTS members who are not salaried public servants. Copies of the minutes of Board and Committee meetings can be found at: www.scotcourts.gov.uk

[3] SCTS Standing Orders are available here

The SCTS Board on 31 March 2026

Top row (left to right) – Dr. David Caddick, Summary Sheriff Frank Gill, Malcolm Graham, Rt. Hon. Lord Beckett, Dr. Sophie Flemig, Steven Dickson, Sheriff Olga Pasportnikov

Bottom row (left to right) – Rt. Hon. Lady Wise, Sheriff Principal Aisha Anwar KC, Margaret Craig, Rt. Hon. Lord Pentland (Chair), Anne Scott, Ruth Innes KC, Lynsey Walker

Name	Directorship	Appointments *ex officio*	Trusteeships	Other appointments and interests
Lord President – The Rt. Hon. Lord Pentland	None	Chair of the Scottish Civil Justice Council	Cullen Discretionary Trust Bute House Advisory Trust	None
Lord Justice Clerk – The Rt. Hon. Lord Beckett)	None	Commissioner of the Honours of Scotland Senior Commissioner, Queen Victoria School, Dunblane	None	None
President of Scottish Tribunals – Rt. Hon. Lady Wise	Fettes College Limited	None	None	Chair of the Board of Governors of Fettes College
Sheriff Principal Aisha Anwar KC	None	None	None	None

Name	Directorship	Appointments *ex officio*	Trusteeships	Other appointments and interests
Summary Sheriff Frank Gill	None	None	None	None
Sheriff Olga Pasportnikov	None	None	None	None
Dr David Caddick MBE, JP	None	None	None	Wing Commander Royal Air Force Reserve Chair Highland Reserve Forces and Cadets Association Board Member, Council of UK Reserve Forces and Cadets Association
Anne Scott	None	None	Roland Sutton Academic Radiology Trust	President, First-tier Tribunal for Scotland Tax Chamber Legally Qualified Member, Mental Health Tribunal for Scotland Judge, United Kingdom First-tier Tribunal Tax Chamber
Malcolm Graham	None	Member, Scottish Civil Justice Council	Board Member Children 1st	Honorary Fellow University of Edinburgh, School of Law
Lynsey Walker	None	None	None	Member, Addleshaw Goddard LLP Member, LawScot Tech Advisory Board (LSS)
Dr Sophie Flemig	None.	None	Chair DataKind UK	CEO Elevate Great (registered as Cattanach SCIO)

Name	Directorship	Appointments *ex officio*	Trusteeships	Other appointments and interests
Ruth Innes KC	None	None	None	Member, Faculty of Advocates Member, Church of Scotland Fellow, International Academy of Family Lawyers Governor and Vice Chair, Highlands and Islands Educational Trust
Steven Dickson	Scottish Water – Non-Executive Director Scottish Water Horizons Holdings – Director Scottish Water Business Stream Holdings – Director BT Pension Scheme Trustees Limited - Director	None	None	Institute of Directors – Member Pensions Management Institute – Member Prospect, Health & Safety Advisory Committee, Armed Forces Pay Review Body - Member Prospect Scotland Regional Branch – Chair Treasurer – Society of St Vincent de Paul Livingston Prospect Pensions Advisory Sub Committee Member BT Pension Scheme – Investment Committee Member
Maggie Craig	Non-Executive Director to the Phoenix Group, Independent Governance Committee for workplace-based pensions Vice Chair of Glasgow Credit Union	None	None	Honorary Fellow of the Institute of Actuaries

The SCTS Executive Team

The SCTS Board has responsibility for directing and controlling the major activities of SCTS. Business delivery in accordance with agreed plans is delegated to the Chief Executive and the SCTS Executive Team. During the reporting year, Executive Team membership was:

- **Chief Executive** – Malcolm Graham
- **Executive Director Court Operations** - Paul McKinlay succeeded David Fraser in December 2025.
- **Executive Director Tribunals and OPG Operations** – Tim Barraclough
- **Executive Director Judicial Office** – Riley Power
- **Chief Finance Officer** – Alice Wallace
- **Deputy Chief Executive** – Noel Rehfisch
- **Executive Director Change and Digital Innovation** – Mike Milligan * (until 13 March 2026)

Executive Team at 31 March 2026 *

Information Security

The proper management of information remains a key focus for the SCTS. Data Protection and Security are key corporate risks managed and overseen by the SCTS Board and the Audit and Risk Committee (ARC). The Chief Finance Officer, who is also the Senior Information Risk Officer (SIRO), is the owner of these risks at Executive Team level. Corporate policies and guidance are in place to ensure SCTS meets its legislative and compliance obligations to protect information assets and minimise the likelihood of personal data breaches.

The risks associated with information management are mitigated proportionately through appropriate certification of key systems and regular reviews of current and emerging issues. The Executive Team receives regular updates on information management risks and potential breaches are reported to them timeously.

The SCTS underwent a voluntary audit of the extent to which it is complying with data protection legislation in summer 2025, conducted by the Information Commissioner's Office. The audit provided a rating of limited assurance and proposed a number of recommendations for improvement. An action plan was developed to address the recommendations which is overseen by the Executive Team and Audit and Risk Committee. The ICO carried out an interim follow-up assessment in February 2026. This recognised that the SCTS had already made significant progress against the urgent and high priority and good progress in addressing some medium priority recommendations.

As at the end of March 2026 88.3% of our people had completed our annual mandatory data protection training, this is up from 69.5% in 2024 and 83% in 2025.

Data Breaches 2025-26

A total of 417 data incidents were recorded internally during 2025-2026. After investigation 98 incidents were confirmed as not being incidents or were 'not at fault' incidents, where for example incorrect information was supplied to us. The remaining 319 incidents were confirmed as personal data breaches caused by internal errors due to human error or technical failures. SCTS reported 24 personal data breaches to the ICO (23 reportable breaches in 2024-25). We take every data breach seriously – reporting, reviewing and seeking to learn lessons to reduce the risk of recurrence. To set the level of breaches in context, across all areas of our business in 2025-26 over 300,000 cases were registered – each requiring a range of personal information to be carefully managed, in numerous ways, to support those using our services.

Update on data breaches 2025-26

Breach Incident	Number of Breaches	Information
Unlawful detention or unlawful monitoring of data subject due human error by: • Incorrectly recording bail or special bail conditions. • Recording incorrect outcome in criminal proceedings. • Failure of IT system to send recall of warrant notifications • Providing incomplete or incorrect paperwork to external justice partners.	21	Personal, special category and criminal conviction data
Historical solemn case records from 2007-2011 accidently destroyed.	1	Personal, Special Category and Criminal Conviction data
IT fault leading to unauthorised disclose of name of petitioner in serial adoption case.	1	Personal data
Suspected theft of mail from a court building.	1	Personal and Special category data

2.1.2 Statement of Accountable Officer's responsibilities

Statement of the disclosure of information to auditors

So far as the Accountable Officer is aware:

- There is no relevant audit information of which SCTS' auditors are unaware.

- The Accountable Officer has taken all steps that he ought to have taken to make himself aware of any relevant audit information, and to establish that the entity's auditors are aware of this information.

Statement of corporate body's and Chief Executive's responsibilities

Under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, the Scottish Ministers have directed SCTS to prepare a statement of accounts for each financial year in the form and on the basis set out in the direction on page 81 at the end of these accounts.

The accounts are prepared on an accruals basis and must give a true and fair view of SCTS' state of affairs at the year-end and of its income and expenditure, recognised gains and losses 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 the Scottish Public Finance Manual and in particular to:

- observe the accounts direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.

- make judgements and estimates on a reasonable basis.

- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the financial statements.

- prepare the financial statements on a going concern basis.

- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Principal Accountable Officer of the Scottish Administration has designated the Chief Executive of SCTS as the Accountable Officer for SCTS. The relevant responsibilities as Accountable Officer, including responsibility for the propriety and regularity of the public finances for the keeping of proper records and safeguarding SCTS' assets, are set out in the Accountable Officers' Memorandum issued by the Principal Accountable Officer of the Scottish Administration.

2.1.3 Governance Statement

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of governance that supports the achievement of SCTS policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

The corporate body is referred to less formally as the Board of the SCTS and is chaired by the Lord President, who is also Head of the Scottish Judiciary. SCTS is established as a part of the Scottish Administration, but outside of the Scottish Government.

A Framework Agreement exists between SCTS and the Scottish Ministers. This makes clear the requirement that SCTS is to follow the principles contained in the Scottish Public Finance Manual. The Framework Agreement was updated in December 2024.

As Accountable Officer, I can confirm that the frameworks, systems and controls identified in this statement have been in place across SCTS for the full year ending 31 March 2026, and up to the date of approval of the statement of accounts.

Governance framework

The governance framework comprises the systems and processes, culture and values by which SCTS is directed and controlled. It enables SCTS to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. The system of internal control is a significant part of that framework. It is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of SCTS' policies, aims and objectives to evaluate the likelihood of those risks being realised, the impact should they be realised, and to control and manage them efficiently, effectively and economically.

Details of the overarching governance arrangements are in the Directors' report. These structures are supported by the Risk Management framework in place across the organisation.

Risk framework

The Executive Team reviews corporate risks. The Audit and Risk Committee independently reviews the latest Corporate Risk Register at least quarterly, including the appropriateness of the risk control arrangements, and reports to the SCTS Board at least annually. The SCTS Board and the Audit and Risk Committee jointly review and assess corporate risks and controls annually at a workshop session (the most recent session took place in February 2026). Further detail on key issues and risks including a summary and mapping of the corporate risk profile is detailed at section 1.1.4.

Risk management is embedded in our operational activities as follows:

Risk owners identify risks relating to their functions / business plan objectives and manage their risks through the use of the risk management framework. Risk registers are reviewed regularly through agreed corporate processes to ensure that assessments and mitigations are current and appropriate. Part of this regular review entails identifying risks that should be escalated to corporate level. Business Unit risks are provided to the Planning, Governance and Risk team quarterly, and are collectively reviewed.

Change management and risk framework

SCTS has a dedicated change resource housed within the Change and Digital Innovation (CDi) unit. Change initiatives are delivered by one of five dedicated change Labs (Criminal, Tribunals and OPG, Civil, Corporate and Next Generation). The work of each Lab is governed by an Executive Action Board (EAB), chaired by an Executive Director.

The Executive Change Board (ECB) is the overarching change authority. The ECB is chaired by the Chief Executive and includes each of the EAB chairs. The ECB provides strategic direction and approves the change initiatives to be delivered. This assures alignment to SCTS' strategic priorities and objectives.

All risks associated with change initiatives are managed within each change Lab. Risks are reviewed by the relevant EABs. Project risks are also considered by the ECB at each of their meetings.

Assurance framework

As Accountable Officer, I have responsibility for reviewing the effectiveness of the governance system. My review is informed by:

- **Executive Directors and Directors**, who have responsibility for the development and maintenance of the governance system. They provide me with a certificate of assurance covering risk management and control, business planning, financial management, procurement, people management, security and health and safety. Executive Directors have provided me with reasonable assurance that controls were operating effectively.

- **Corporate Systems**, which are in place relating to financial management, risk management, performance management and people management. These systems provide ongoing assurance of risk management and internal controls.

- **The Audit and Risk Committee**, which provides an annual report to the Accountable Officer and the SCTS Board summarising its evaluation of SCTS's risk management, governance and internal control arrangements. The Committee has submitted its annual report based on the work it conducted during 2025-26 and is of the opinion that SCTS has effective risk management, governance and internal control arrangements in place that are sufficient to give me, as the Accountable Officer, the necessary assurance in relation to the preparation of this governance statement.

- **Internal Audit** attend all SCTS Audit and Risk Committee meetings. They provide regular reports including the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement. On the basis of the work completed and the related management responses, they provided reasonable assurance in overall terms.

- **External Audit** report to the Audit and Risk Committee on significant matters relating to risk and internal control as part of their work. There were no significant matters raised as a result of their 2025-26 audit work.

The above review provides assurance of the effectiveness of SCTS' system of governance and internal control arrangements and compliance with generally accepted best practice principles and relevant guidance. That guidance includes the Scottish Public Finance Manual and the Scottish Government 'On Board' guidance for Board Members of Public Bodies in Scotland. This is provided to all Board and Committee members as part of their induction and is used by the organisation to ensure that the principles of good governance are observed.

Whistleblowing arrangements

SCTS has arrangements in place that set out the way in which employees can raise any concerns they have about fraud, misconduct or wrongdoing by employees and / or management of SCTS – and how those concerns will be dealt with. SCTS maintains an annually reviewed whistleblowing policy which is accessible to all staff. There were no whistleblowing cases raised in 2025-26.

Information security framework

SCTS has effective governance arrangements in place for the security of information. The Executive Team has overall responsibility for SCTS' response to legislation and for oversight of SCTS policies, staff awareness and training. SCTS has an agreed Information Security framework and keeps its policies under review to ensure they comply with the General Data Protection Regulations. Data breaches reported to the Information Commissioner's Office during the year are detailed in the table on page 36.

Significant control issues

In September 2025, the SCTS took part in a voluntary audit from the Information Commissioner's Office (ICO), the outcome of which was limited assurance. Significant improvements continue to be made, as acknowledged by the ICO. A follow-up review by the ICO will be conducted after 12-months.

2.2 Remuneration and staff report

The tables on pages 41-47 in the Remuneration and Staff Report have been subject to audit by the SCTS external auditor (excluding off payroll appointments). Other sections in Remuneration and Staff Report are reviewed by the External Auditor to ensure that they are consistent with the financial statements.

Remuneration report

Remuneration policy
The remuneration of senior civil servants is set in accordance with the Civil Service Management Code (available at www.civilservice.gov.uk) and with independent advice from the Senior Salaries Review Body (SSRB)[4].

In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional and local variations in labour markets and their effects on the recruitment and retention of staff;
- government policies for improving the public services, including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits, and the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations[5].

The remuneration of staff below senior civil service level is determined by SCTS. In determining policy, account is taken of the need for pay to be set at a level which will ensure the recruitment, retention and motivation of staff. Also taken into account are the Government's policies on the Civil Service and public sector pay and the need to observe public spending controls.

Remuneration (Salary and Pension Benefits)

Performance is managed through the MyCareer process on iTrent. The process is designed to ensure an individual's objectives and behaviours are linked to those of SCTS as a whole. Progression within SCTS pay framework is dependent on successfully meeting the requirements of the MyCareer Lifecycle process.

Policy on the remuneration of Non-Executive Directors is set by the Scottish Ministers, taking into account their roles and responsibilities and remuneration levels for comparable public appointments. Final decisions on the remuneration of Non-Executive members of SCTS, including those SCTS Board members and Committee members who are not otherwise salaried public servants, are taken by the SCTS Remuneration Sub-Committee.

Service Contracts
The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The recruitment principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at: https://civilservicecommission.independent.gov.uk/.

Appointments to the SCTS Board and Sub-Committees, other than for the ex officio members (the Lord President, Lord Justice Clerk, President of the Scottish Tribunals and SCTS Chief Executive) are for a time limited period, as set out within each individual's appointment letter.

[4] https://www.gov.uk/government/organisations/review-body-on-senior-salaries

[5] Further information on Senior Civil Service pay and performance can be found at http://www.civilservice.gov.uk/recruitment/working/pay-and-reward/scs-pay

Board Members	Salary		Pension Benefits[6]		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
	£'000	£'000	£'000	£'000	£'000	£'000
Mr Malcolm Graham (started 29/07/2024)	120-125	75-80 (115-120 full year equivalent)	18	12	139	85-90 (125-130 full year equivalent)
Mr Eric McQueen (left 28/07/2024)	-	50-55 (115-120 full year equivalent)	-	167	-	215-220 (280-285 full year equivalent)
David Caddick	0-5	0-5	-	-		0-5
Dr Sophie Flemig	0-5	0-5	-	-		0-5
Mrs Anne Scott	0-5	0-5	-	-		0-5
Lynsey Walker	0-5	0-5	-	-		0-5
Ruth Innes KC	0-5	0-5	-	-		0-5
Maggie Craig	0-5	0-5	-	-		0-5
Steven Dickson	0-5	0-5	-	-		0-5

Executive Directors	Salary		Pension Benefits		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
	£'000	£'000	£'000	£'000	£'000	£'000
Mr David Fraser	95-100	90-95	85	20	180-185	110-115
Mr Tim Barraclough	95-100	90-95	73	24	170-175	115-120
Mr Noel Rehfisch	95-100	95-100	66	27	160-165	120-125
Mr Mike Milligan (left 13/03/26)	125-130	95-100	38	43	165-170	140-145
Mrs Alice Wallace	95-100	90-95	39	36	135-140	125-130
Mr Riley Power	95-100	90-95	39	36	135-140	125-130
Mr Paul McKinlay (started 01/12/2025)	30-35 (90-95 full year equivalent)	-	10	-	40-45 (120-125 Full year equivalent)	-

*Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

[6] The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

Salaries
Salaries in the above tables relate to SCTS employment only and do not include any other earnings from positions elsewhere in the Civil Service. Salary includes gross salary and any allowances.

There were seven members of Committees including the Board who each received remuneration of £3,550 in 2025-26 (£3,440 in 2024-25).

The judicial Board members are remunerated by Scottish Government.

Bonus payments and benefits in kind
No bonus payments or benefits in kind were paid during the year.

	Accrued pension at pension age as at 31/03/26 & related lump sum	Real increase in pension and related lump sum at pension age
	£'000	£'000
Mr Malcom Graham	-	-
Mr David Fraser	55-60 plus a lump sum of 140-145	2.5-5 plus a lump sum of 5-7.5
Mr Tim Barraclough	40-45 plus a lump sum of 105-110	2.5-5 plus a lump sum of 2.5-5
Mr Noel Rehfisch	35-40 plus a lump sum of 85-90	2.5-5 plus a lump sum of 2.5-5
Mr Mike Milligan	10-15	0-2.5
Mrs Alice Wallace	15-20	0-2.5
Mr Riley Power	5-10	0-2.5
Mr Paul McKinlay	20-25	0-2.5

	CETV at 31/03/26	CETV at 31/03/25	Real increase in CETV
	£'000	£'000	£'000
Mr Malcolm Graham	-	-	-
Mr David Fraser	1,316	1,212	80
Mr Tim Barraclough	1,037	947	68
Mr Noel Rehfisch	762	670	52
Mr Mike Milligan	243	198	30
Mrs Alice Wallace	296	249	31
Mr Riley Power	68	39	20
Mr Paul McKinlay	273	266	6

The Civil Service Pension Scheme

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme (CSOPS) or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher).

From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a ‘money purchase’ stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings for members. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 worked out as in premium.

In nuvos, a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation.

Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers.

The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5% of pensionable salary from 1 October 2015 to cover the cost of centrally provided risk benefit cover (death in service and ill-health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age.

Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)
Further details about the Civil Service pension arrangements are available at the website.

The PCSPS and CSOPS are unfunded multi-employer defined benefit schemes but SCTS is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2020. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation here.

For 2025-26, employers’ contributions of £20,013k were payable to the PCSPS (2024-25 £18,575k) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions, usually every four years, following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2025-26 to be paid when the member retires and not the benefits paid during this period to existing pensioners. Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution.

Employers’ contributions of £108k (2024-25 £120k) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% of pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of 0.5% of pensionable pay, £3.5k (2024-25 £3.6k) were payable to PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to **alpha**. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of **alpha** from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as “rollback”.

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or **alpha** benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

Cash equivalent transfer values
A Cash Equivalent Transfer Value (CETV) 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 contingent 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 benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.
The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out 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 that is funded by the employer. It does not include the increase in accrued pension due to inflation, 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.

Fair pay disclosure (subject to audit)
Public sector bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation’s workforce.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The banded remuneration of the highest-paid Director in SCTS in the financial year 2025-26 was £127,500– £130,000 (2024-25 £115,000– £120,000), 9.14% change between 2024-25 and 2025-26.

In 2025-26, remuneration (excluding the highest paid director) ranged from £26,577 to £121,143 (2024-25: £25,555 to £99,775).

In 2025-26, remuneration (including the highest paid director’s midpoint of banded range) ranged from 26,577 to £128,054 (2024-25: £25,555 to £117,500).

The average percentage change in remuneration for employees (excluding the highest paid director), between 2024-25 and 2025-26 was 4.25%.

In 2025-26, nil employees (2024-25: nil) received remuneration in excess of the highest paid director.

Pay ratios

Year	2025-26 £	2024-25 £
Highest paid Director banded range midpoint	127,500	117,500
Median total remuneration	29,896	28,746
Ratio	4.05	4.08
Highest paid Director banded range midpoint	127,500	117,500
25th percentile pay remuneration	26,577	25,555
Ratio	4.56	4.59
Highest paid Director banded range midpoint	127,500	117,500
75th percentile pay remuneration	37,105	35,678
Ratio	3.26	3.29

For the above calculations only, staff paid through SCTS payroll were included. Any agency staff were excluded. The reduction in the median ratio of 0.03 in 2025-26 (0.05, 2024-25) is the result of increasing employee’s remuneration reflecting changes in pay, rewards and progression.

Staff Report

As at 31 March 2026 there were 2,095 Staff in post and 14 Non-Executive Directors. The split across grades, gender and business areas is detailed in the tables below.

Headcount by Grade	Number of Staff	Female	Male
CEO and Executive Directors	7	1	6
Director	16	10	6
Senior Manager	67	36	31
Senior Executive Officer	164	113	51
Higher Executive Officer	249	169	80
Executive Officer	535	372	163
Administrative Officer and Clerk/Typist	734	551	183
Administrative Assistants and Support Grades	320	181	139
Auditor of Court*	3	2	1
Sub-total	**2,095**	**1,435**	**660**
Non-Executive Director[7]	14	8	6
Total	**2,109**	**1,443**	**666**
Percentage of total	100%	68%	32%

Area of Business	2025-26 Ave WTE	2024-25 Ave WTE
Headquarters and support units	305	288
Supreme Courts	176	176
Judicial Office	58	57
Office of the Public Guardian and Accountant of Court	120	98
Sheriff, JP Courts and Tribunals	1,266	1,273
Total	**1,925**	**1,892**

Staffing costs	2025-26 £'000	2024-25 £'000
Wages and salaries	71,905	67,405
Social security costs	9,277	6,796
Other pension costs	20,127	18,689
Sub-total	**101,309**	**92,890**
Inward secondments	797	848
Agency, temporary and contract staff	8,648	10,911
Other staff costs	1,406	284
Total	**112,160**	**104,933**
Less recoveries of outward secondments	-	-
Total Staff Costs reported in the SOCNE	**112,160**	**104,933**
Agency, temporary and contract staff included in non-current assets	2,558	2,613
Total Staff Costs at 31 March 2026	**114,718**	**107,546**

Employer Contributions	2025-26 £'000	2024-25 £'000
Contributions paid to PCSPS	20,127	18,576
Contributions paid to partnership pensions	110	124
Contributions paid to Judicial pensions[8]	25,011	24,135

[7] Definition of non-executive directors (board and committee members) as set down in the Gender Representation on Public Boards (Scotland) Act 2018 and associated regulations

* Auditor of Court staff transferred to SCTS and who are not on SCTS terms and conditions of service.

[8] SCTS was responsible for making employer contributions to the Judicial Pension Scheme with effect from 1 April 2016.

Off-payroll appointments

Off-payroll appointments include all agency, temporary and contract staff engaged by SCTS. Details on the length of these contracts and their status under IR35 legislation are set out in the tables below:

Highly paid off-payroll worker engagements as at 31 March, earning £245 or more per day	
Number of existing engagements as of 31 March 2026	91
Of which, no that existed:	
less than one year	10
for between 1 and 2 years	49
for between 2 and 3 years	12
for between 3 and 4 years	9
for 4 or more years	11

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2026, earning £245 or more per day.	
Number of temporary off-payroll workers engaged during the year 31 March 2026	107
Of which:	
Not subject to off-payroll legislation	15
Subject to off-payroll legislation and determined as in scope of IR35	12
Subject to off-payroll legislation and determined as out of scope of IR35	80
No of engagements reassessed for compliance or assurance purposes during the year	55
Of which: No of engagements that saw a change in IR35 status following review	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026.	
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Total no. of individuals on payroll and off-payroll that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year. This figure should include both on payroll and off-payroll engagements	15

Sickness absence data

In 2025-26 a total of 30,117 days (2024-25: 31,990 days) were lost through absence equating to a lost time rate of 4.3% (2024-25: 4.63%).

Exit packages/ill-health retirement

During 2025-26, there were 2 (2024-25: 3) early retirements agreed on the grounds of ill-health. The cost of these liabilities has been met by the pension scheme and has been reflected in the quoted figures. These figures have been provided and certified as accurate by the relevant pension scheme administrator.

Exit Packages

Exit Packages Cost Band	No of compulsory redundancies agreed 2025-26	No of other departures agreed 2025-26	Cost of exit packages 2025-26 £000	No of departures agreed 2024-25	Restated Cost of exit packages 2024-25 £000
<£10,000	-	-	-	-	-
£10,00 to £25,000	-	2	38	1	20
£25,000 to £50,000	-	1	26	-	-
Total Number/Cost of exit packages	**-**	**3**	**64**	**1**	**20**

Staff turnover percentage
The staff turnover percentage for the year ended 31 March 2026 was 9.44%.

Supporting our People and Services
Scotland's courts, tribunals and the OPG have continued to experience significant growth and development over the past year, and we continue to develop and deliver new practices and digital solutions to continue to deliver our essential business.

Our work is underpinned by our core values of Respect, Service and Excellence. Across the justice sector, organisations are facing a challenging economic and fiscal climate. The scale of this challenge continues to grow, requiring services to be delivered in the most efficient and effect way possible.

We have adopted, and continue to embed, trauma informed practices across the organisation as a core element of how we deliver our services. This approach recognises the impact of trauma and is central to improving the justice system experience for vulnerable individuals, enhancing the quality of evidence gathered, and supporting the wellbeing and resilience of our workforce.

Hybrid Working is available for those roles that can be carried out in a blended way allowing our employees more choice to work flexibly where possible to do so, encouraging a better work-life balance. Our "Working in a Flexible Way" policy sets out employees' rights to request flexible working.

We are now operating a 35-hour working week, a change introduced to support employee wellbeing and promote a healthier work life balance. The reduction was applied consistently, ensuring that all employees benefited regardless of their previous working pattern arrangements.

As an equal opportunities employer, we ensure that Equality Impact Assessments are carried out when developing new policies to support new ways of working, and as part of any organisational change frameworks. These assessments enable us to analyse our policies, practices and proposed changes to ensure they do not discriminate against or disadvantage our people, while also identifying opportunities to strengthen and promote equality across the organisation.

We promote, and celebrate the successes of a diverse workforce and we want to make sure that we are doing all we can to be inclusive and employ a workforce representative of the Scottish population across all of the equality protected characteristics. We have developed an Equality Diversity and Inclusion policy and developed a Strategic Steering group for both wellbeing and EDI which will ensure these agendas are supported and driven by the senior leaders.

Excelling at mainstreaming equality is a high priority for us and we want to go beyond compliance and statutory requirement to achieve this. Our Mainstreaming Equality Report sets out the Equalities Outcomes for the period 2023 – 2027. We are on track to achieve the Equality Outcomes and will begin to develop new outcomes for 2027 and beyond.

These reaffirm our commitment to fully embed equality, diversity and inclusion to continue to improve our services and ensure as an employer we remain a great place to work, learn and develop. We are committed to making SCTS a diverse and inclusive place for employees and service users and these focus on promoting awareness and understanding of equality and diversity; reviewing and refreshing our employment policies; improving the accessibility of our services and improving accessibility to our employment.

SCTS recruitment practices, together with the supporting policies and procedures, are fully compliant with the Civil Service Recruitment Principles, ensuring that all appointments are made on the basis of merit and that processes are open, fair and transparent.

Recruitment activity is supported by a designated central recruitment and resourcing team in our HR Unit, which provides expert facilitation across recruitment campaigns and ensures consistent application of policy and procedural requirements.

Recruitment processes are subject to continual review and improvement, with the Recruitment and Resourcing team actively utilising innovation and practical solutions to maximise reach and ensure vacancies are promoted as widely as possible. This approach supports SCTS's ongoing aim to attract and retain a diverse workforce, ensuring the organisation has the right people, at the right time, with the skills and behaviours required to succeed.

SCTS is a Disability Confident Employer and operates the Disability Confident Scheme across all recruitment activity. In recognition of its commitment to inclusion, SCTS was awarded a Silver ONVERO Award (formerly enei) in the 2025 Talent, Inclusion and Diversity Evaluation (TIDE) Report.

SCTS is a Carer Positive Exemplary Employer. We recognise that a substantial number of our people have significant caring responsibilities, and that their role as a carer may make a work/life balance difficult to achieve. To assist those colleagues, we have an established National Carers Group and Carers Contract Team which provide a supportive network for those with a caring role, in addition to our established Carers Register and a Carers Policy which enhances the right to statutory carers leave.

We offer several family friendly policies, some of which are enhanced beyond our statutory requirements, including maternity and paternity leave, adoption leave, shared parental leave and compassionate care leave as our aim is to create a work environment that enables our employees to balance work and family commitments effectively.

SCTS continues to be an accredited real living wage employer (initial accreditation was received in March 2017) which reflects our work to ensure that not only SCTS employees receive the living wage, but that contracted colleagues we engage under a range of contracts also pay employees working for SCTS the real living wage.

Our Pay Award date is 1 April. Our principles of fairness, transparency, consistency and motivation underpin our pay and reward strategies acknowledging that we will operate in accordance with, the Scottish Government's Public Sector Pay Policy to deliver an affordable and appropriate total reward package for our employees.

As required by the Equality Act 2010 we publish our gender pay gap annually. Our 2024 mean gender pay gap was 4.7% and the median gender pay gap was 8.2%.

We have published our Equal Pay Statement which sets out actions to address any occupational segregation issues and challenges and we remain committed to:

- Attract employees with protected characteristics and ensure that women remain represented at more senior levels.
- Attract a younger workforce, through initiatives such as apprentices etc.
- Continuing to promote fair work practices and assess performance against the principles set out in the Fair Work agreement
- Ensuring our ways of working include visible leadership that prioritises diversity and inclusion.
- Developing a pay award which is fair and equal.

Our People Strategy 2024 – 2028 supports and enhances our commitment to wellbeing, creating a more open and supportive culture. Our ultimate goal is to improve the health, safety and wellbeing of our employees and to prevent ill health, for the overall benefit of our employees and the organisation as a whole. This encompasses the physical, mental and social health of employees.

We know that having a good work life balance has a positive impact on our physical and mental health and we have a "right to disconnect" policy so our employees are able to switch off outside normal working hours and enjoy free time without being disturbed by work – unless there is an emergency or prior agreement to do so.

Our Menopause Policy aims to break any stigma that might exist surrounding the menopause at work and create an inclusive menopause friendly working environment, where employees and managers feel supported to discuss any symptoms and potential adjustments that might be needed.

SCTS is committed to providing a safe and healthy working environment for all our employees as well as those who use our services. We have our own dedicated Health and Safety Team incorporating health and safety, fire and security.

Our occupational health policies and procedures place a strong emphasis on supporting employees with disabilities to embed appropriate reasonable adjustments sustainably in the workplace. We carry out workplace assessments in partnership with employees and, where possible and reasonable to do so, implement reasonable and practicable adjustments to remove barriers. This approach enables individuals to participate fully, perform effectively, and make a meaningful contribution at work.

We also provide our employees with access to a free and confidential Employee Assistance Programme.

We remain firmly committed to working in partnership to deliver the Fair Work Agreement, signed in 2018, which is founded on the five fair work principles of effective voice, opportunity, security, fulfilment and respect. These principles underpin our approach to creating a positive, supportive and inclusive working environment. We view partnership as essential to building and sustaining trust, enabling open dialogue, and jointly agreeing changes that best support both the organisation and our people. Inclusion is fundamental to this approach and is recognised as key to achieving shared and sustainable outcomes.

A formal Partnership Agreement is in place between SCTS and PCS, providing a clear framework for constructive engagement and collaboration on matters of mutual interest. Our partnership approach is grounded in transparency in decision making, honesty, mutual respect, equality, integrity, accountability and trust.

2.3 Parliamentary accountability report

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, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Losses and special payments
There were no material losses or special payments made during the year.

Remote contingent liabilities
There are no remote contingent liabilities to disclose.

Gifts
No gifts were made during the year.

Fees and charges
It is a legislative requirement for SCTS to charge court fees at various stages of proceedings including, but not exclusively, registration, lodgement of motions, legal debates and proofs in the Court of Session and the Sheriff Court as well as Commissary lodgements.

Fees are also charged for work undertaken by the Office of the Public Guardian which includes, but not exclusively, issuing of Powers of Attorney and Guardianship and by the Accountant of Court. Fees are also charged by the Lands Tribunal for appeals.

The Fee Memorandum Trading Account shows the cost of delivering business in the Civil Courts. Full details of all chargeable fees are found at www.scotcourts.gov.uk/taking-action/court-fees

Fees memorandum trading account

	Sheriff Courts	Supreme Courts	OPG	2025-26 Total	2024-25 Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Net Fee Income	33,332	6,832	9,604	**49,768**	**44,372**
Net Costs to be recovered	**41,539**	**24,506**	**15,647**	**81,692**	**74,891**
Shortfall from full cost Recovery	**8,207**	**17,674**	**6,043**	**31,924**	**30,519**
% Cost Recovery				**61%**	**59%**
(Gross Fees Raised divided by Net Recoverable Costs)					

Malcolm Graham

Malcolm Graham
Chief Executive
10 August 2026

2.4 Independent Auditor's Report to the Scottish Courts and Tribunals Service, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Scottish Courts and Tribunals Service for the year ended 31 March 2026 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changes in Taxpayers' 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 my 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 Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my 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. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 3 April 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I 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, I 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

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my 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 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

My 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 my 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. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the central government sector to identify that the Public Finance and Accountability (Scotland) Act 2000 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 my 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 my 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 my auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In my 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, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am 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

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 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.

My 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 my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I 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 my 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 Public Finance and Accountability (Scotland) Act 2000 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 Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my 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
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my 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, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Michael Oliphant

Michael Oliphant FCPFA
Audit Director
Audit Scotland
102 West Port
Edinburgh
EH3 9DN
10 August 2026

3. Financial statements

The Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows and Changes in Taxpayers Equity, as well as details of accounting policies and supporting notes.

The outturn against the DEL and AME budget is at page 18.

Scottish Courts and Tribunals Service
Statement of Comprehensive Net Expenditure
For the year ended 31 March 2026

		2025-26	2024-25
Expenditure	**Note**	**£'000**	**£'000**
Staff costs	3	112,160	104,933
Other administration costs	4	54,601	53,239
Depreciation and amortisation	6,8,9	33,040	32,370
Impairment	6	-	2
Operational costs	4	56,152	52,409
Total Expenditure		**255,953**	**242,953**
Income			
Operating Income	5	7,136	9,761
Income from fees and retained fines	5	52,865	47,794
Total Income		**60,001**	**57,555**
Net outturn		**195,952**	**185,398**
Items that will not be reclassified to profit or loss			
(Loss)/Gains on property revaluation	6	17,559	13,892
Other comprehensive income for the year, net of tax		**17,559**	**13,892**
Total comprehensive net expenditure for the year		**178,393**	**171,506**

The notes on pages 61 to 78 form part of these accounts.

Scottish Courts and Tribunals Service
Statement of Financial Position
As at 31 March 2026

	Note	31 March 2026 £'000	31 March 2025 £'000
Non-current assets			
Property, plant and equipment	6	575,279	565,998
Intangible assets	8	17,767	18,905
Right of Use Assets	9	45,790	49,740
Trade and other assets due in more than one year	10	177	272
Total non-current assets		**639,013**	**634,915**
Current assets			
Receivables and other current assets	10	10,516	11,761
Cash and cash equivalents	11	18,868	19,399
Assets classified as held for sale	7	-	-
Total current assets		**29,384**	**31,160**
Total assets		**668,397**	**666,075**
Current liabilities			
Payables and other current liabilities	12	(17,046)	(17,543)
Lease Liabilities	9	(3,438)	(3,879)
Provisions for liabilities and charges due within one year	13	(855)	(187)
Total current liabilities		**(21,339)**	**(21,609)**
Total assets less current liabilities		**647,058**	**644,466**
Non-current liabilities			
Payables and other liabilities	12	(137)	(151)
Lease Liabilities	9	(43,726)	(46,904)
Provisions for liabilities and charges due in more than one year	13	(6,327)	(6,255)
Total non-current liabilities		**(50,190)**	**(53,310)**
Assets less liabilities		**596,868**	**591,156**
Taxpayers' equity			
General fund	SOCTE	343,807	347,328
Revaluation reserve	SOCTE	253,061	243,828
Total taxpayers' equity		**596,868**	**591,156**

Malcolm Graham

Malcolm Graham
Chief Executive
The Accountable Officer authorised these financial statements for issue on 10 August 2026.
The notes on pages 61 to 78 form part of these accounts.

Scottish Courts and Tribunals Service
Cash Flow Statement
For the year ended 31 March 2026

	Note	2025-26 £'000	2024-25 £'000
Cash flows from operating activities			
Net outturn	SCNE	(195,952)	(185,398)
Adjustments for non-cash transactions:			
Depreciation and amortisation	SCNE	33,040	32,370
Impairment	SCNE	-	2
Notional audit fee	4	105	101
Other general fund adjustment	SOCTE	-	1,242
Loss/(Profit) on disposal of property, plant and equipment and asset held for sale	4,5,6	8	(4)
Movements in working capital:			
(Increase)/decrease in receivables and other current assets		1,340	1,803
Increase/(decrease) in trade and other payables		951	3,191
Increase/(decrease) in provisions		740	481
Increase/(decrease) in lease liabilities		(3,619)	(3,024)
Net cash flow from operating activities		**(163,387)**	**(149,236)**
Adjustments for non-cash investment activities			
New Lease/enhancement of right of use asset	9	(579)	(492)
Lease re-measurement	9	57	(353)
Gain on revaluation of ROUA		4	-
Cash flows from investment activities			
Purchase of property, plant and equipment	6	(17,948)	(15,923)
Purchase of intangible assets	8	(2,680)	(2,878)
Proceeds of disposal of property, plant and equipment	4,5,6	2	4
Proceeds of disposal of assets held for sale	7	-	-
Net cash flow from investment activities		**(21,144)**	**(19,642)**
Cash flows from financing activities			
From Scottish Consolidated Fund	SOCTE	184,000	165,500
Cash flows from financing activities		**184,000**	**165,500**
Net Increase in cash and cash equivalents		**(531)**	**(3,378)**
Cash and cash equivalents at beginning of period	11	19,399	22,777
Net increase on cash and cash equivalents		(531)	(3,378)
Cash and cash equivalents at end of period	11	**18,868**	**19,399**

The notes on pages 61 to 78 form part of these accounts.

Scottish Courts and Tribunals Service
Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2026

	Note	General Fund £'000	Revaluation Reserve £'000	Total £'000
Balance at 1 April 2025		**347,328**	**243,828**	**591,156**
Total comprehensive expenditure for the year ended 31 March 2026		**(195,952)**	**17,559**	**(178,393)**
Non-cash charges				
Non-cash charges - auditor's remuneration	4	105	-	105
Total non-cash charges - auditor's remuneration	4	**105**	**-**	**105**
Other reserve movements				
Other adjustments		-	-	-
Transfers between reserves		8,326	(8,326)	-
Total other reserve movements/adjustments		**8,326**	**(8,326)**	**-**
Funding				
Parliamentary funding		184,000	-	184,000
Net parliamentary funding drawn down		**184,000**	**-**	**184,000**
Balance at 31 March 2026		**343,807**	**253,061**	**596,868**
Net increase/ (decrease) during the year		**(3,521)**	**9,233**	**5,712**

The notes on pages 61 to 78 form part of these accounts.

Scottish Courts and Tribunals Service
Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2025

	Note	General Fund £'000	Revaluation Reserve £'000	Total £'000
Balance at 1 April 2024		**355,218**	**240,601**	**595,819**
Total comprehensive expenditure for the year ended 31 March 2025		**(185,398)**	**13,892**	**(171,506)**
Non-cash charges				
Non-cash charges - auditor's remuneration	4	101	-	101
Total non-cash charges - auditor's remuneration	4	**101**	**-**	**101**
Other reserve movements				
Other adjustments		1,242	-	1,242
Transfers between reserves		10,665	(10,665)	-
Total other reserve movements/adjustments		**11,907**	**(10,665)**	**1,242**
Funding				
Parliamentary funding				
Net parliamentary funding drawn down		165,500	-	165,500
		165,500	**-**	**165,500**
Balance at 31 March 2025				
		347,328	**243,828**	**591,156**
Net increase/ (decrease) during the year		**(7,890)**	**3,227**	**(4,663)**

The notes on pages 61 to 78 form part of these accounts.

1. Notes to the Accounts

Basis of accounts

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted and interpreted by the 2025-26 Government Financial Reporting Manual (FReM) issued by HM Treasury and the Accounts Direction issued by Scottish Ministers (Annex 3). These accounts have been prepared on a going concern basis. The financial reporting framework applicable to Government bodies, derived from the HMT Government Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The SCTS Board have a reasonable expectation that this will continue to be the case. An assessment of liquidity risk is shown in Note 15 on page 76 and the budget allocation for 2026-27 can be seen here. These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment.

2. Accounting policies

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of SCTS for the purpose of giving a true and fair view has been selected. The particular policies adopted by SCTS are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

2.1 Property, plant and equipment

The threshold for capitalising assets is £5,000 for all categories apart from information technology equipment (networked and grouped), where the threshold for capitalisation is £500.

Initial recognition

On initial recognition, property, plant and equipment are measured at cost including any costs such as installation directly attributable to bring them into working condition. All property, plant and equipment is carried at fair value.

Assets which are held for their operational capacity (i.e. operational assets) are stated at Depreciated Replacement Cost (DRC) which is considered the most appropriate measure of their current value in existing use as specified in the FreM (Government Financial Reporting Manual).

Valuations of all land and building assets are revalued and relived by our valuer (currently Avison Young), on a five-year cycle of professional valuations (one fifth of buildings valued each year). In the intervening years indexation is applied. Building Cost Information Service (BCIS) indices are used for cost based assessments (DRC) otherwise for market based elements indexation figures will reflect observed movements in the property market over the relevant period. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards insofar as these terms are consistent with the agreed requirements of the SPFM and FReM. The current valuations were completed at 31st March 2026.

Where significant redevelopment or damage of a property has been completed out with the valuation cycle, the relevant property will be subject to a specific valuation at the appropriate point in accordance with SPFM guidance.

For all other classes of assets, depreciated historical cost basis has been used as a proxy for current value in existing use or fair value as the assets have short useful lives or low values (or both). An annual impairment review of these assets is undertaken.

Surplus/non-operational properties have been valued on a Market Value basis.

Depreciation is provided on a straight line basis on all property, plant and equipment (other than freehold land) at rates calculated to write down the cost or valuation of each asset over its estimated useful life.

For buildings SCTS apply a weighted average life of 47.5 years, which has been advised by our valuer. The buildings have been categorised by their constituent components and the estimated useful life determined in relation to each component as set out below. A weighted average life accepts that some individual elements such as frame/substructure will hold a greater life, whilst other elements such as finishes or services equipment may hold lower lives, reflecting that these are subject to wear and tear and more regularly 'consumed'. When combined, the building elements will reflect a pattern of ages and proportions which will give a weighted average full notional life of the asset. And in calculating depreciation, remaining useful asset lives (based on your valuer's assessment through the programme of rolling valuations) are applied:

Buildings:	
Structure	76 - 80 years
Internal Finishes	40 - 45 years
Fittings and Fixtures	20 - 30 years
Services	24 - 30 years
External Works	17- 25 years
Vehicles	3 years
IT Hardware	2 – 10 years
IT Software	3 - 10 years
Equipment	5 – 20 years
Fixtures and Fittings	not exceeding 10 years

Assets under construction are carried at the costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets under construction are transferred to the appropriate property, plant and equipment category when completed and ready for use. No depreciation is charged until the asset is operational.

2.2 Right of use assets

In accordance with IFRS 16 Leases, contracts, or parts of contracts, that convey the right to control the use of an asset for a period of time are accounted for as leases.

At inception of a contract, SCTS assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time. This includes assets for which there is no/nominal consideration (usually referred to as a "peppercorn" lease). To assess whether a contract conveys the right to control the use of an identified asset, SCTS assesses whether:

- the contract involves the use of an identified asset
- SCTS has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use
- SCTS has the right to direct the use of the asset

SCTS defines the lease term as the non-cancellable period for which a lessee has the right to use an underlying asset, together with both:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option

In the event that a lease contract has expired, but SCTS remains in occupation pending negotiations for a renewed term, the lease term has been measured as the estimated time until the new contract will be agreed.

At inception or on reassessment of a contract that contains a lease component, SCTS assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. SCTS reassesses this if there are significant events or changes in circumstances that were not anticipated.

When making the above assessments, SCTS excludes two types of leases:

- low value leases where the underlying asset would have a cost of less than £5,000 when new
- contracts whose term is less than twelve months

SCTS as Lessee

At the commencement of a lease, SCTS recognises a right-of-use asset and an associated lease liability.

Right of Use Asset

The right-of-use asset is measured at the value of the lease liability, adjusted for:

- any lease payments made before the commencement date
- any lease incentives received
- any incremental costs of obtaining the lease and;
- any costs of removing the asset and restoring the site at the end of the lease

Enhancements to leased assets, such as alterations to a leased building, are not classified within right-of-use assets, but remain classified as property, plant and equipment in accordance with the FReM.

After initial recognition, the right-of-use asset is measured using the fair value model. In determining the fair value, SCTS applies:

- the cost model (measurement by reference to the lease liability) as a reasonable proxy for fair value for non-property leases, and for property leases of less than five years or with regular rent reviews or;
- the revalued amount for other leases

The value of the asset is adjusted for subsequent depreciation and impairment and for reassessments and modifications of the lease liability as described below. Where the amount of a reduction to the asset exceeds the carrying value of the asset, the excess amount is recognised in expenditure.

Lease Liability

The Lease Liability is measured at the value of the remaining lease payments discounted over the lease term, either by the interest rate implicit in the lease or by the rate as advised annually by HMT (4.81% for 2025).

The measurement of lease payments excludes any VAT payable, and irrecoverable VAT is expensed at the point it falls due in line with IFRIC 21 Levies.

After initial measurement the lease liability is adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments are reappraisals of the probability of the options given by the existing lease contract, for example where SCTS no longer expects to exercise an option. Modifications are changes to the lease contract. Reassessments and modifications are accounted for either by:

- recalculating the lease term under any new contract terms, taking account of the reasonable certainty or otherwise of exercising an option or;

- applying a new discount rate where applicable

Expenditure for each financial year includes interest on the lease liability and a straight-line depreciation charge on the right-of-use asset over the life of the lease, together with any impairment of the right-of-use asset and any change in variable lease payments, that was not included in the measurement of the lease payments during the period in which the triggering event occurred. Rental payments in respect of leases of low value items, or with a term under twelve months are also expensed.

SCTS as a Lessor

Where SCTS acts as a lessor, the arrangement is assessed to determine whether it constitutes a finance lease, this being where the risks and rewards incidental to ownership of an underlying asset are substantially transferred to the lessee. For these leases, the asset is derecognised and a receivable is recognised with accrued interest being treated as income over its life. All other leases are treated as operating leases and rental income is recognised on a straight-line basis.

2.3 Non-current assets classified as held for sale

The SCTS classify a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is met when the asset is being actively marketed by management, it is available for immediate sale in its present condition, and the sale is considered to be highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Assets classified as held for sale are measured at the lower of their carrying amount immediately prior to their classification as held for sale and their fair value less costs to sell. Depreciation or amortisation for such assets is not charged from the date they are classified as an asset held for sale.

2.4 Intangible assets

Both purchased software licenses and internally generated software are valued at depreciated replacement cost. Amortisation is applied at rates calculated to write off the value of the software by equal instalments over the shorter of the term of the license and their estimated useful life. Software and main intangible systems (e.g. Integrated Case Management System, ICMS) are amortised over a 3 to 10 year life. Due to the lack of active market our software systems are shown at amortised replacement cost as a proxy for fair value. A management review of bespoke systems was undertaken and confirmed that the useful life and valuation is appropriate. No impairment was necessary following this assessment.

2.5 Cash and cash equivalents

Cash represents cash in hand, cash held with the Government Banking Service and cash in commercial bank accounts.

2.6 Financial instruments

SCTS does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables, cash and cash equivalents and payables (notes 10, 11 and 12).

Trade and other receivables are recognised at fair value less any impairment for any amounts assessed as irrecoverable. An impairment of debt for irrecoverable amounts is made where there is evidence that SCTS will be unable to collect an amount due in accordance with agreed terms. SCTS have adopted IFRS 9 in its treatment on the impairment of trade receivables. During 2025-26, a review of impairment based on a lifetime Expected Credit Losses was completed. Trade and other payables are recognised at fair value.

2.7 Income and Expenditure recognition

SCTS is not a trading organisation. Income primarily comprises court fees for civil cases. SCTS collects fines on an agency basis. Sheriff Court fines are paid over to the Scottish Consolidated Fund and are not accounted for as part of the income of SCTS. An element of Justice of the Peace Court fines, Police and Fiscal fixed penalty fines are retained by SCTS in line with The Scotland Act 1998 (Designation of Receipts) Order issued by HM Treasury. The remainder is paid over to the Scottish Consolidated Fund. 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.

2.8 Value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT except where the VAT incurred on a purchase of assets or services is not recoverable from HM Revenue and Customs (HMRC), in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expenses item as applicable. The net amount of VAT recoverable from, or payable to, HMRC is included as part of receivables or payables in the Statement of Financial Position.

2.9 External auditor remuneration

External auditor's remuneration for non-audit services is charged on a notional basis to the SCTS. It is charged to the Statement of Comprehensive Net Expenditure and credited as a movement on the general fund.

2.10 Provisions

Provisions are recognised when SCTS has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provisions is presented in the Statement of Comprehensive Net Expenditure net of any reimbursement.

2.11 Employee benefits pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Service and Other Pension Scheme (CSOPS). These defined benefit schemes are unfunded and are non-contributory except in respect of dependant's benefits. SCTS accounts for these schemes as defined contribution plans and recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employee's services by payment to the PCSPS/CSOPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS/CSOPS. In respect of the defined contribution schemes, SCTS recognises the contributions payable for the year. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.12 Judicial Pension Scheme (JPS)

Members of the judiciary are covered by the Judicial Pension Schemes (JPS). During 2025-26, the Judicial Pension Scheme comprised the Judicial Pension Scheme 2022 and four legacy schemes: the Judicial Pensions Act 1981 Scheme, the1993 JUPRA, 2015 Judicial Pensions Scheme and 2017 Fee-Paid Judicial Pension Scheme. The legacy schemes closed to future accrual on 31 March 2022, with eligible judicial office holders moving to the JPS from 1 April 2022. The JPS is an unfunded multi-employer defined benefit scheme which prepares its own Accounts. Effective from 1 April 2016, SCTS became responsible for the employer contributions to the JPS. Contributions from 2016 to 31 March 2019 were paid at a rate of 38.45%. From April 2019 that rate increased to 51.35% and from April 2024 that rate increased to 62.55%. The amount of these contributions is included in the Staff Report from page 45.

Although the JPS is a defined benefit scheme, in accordance with FReM 6.5, SCTS accounts for the scheme as a defined contribution scheme and recognises employer contributions payable as an expense in the year they are incurred. As part of the changes to judicial pension arrangements, a new governance framework was established to secure the confidence in the Judicial Pension Schemes of both the scheme members and the tax payers. The Lord Chancellor is the Responsible Authority and Scheme Manager for the Schemes. Furthermore, there is an established Judicial Pensions Board. Further information on the Judicial Pensions Board and relevant publications, such as judicial; pension scheme accounts, scheme guidance and valuation reports can be found here

2.13 Other employee benefits

A liability and an expense are recognised for untaken holidays and flexi balances at 31 March 2026. As a result an accrual has been made for time earned but not taken.

2.14 Accounting estimates and assumptions

SCTS makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. Other than estimates and assumptions relating to Property Plant and Equipment, Intangibles, Right of Use Assets and Provisions, stated in accounting policies at 2.1,2.2, 2.3, 2.4 and 2.10 above, there are no material estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.15 Insurance Contracts

IFRS 17 (Insurance Contracts) replaces IFRS 4 (Insurance Contracts) and is effective from 1 April 2025. The standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued by an entity, and for reinsurance contracts held or issued (it does not address how to account for insurance contracts purchased by an entity). In 2025-26 SCTS has no potential insurance contracts.

2.16 Disclosure of accounting standards not yet applied

A number of new accounting standards have been issued or amendments made to existing standards but have not yet been applied to these financial statements. The standard that is considered relevant and the anticipated impact is as follows:

IFRS 18 (Presentation and Disclosure in Financial Statements) effective from 1 April 2027

The International Accounting Standards Board (IASB) has issued IFRS 18 (Presentation and Disclosure in Financial Statements). It is expected to be effective for accounting periods beginning on or after 1 January 2027. The Government Financial Reporting Manual (FReM) has yet to adopt this standard. The impact is not yet known for SCTS.

3. Staff Numbers and costs

All relevant disclosures relating to staff are included in the Remuneration and Staff Report (pages 40 to 49).

4. Non-staff expenditure

4a Other administration expenditure	2025-26 £'000	2024-25 £'000
Rent and Rates	8,362	7,507
Accommodation	16,738	17,330
Building maintenance and impairment	11,452	10,565
Computer Maintenance	6,859	5,873
Office running costs	1,846	2,283
Other	2,400	2,708
Postage	2,059	1,860
Publications – Sheriff Courts	1,527	1,493
Contracted Services	1,410	1,672
Travel, subsistence and hospitality	783	850
Provision movements	531	448
External auditor remuneration - Audit fee	105	101
Finance costs	517	549
Loss on disposal of non-current assets	12	-
Total	**54,601**	**53,239**

During the year, SCTS purchased no non-audit services from its external auditor. (2024-25: Nil).

4b Operational costs

	2025-26	2024-25
	£'000	**£'000**
Judicial costs	21,096	18,595
Judicial pension costs	25,011	24,135
Payments to jurors	3,886	3,848
Interpreters' costs	2,623	2,391
Other	3,536	3,440
Total	**56,152**	**52,409**

5. Income

5a Operating income

	2025-26	2024-25
	£'000	**£'000**
Shared service income from other government departments	6,531	7,552
Recharges	524	546
Profits on disposal of non-current assets	5	4
Income from rent receivable and court hire	14	14
Other income	62	1,645
Total	**7,136**	**9,761**

5b Income from fees and retained fines

	2025-26	2024-25
	£'000	**£'000**
Fees charged	49,774	44,374
Retained fines	3,091	3,420
Total	**52,865**	**47,794**

6. Property, plant and equipment

6a Property, plant and equipment current year

Purchases of total property, plant and equipment in the schedule of £16,644k (2024-25: £15,764k) appear in the cash flow statement as £17,948k (2024-25: £15,923k) after adjustment for opening and closing property, plant and equipment accruals in trade and other payables.

Cost or valuation	Land	Buildings	Vehicles	Equipment	ICT systems	Fixtures and fittings	Assets under construction	2025-26 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening balance at 1 April 2025	31,126	790,097	324	1,532	17,959	269	14,862	**856,169**
Additions	-	-	-	-	4,600	-	12,044	**16,644**
Transfer	-	12,626	-	-	-	-	(12,626)	**-**
Disposals	-	-	-	-	(7,889)	-	-	**(7,889)**
Revaluation	(4)	(74,479)	-	-	-	-	-	**(74,483)**
Downward Revaluation to Statement of comprehensive net expenditure	-	-	-	-	-	-	-	**-**
As at 31 March 2026	**31,122**	**728,244**	**324**	**1,532**	**14,670**	**269**	**14,280**	**790,441**
Depreciation								
Opening balance at 1 April 2025	-	277,606	324	472	11,666	103	-	**290,171**
Charged in year	-	21,024	-	150	3,681	54	-	**24,909**
Transfer	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	(7,876)	-	-	**(7,876)**
Revaluation	-	(92,042)	-	-	-	-	-	**(92,042)**
Balance as at 31 March 2026	-	**206,588**	**324**	**622**	**7,471**	**157**	**-**	**215,162**
Net book value current year	**31,122**	**521,656**	**-**	**910**	**7,199**	**112**	**14,280**	**575,279**
Net book value prior year	**31,126**	**512,491**	**-**	**1,060**	**6,293**	**166**	**14,862**	**565,998**

All assets are owned by the Scottish Courts and Tribunals Service Corporate Body. All land and buildings are held freehold. No assets are held under finance leases or PFI/PPP contracts.

6b Property, plant and equipment prior year

Cost or valuation	Land	Buildings	Vehicles	Equipment	ICT systems	Fixtures and fittings	Assets under construction	2024-25 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening balance at 1 April 2024	31,130	798,390	353	1,559	17,798	1,230	7,959	**858,419**
Additions	-	-	-	24	3,086	-	12,654	**15,764**
Transfer	-	5,751	-	-	-	-	(5,751)	**-**
Disposals	-	-	(29)	(51)	(2,925)	(961)	-	**(3,966)**
Revaluation	(2)	(14,044)	-	-	-	-	-	**(14,046)**
Downward Revaluation to Statement of comprehensive net expenditure	(2)	-	-	-	-	-	-	**(2)**
As at 31 March 2025	**31,126**	**790,097**	**324**	**1,532**	**17,959**	**269**	**14,862**	**856,169**
Depreciation								
Opening balance at 1 April 2024	-	285,728	353	374	10,619	966	-	**298,040**
Charged in year	-	19,816	-	149	3,972	98	-	**24,035**
Transfer	-	-	-	-	-	-	-	**-**
Disposals	-	-	(29)	(51)	(2,925)	(961)	-	**(3,966)**
Revaluation	-	(27,938)	-	-	-	-	-	**(27,938)**
Balance as at 31 March 2025	**-**	**277,606**	**324**	**472**	**11,666**	**103**	**-**	**290,171**
Net book value current year	**31,126**	**512,491**	**-**	**1,060**	**6,293**	**166**	**14,862**	**565,998**
Net book value prior year	**31,130**	**512,662**	**-**	**1,185**	**7,179**	**264**	**7,959**	**560,379**

All assets are owned by the Scottish Courts and Tribunals Service Corporate Body. All land and buildings are held freehold. No assets are held under finance leases or PFI/PPP contracts.

7. Assets classified as Held for Sale

The following assets have been presented for sale by SCTS. The completion date for sale is expected to be within 12-months. Assets classified as held for sale are measured at the lower of their carrying amount immediately prior to their classification as held for sale and their fair value less costs to sell. Assets classified as held for sale are not subject to depreciation or amortisation.

There is one asset held for sale with a value less than £500. Duns Sheriff court is the final court held within assets held for sale from the shaping court services program. It is being actively marketed by SCTS and Scottish Borders Council.

8. Intangible assets

8a Intangible assets current year

Purchases of total intangible assets below of £2,522k (2024-25: £2,685k) appear in the cash flow statement as £2,680k after adjustment for opening and closing intangible asset accruals in trade and other payables.

.	Software licences £'000	ICT software £'000	Assets under development £'000	2025-26 Total £'000
Cost or valuation				
Balance at 1 April 2025	2,125	36,621	267	**39,013**
Additions	-	2,522	-	**2,522**
Disposals	(585)	-	-	**(585)**
As at 31 March 2026	**1,540**	**39,143**	**267**	**40,950**
Amortisation				
Balance at 1 April 2025	1,412	18,696	-	**20,108**
Charged in year	432	3,227	-	**3,659**
Disposals	(584)	-	-	**(584)**
As at 31 March 2026	**1,260**	**21,923**	**-**	**23,183**
Net book value as at 31 March 2026	**280**	**17,220**	**267**	**17,767**
Net book value as at 31 March 2025	**713**	**17,925**	**267**	**18,905**

The intangible assets include the ICMS system, an internally generated case management system with a carrying amount of £13,022k and a remaining amortisation period of 84 months.

8b Intangible assets prior year

Purchases of total intangible assets below of £2,685k (2023-24: £4,498k) appear in the cash flow statement as £2,878k after adjustment for opening and closing intangible asset accruals in trade and other payables

	Software licences £'000	ICT software £'000	Assets under development £'000	2024-25 Total £'000
Cost or valuation				
Balance at 1 April 2024	2,184	33,936	267	**36,387**
Additions	-	2,685	-	**2,685**
Disposals	(59)	-	-	**(59)**
As at 31 March 2025	**2,125**	**36,621**	**267**	**39,013**
Amortisation				
Balance at 1 April 2024	867	15,342	-	**16,209**
Charged in year	604	3,354	-	**3,958**
Disposals	(59)	-	-	**(59)**
As at 31 March 2025	**1,412**	**18,696**	**-**	**20,108**
Net book value as at 31 March 2025	**713**	**17,925**	**267**	**18,905**
Net book value as at 31 March 2024	**1,317**	**18,594**	**267**	**20,178**

The intangible assets include the ICMS system, an internally generated case management system with a carrying amount of £12,534k and a remaining amortisation period of 96 months.

9. Leases

9a Right of use assets	Land and Buildings £'000	Capitalised Provision £'000	2025-26 Total £'000
Cost or valuation			
Balance at 1 April 2025	62,384	92	**62,476**
Additions	363	216	**579**
Re-measurement	(57)	-	**(57)**
Disposals	(37)	-	**(37)**
As at 31 March 2026	**62,653**	**308**	**62,961**
Amortisation			
Balance at 1 April 2025	12,720	16	**12,736**
Charged in year	4,454	18	**4,472**
Disposals	(37)	-	**(37)**
As at 31 March 2026	**17,137**	**34**	**17,171**
Net book value as at 31 March 2026	**45,516**	**274**	**45,790**
Assets valued at net present value of future lease payments			**45,790**

9b Right of use assets prior year	Land and Buildings £'000	Other £'000	2024-25 Total £'000
Cost or valuation			
Balance at 1 April 2024	61,570	61	**61,631**
Additions	462	30	**492**
Re-measurement	352	1	**353**
As at 31 March 2025	**62,384**	**92**	**62,476**
Amortisation			
Balance at 1 April 2024	8,355	4	**8,359**
Charged in year	4,365	12	**4,377**
As at 31 March 2025	**12,720**	**16**	**12,736**
Net book value as at 31 March 2025	**49,664**	**76**	**49,740**
Assets valued at net present value of future lease payments			**49,740**

9c Commitments under lease liabilities

As at 31 March, total contractual undiscounted cash flows relating to lease liabilities are given in the table below:

Buildings	2026 £'000	2025 £'000
Not later than one year	3,920	4,390
later than one year and not later than five years	13,945	17,722
later than five years	33,124	32,942
Less interest element	(3,825)	(4,271)
Total	**47,164**	**50,783**

	2026	2025
	£'000	**£'000**
Current	3,438	3,879
Non-current	43,726	46,904
Total lease liabilities	**47,164**	**50,783**

Amounts recognised in the Statement of Comprehensive Net Expenditure

	2025-26	2024-25
	£'000	**£'000**
Depreciation	4,472	4,377
Interest expense	517	549
Low value and short term leases	19	28
Irrecoverable VAT on right of use leases	817	790
Income from sub-leasing right of use assets	(3,283)	(3,574)
Expense relating to variable lease payments	1,375	1,393
Total	**3,917**	**3,563**

Amounts recognised in the Statement of Cash Flows

	2025-26	2024-25
	£'000	**£'000**
Interest expense	517	549
Repayments of principal on leases	-	-
Total	**517**	**549**

9d Commitments under operating leases

Buildings	2026	2025
	£'000	**£'000**
Within one year	34	22
Between two and five years (inclusive)	49	-
After five years	42	-
Total	**125**	**22**

10. Trade receivables and other assets

Amounts falling due within one year	2026 £'000	2025 £'000
Trade receivables	2,244	3,049
VAT	2,425	2,401
Other receivables	757	99
Prepayments	3,879	4,093
Accrued income	1,211	2,119
Total receivables due within one year	**10,516**	**11,761**

Amounts falling due in more than one year	2026 £'000	2025 £'000
Prepayments	177	272
Total receivables due in more than one year	**177**	**272**
Total at 31 March	**10,693**	**12,033**

11. Cash and cash equivalents

	2026 £'000	2025 £'000
Balance at 1 April	19,399	22,777
Net change in cash and cash equivalent balances	(531)	(3,378)
Balance as at 31 March	**18,868**	**19,399**
The following balances at 31 March were held at:		
Commercial banks and cash in hand	15,843	16,425
Government Banking Service	3,025	2,974
Balance as at 31 March	**18,868**	**19,399**

12. Payables and other current liabilities

Amounts falling due within one year	2026 £'000	2025 £'000
Trade payables	(16)	118
Other payables	4,426	4,317
Accruals	11,852	10,305
Deferred income	14	14
Corporate balance with the Scottish Government	770	2,789
Total payables due within one year	**17,046**	**17,543**

Amounts falling due in more than one year	2026 £'000	2025 £'000
Other payables	-	-
Deferred income and accruals	137	151
Total payables due in more than one year	**137**	**151**
Total at 31 March	**17,183**	**17,694**

13. Provisions for liabilities and charges

13a Provisions for liabilities and charges current year

	Property and dilapidations	President's pension costs	Compensation costs	2025-26 Total
	£'000	£'000	£'000	£'000
Balance as at 1 April 2025	5,467	673	115	**6,255**
Add: element reported as due within one year	67	56	64	**187**
Total as at 1 April 2025	5,534	729	179	**6,442**
Provided for in year	898	-	144	**1,042**
Provisions not required written back	(40)	-	(83)	**(123)**
Provisions utilised in year	(7)	(56)	(116)	**(179)**
Total as at 31 March 2026	**6,385**	**673**	**124**	**7,182**
Payable within one year	(673)	(58)	(124)	**(855)**
As at 31 March 2026	**5,712**	**615**	**-**	**6,327**

Analysis of expected timing of any resulting outflows of economic benefits:

	Property and dilapidations	President's pension costs	Compensation costs	2025-26 Total
	£'000	£'000	£'000	£'000
Payable in 1 year	673	58	124	**855**
Payable between 2 and 5 years	1,018	232	-	**1,250**
Payable between 6 and 10 years	175	262	-	**437**
Thereafter	4,519	121	-	**4,640**
Total as at 31 March 2026	**6,385**	**673**	**124**	**7,182**

13b Provisions for liabilities and charges prior year

	Property and dilapidations	President's pension costs	Compensation costs	2024-25 Total
	£'000	£'000	£'000	£'000
Balance as at 1 April 2024	4,567	872	84	**5,523**
Add: element reported as due within one year	284	56	98	**438**
Total as at 1 April 2024	4,851	928	182	**5,961**
Provided for in year	813	-	173	**986**
Provisions not required written back	(130)	(144)	(71)	**(345)**
Provisions utilised in year	-	(55)	(105)	**(160)**
Total as at 31 March 2025	**5,534**	**729**	**179**	**6,442**
Payable within one year	(67)	(56)	(64)	**(187)**
As at 31 March 2025	**5,467**	**673**	**115**	**6,255**

Analysis of expected timing of any resulting outflows of economic benefits:

	Property and dilapidations	President's pension costs	Compensation costs	2024-25 Total
	£'000	£'000	£'000	£'000
Payable in 1 year	67	56	64	**187**
Payable between 2 and 5 years	1,291	226	115	**1,632**
Payable between 6 and 10 years	103	284	-	**387**
Thereafter	4,073	163	-	**4,236**
Total as at 31 March 2025	**5,534**	**729**	**179**	**6,442**

13c Details of Provisions

Property and dilapidations
This represents the impact of the periodic revaluation exercises along with estimated amounts due on the expiry of property leaseholds held by SCTS, to return the properties to their original condition. The amounts due and the timing of payments depends on the terms and conditions of each lease, reinstatement works covers, general wear and tear and the extent of alternations carried out by SCTS over the period of the lease.

President Pension
This relates to the pension arrangement for the past Presidents' of the Mental Health Tribunal for Scotland.

Compensation
Amounts have been provided for material claims for compensation against SCTS from service users. The amounts provided are based on an assessment of the amounts claimed and the likelihood of a payment being required. Where a settlement is considered unlikely to be required no provision is made.

13. Capital commitments

As at 31 March, contracted capital commitments for which no provision has been made were as follows:

	2026 £'000	2025 £'000
Property, plant and equipment	531	2,033
Tangible assets	116	383
Intangible assets	-	-
Total	**647**	**2,416**

As at 31 March, authorised but not contracted capital commitments for which no provision has been made were as follows:

	2026 £'000	2025 £'000
Property, plant and equipment	-	-
Tangible assets	-	-
Total	**-**	**-**

14. Related Party Transactions

SCTS, established by section 60(1) of the Judiciary and Courts (Scotland) Act 2008, is a non-Ministerial Office, which is part of the Scottish Administration but not part of the Scottish Government. During the year, SCTS has had various material transactions with the Scottish Government and the Crown Office.

SCTS has also had a number of transactions with other government departments, central government bodies, local government and other non-departmental public bodies.

Ms Lynsey Walker, solicitor member of the SCTS Board (Board Member from 17 January 2022), was a Member of Addleshaw Goddard LLP during the financial year.

All transactions involving organisations in which a member of the SCTS Board may have an interest are conducted arm's length and in accordance with SCTS's financial regulations. During the year, SCTS received £154,840 in respect of payments for services rendered to Addleshaw Goddard.

Mr Steven Dickson, non-executive member of the SCTS Board (Board Member from 1 June 2022), was a Director of Scottish Water Business Stream Holdings, Scottish Water and BT Pension Scheme Trustees Limited during the financial year.

All transactions involving organisations in which a member of the SCTS Board have an interest are conducted at arm's length and in accordance with SCTS's financial regulations. SCTS paid £685,352 in respect of services received from Scottish Water Business Stream and Scottish Water.

All transactions involving organisations in which a member of the SCTS Board have an interest are conducted at arm's length and in accordance with SCTS's financial regulations. SCTS paid £80,371 in respect of services received from BT Conferencing and £1,485,326 in respect of services received from British Telecommunications.

Remuneration paid to Board and Executive Team members is given in the Remuneration Report given above.

No other Board or Executive Team members have undertaken any material transactions with SCTS.

15. Financial Instruments

SCTS resource requirements are met from Scottish Government via the annual grant-in-aid provision and from other income generated from activities. SCTS has no power to borrow funds and any surplus funds are held in interest bearing deposit accounts. Other than financial assets and liabilities which are generated by day-to-day operational activities, SCTS holds no financial instruments. Because of the nature of its activities and the way in which SCTS is financed, the SCTS is not exposed to the degree of financial risk faced by business entities.

Liquidity risk

Scottish Ministers make provision for SCTS' use of resources, for revenue and capital purposes, in its budget for each financial year. Resources and accruing resources may be used only for the purposes specified and up to the amounts specified in the budget. SCTS is not therefore exposed to significant liquidity risks.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices that could affect SCTS are interest rate risk. As noted above, SCTS has no power to borrow, and any surplus funds are held in interest bearing deposit accounts or the Government Banking Service. SCTS has no other investments and therefore there is limited exposure to interest rate risk.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. SCTS is exposed to credit risk from its operating activities (primarily for trade and other receivables) but the level of risk is not deemed significant. Credit risk related to trade and other receivables is managed through established procedures relating to the monitoring and follow up of outstanding balances.

Fair values

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. There is no difference between the book value and fair value for the cash and cash equivalents shown in note 11.

16. Losses

During the financial year there were 5 instances of cash handling losses totaling £495. (2024-25: 11 instances totaling £129).

17. Third Party Assets

Cash balances of £32,679k (2024-25: £27,071k), as confirmed from the banks, are held on behalf of third parties. This is mainly money consigned into court in respect of liquidations, cautions, expenses in civil actions and unclaimed dividends. These third party assets are not the property of the SCTS and are not included in SCTS' accounts.

18. Contingent Assets/Liabilities disclosed under IAS 37

At 31 March 2026, there were no material contingent assets/liabilities.

19. Events after the Reporting Period

In line with IAS 10, SCTS considers there to be no adjusting or non-adjusting events.

Annex 1 Annual Report for the Office of Auditor of Court

(in accordance with section 19(2) of the Civil Litigation (Expenses and Group Proceedings) (Scotland) Act 2018)

Part 3 of this Act came into force on 30 January 2019. From that date, SCTS has the responsibility for appointments to the offices of Auditor of the Court of Session, Auditor of the Sheriff Appeal Court, Auditor of the All Scotland Personal Injury Court and Auditor of the Sheriff Courts. SCTS is obliged to report on the number of taxations carried out and the fees charged by these auditors.

On 1 April 2022 Robin MacPherson WS was appointed as Auditor of the Court of Session, the All Scotland Personal Injuries Court and the Sheriff Appeal Court. Robin also assumed responsibility as 'Head of Profession' for all sheriff court auditors.

There are four Full Time Sheriff Court Auditors.

- Tayside Central & Fife/ Grampian Highland & Islands
- Lothian & Borders
- Glasgow
- North Strathclyde/South Strathclyde, Dumfries & Galloway.

Audits undertaken

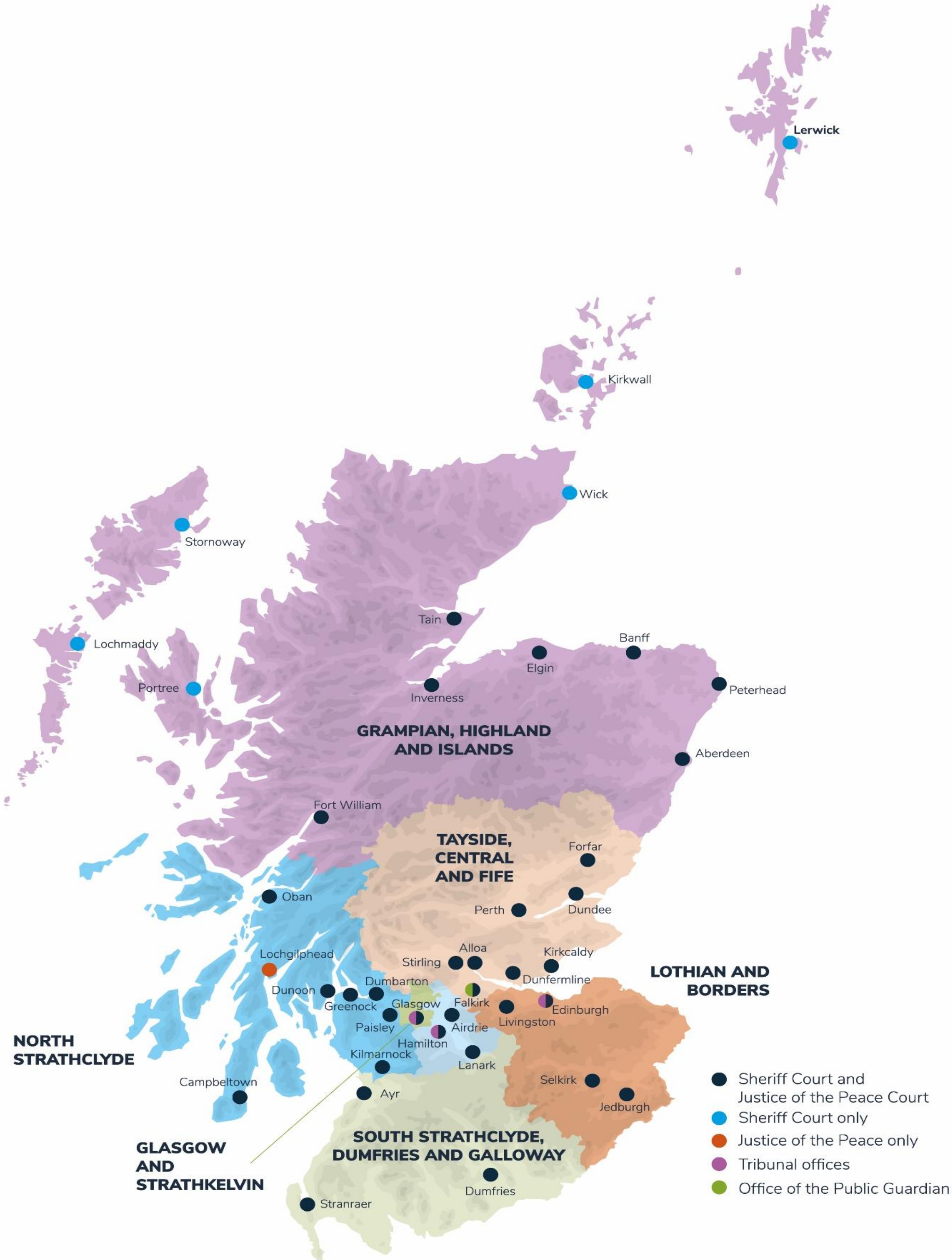
Judicial taxations[9]	**2025-26**	**2024-25**	**2023-24**
Auditor of the Sheriff Court	1,424	1,612	1,228
Auditor of the Court of Session	112	96	104
Auditor of the All Scotland Personal Injury Court	108	38	27
Auditor of the Sheriff Appeal Court	35	31	26
Extra-judicial taxations	**2025-26**	**2024-25**	**2023-24**
Auditor of the Court of Session	2	7	22

Value of fees raised (£'s)

Judicial taxations	**2025-26**	**2024-25**	**2023-24**
Auditor of the Sheriff Court	354,283	367,932	320,761
Auditor of the Court of Session	858,124	285,925	246,621
Auditor of the All Scotland Personal Injury Court	148,859	36,622	24.939
Auditor of the Sheriff Appeal Court	14,622	9,472	10,464
Extra-judicial taxations	**2025-26**	**2024-25**	**2023-24**
Auditor of the Court of Session	1,520	5,686	47,655

[9] An account of expenses remitted to an auditor of court by a court or tribunal

Annex 2 SCTS locations



Annex 3 | Accounts directions from Scottish Ministers

Directions by the Scottish Ministers
In accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000

1. The statement of accounts for the financial year ended 31 March 2014 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.

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

3. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on the 17 January 2006 is hereby revoked.

Signed by authority of the Scottish Minister

Dated 4 August 2014

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