



Revenue Scotland

Annual Report and Accounts

for the year ended 31 March 2025



Revenue Scotland is a Non-Ministerial Office of the Scottish Administration.
Laid before the Scottish Parliament by Revenue Scotland in pursuance of
the Revenue Scotland and Tax Powers Act 2014 in October 2025

Annual accounts authorised for issue on **02 October 2025**

Published by Revenue Scotland 2025

© Crown Copyright 2025

You may use and re-use the information featured on this website
(not including logos) free of charge in any format or medium, under
the terms of the [Open Government License v 3.0](#).

Any enquiries regarding the use and re-use of this information resource
should be sent to us at:

info@revenue.scot

Revenue Scotland
PO BOX 24068
Victoria Quay
Edinburgh
EH6 9BR

RS/2025/02

Navigation tools

To go back to a page and forward to a page 

To go back to the home page 

To go back to the contents page 

Contents

Foreword	4
Summary of Devolved Tax Revenue	6
Accountability Report	7
Corporate Governance Report	8
Independent Auditor’s Report	18
Devolved Taxes Account 2024-25:	24
Statement of Revenue and Expenditure	25
Statement of Financial Position	26
Statement of Cash Flows	27
Notes to the Accounts	28
Accounts Direction	44



Foreword



Foreword

Welcome to the Revenue Scotland Annual Report and Accounts for the Devolved Taxes for 2024-25.

Revenue Scotland is responsible for the collection and management of Scotland's devolved taxes: currently Land and Buildings Transaction Tax (LBTT) and Scottish Landfill Tax (SLfT). Amounts received from the collection of the devolved taxes, less any permitted deductions, are paid into the Scottish Consolidated Fund in accordance with the [Revenue Scotland and Tax Powers Act 2014 \(RSTPA\)](#).

Revenue Scotland was established by the RSTPA which also sets out the legislative framework for the wholly devolved taxes in Scotland.

As a Non-Ministerial Office, Revenue Scotland is part of the Scottish Administration but is directly accountable to the Scottish Parliament to ensure the administration of tax is independent, fair and impartial.

Revenue Scotland delegates some of its legislative functions for the collection of SLfT to the Scottish Environment Protection Agency (SEPA). This includes the regulatory functions of the [Scottish Landfill Communities Fund \(SLCF\)](#) – a tax credit scheme available to landfill operators.

The Scottish Fiscal Commission is responsible for providing independent forecasts of tax revenues in line with the [Fiscal Framework](#).¹ Revenue Scotland provides statistical information about the taxes it collects.²

This document sets out the financial information about the devolved taxes required under the terms of the [Accounts Direction](#) issued by Scottish Ministers.

A separate document, the Annual Report and Accounts for the Resource Accounts for 2024-25, provides detailed commentary on the performance of Revenue Scotland in delivering its statutory functions.

This document includes Revenue Scotland's corporate governance arrangements and reporting for the Devolved Taxes Account, audit and risk arrangements, the Independent Auditor's report and the Financial Statements for the Devolved Taxes Account.

1 The Scottish Government Fiscal Framework governs how the Scottish Government is funded by the powers set out in the Scotland Act 2016 – [Fiscal Framework](#)

2 [Revenue Scotland Statistics](#)



Foreword

Summary of Devolved Tax Revenue

These financial statements report revenue of £962m (2023-24: £855m).

	2024-25 Tax, penalties & interest receivable Total £000	2024-25 Budget Act Estimates Total £000	2023-24 Tax, penalties & interest receivable Total £000
Land & Buildings Transaction Tax	899,162	730,000	784,372
Scottish Landfill Tax	55,938	58,000	68,372
Penalties & interest	6,457	0	2,714
Total	961,557	788,000	855,458

The values in the table above are for tax returns and amendments submitted during 2024-25 and for LBTT & SLfT returns received during April and May 2025 which relate to the period up to 31 March 2025. The returns submitted during 2024-25 may include adjustments to returns originally submitted in earlier years. However, unless these adjustments were accrued into the financial statements of the relevant year, these are accounted for in the year of receipt.

The LBTT tax revenue raised in 2024-25 is dependent on the performance of both residential and non-residential property markets within Scotland. The SLfT tax revenue raised in 2024-25 is dependent on categories and tonnage of waste deposited in landfill sites in Scotland.

Revenue Scotland is not responsible for the forecasting of expected tax revenues. The Scottish Fiscal Commission is responsible for providing independent forecasts of tax revenue and provided the forecast for the Budget (Scotland) Act 2024-25. The Budget (Scotland) Act 2024-25 estimates were included in Scotland’s Economic and Fiscal Forecasts published in December 2023. The [SFC’s Forecast Evaluation Reports](#) detail the reasons for where forecasts differed from tax outturns.





Accountability Report



Accountability Report

Corporate Governance Report

Statement of the Accountable Officer's responsibilities

Under section 19(4) of the [Public Finance and Accountability \(Scotland\) Act 2000](#),

Scottish Ministers have directed Revenue Scotland to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Revenue Scotland and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- ▶ observe the Accounts Direction issued by 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 Permanent Secretary of the Scottish Government (SG), who is the Principal Accountable Officer for the Scottish Administration has designated, in accordance with sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000, the Chief Executive of Revenue Scotland as Accountable Officer for Revenue Scotland.

The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which they are answerable, for keeping proper records and for safeguarding the Revenue Scotland's assets, are set out in the [Scottish Public Finance Manual](#).

The Accountable Officer may consult with the SG Chief Financial Officer (CFO) on any aspects of the duties applying to Accountable Officers in the Scottish Administration. The Accountable Officer must consult the CFO on any action which they consider is inconsistent with their duties on financial, regulatory or propriety grounds, and specifically where they seek written authority from the Scottish Ministers or a direction from the Board of Revenue Scotland. In practice, the Chief Executive will delegate authority widely to other employees of Revenue Scotland but cannot, on that account, disclaim responsibility. The Chief Executive is responsible for informing the Principal Accountable Officer about any complaints about Revenue Scotland accepted by the Scottish Public Services Ombudsman (SPSO) for investigation and about the response to any subsequent recommendations from the SPSO.

Accountability Report

Corporate Governance Report

As the Accountable Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Revenue Scotland's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

I confirm that this Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement and Framework

Governance Statement

In the paragraphs below, I report on the governance arrangements in place within Revenue Scotland.

Governance Framework

Revenue Scotland is responsible for the administration and collection of Scotland's wholly devolved taxes. The relevant powers and duties of Revenue Scotland, and of the Scottish Ministers are set out in the Revenue Scotland and Tax Powers Act 2014.

Scottish Ministers are responsible for appointing the Board of Revenue Scotland following a public appointment exercise, regulated by the Commissioner for Ethical Standards in Public Life in Scotland.

Ministers must not direct, or otherwise seek to control Revenue Scotland in the exercise of its functions but they may give guidance. This guidance must be published and laid before the Scottish Parliament unless

Ministers consider that to do so would prejudice the effective exercise by Revenue Scotland of its functions. Scottish Ministers are responsible for setting rates, bands and thresholds relating to the devolved taxes, subject to the approval of the Scottish Parliament.

The Board of Revenue Scotland is collectively responsible for the leadership and direction of the organisation and for ensuring that it carries out its statutory functions effectively and efficiently. It may delegate any of its functions to an individual Board member, a committee of the Board, the Chief Executive, or any other staff member, but it will retain its responsibility for carrying out its function.

As the Chief Executive of Revenue Scotland, I am employed by, and accountable to, the Board of Revenue Scotland for the day-to-day running of the organisation and its operational performance. In this role I seek assurance that appropriate controls are in place across the organisation, and in respect of the partners whom we rely on to support us in delivering our objectives, and I can confirm that these have been in operation during 2024-25 and to the date of signing these accounts.

I am supported by the Senior Leadership Team (SLT), who oversee the day-to-day business of Revenue Scotland, with each member taking responsibility for a specific area. The SLT is made up of the Chief Executive, the Head of Tax, the Head of Corporate Functions and the Head of Legal Services.



Accountability Report

Corporate Governance Report

Operation of the Board and committees

Our Board is responsible for the functions and powers of Revenue Scotland and delegates authority to staff through a [Scheme of Internal Delegation](#). The Board sets the strategic direction for the organisation, oversees Revenue Scotland's work and monitors performance, including the design and operation of risk and governance frameworks. They do this through scrutiny and, where appropriate, approval of:

- ▶ corporate plans and business plans
- ▶ key strategies and policies
- ▶ regular reports, including reports relating to risk management, corporate performance, tax compliance, staff, health, safety and wellbeing, changes in the devolved taxes, progress on the introduction of new taxes
- ▶ scrutiny of the Annual Reports and Accounts
- ▶ reports from the Audit and Risk and Staffing and Equalities Committees
- ▶ strategic engagement with key partners and service users.

I can report that during 2024-25 the Board met on six occasions which included a Board strategy session (2023-24: six). During this time our Board scrutinised and considered a number of specific matters including:

- ▶ Proposals set out within Revenue Scotland's stakeholder engagement plan
- ▶ approval of the 2024-27 business plan
- ▶ approval of the Health and Safety Policy and policy statement

- ▶ development of the Data and Digital vision statement and progress to date for the data and digital programme
- ▶ the review of the Framework Document
- ▶ updates on the programme of activity related to the new taxes; Scottish Aggregates Tax and Scottish Building Safety Levy.

Audit and Risk Committee

The Audit and Risk Committee (ARC) supports the Board and Accountable Officer through reviewing the comprehensiveness, reliability and integrity of the assurances produced in support of the financial statements. The terms of reference of the committee are published on Revenue Scotland's website within the [Board's Standing Orders](#).

The committee fulfils its role through:

- ▶ scrutiny of risk management arrangements
- ▶ regular liaison with internal and external audit and scrutiny of their plans and reports
- ▶ considering and monitoring of responses to recommendations from internal and external auditors and other bodies
- ▶ review of the certificates of assurance produced by management as part of the financial reporting process and the Chief Executive's governance statement, and
- ▶ overseeing the financial reporting process.

Accountability Report

Corporate Governance Report

Members of the committee during 2024-25 were Martin McEwen (Chair until 22 January 2025), Simon Cunningham (Deputy Chair until 22 January 2025 and Chair from 23 January 2025) and Robert MacIntosh (Deputy Chair from 19 March 2025). Stephen Ramsay and Julie Hesketh-Laird were appointed to the committee on 3 February 2025 as co-opted non-voting members.

The committee is also attended by the Chief Executive, Head of Corporate Functions, Head of Legal Services, Head of Tax, Head of Governance, the Head of Finance and representatives of internal and external audit as well as other staff as required.

I can report that during 2024-25 the committee met seven times, this included a strategy session on risk management (2023-24: six). The committee engaged in a number of relevant matters including:

- ▶ consideration of reports from Internal Audit
- ▶ consideration of reports from Audit Scotland including their interim audit letter
- ▶ a strategy session to review Revenue Scotland's corporate risk register, with a focus on alignment to the new Corporate Plan 2025-27
- ▶ deep dive on the programme to deliver Scottish Aggregates Tax
- ▶ consideration of assurances around the introduction of new corporate IT systems for HR and Finance.

The committee reviewed its effectiveness during 2024-25, using the checklist set out in the Scottish Government's Audit Committee Handbook. It found no issues of concern which could affect its normal function.

Staff and Equalities Committee

The Staffing and Equalities Committee (SEC) advises and provides assurance to our Board and Accountable Officer on issues relating to: people; equality, diversity and inclusion; and health, safety and wellbeing.

During 2024-25 the committee continued to follow the new format for the operation of the committee that was introduced by the Board in 2022-23. This was aimed at ensuring a more strategic focus for the committee. Following their review, the committee agreed that this format continued to meet the needs of SEC and the Board, and should continue.

The terms of reference for the committee are published on Revenue Scotland's website within the [Board's Standing Orders](#).

Members of the committee during 2024-25 were Jean Lindsay (Chair), Idong Usoro (Deputy Chair) and Ken Macintosh. Elizabeth Barnes was appointed to the Committee on 3 February 2025 as a co-opted non-voting member.

Staff attendees comprise the Chief Executive, Head of Corporate Functions, Head of Legal Services, Head of Tax, Head of People Services and Head of Governance. Further staff members attend as required.

Accountability Report

Corporate Governance Report

I can report that during 2024-25, the committee met three times (2023-24: three) and engaged in a number of relevant matters including supporting the development and scrutiny of:

- ▶ the People Strategy and action plan
- ▶ staff survey
- ▶ workforce and succession planning
- ▶ health, safety and wellbeing, including the Health and Safety Policy, Policy Statement and Staff Handbook
- ▶ equality, diversity and inclusion (EDI), including the EDI Strategy and action plan.

The committee reviewed its effectiveness during 2024-25 and found no issues of concern which could affect its normal function.

Assurances Provided to the Accountable Officer

I have received written assurances from my Heads of Service, who have responsibility for the operation and effectiveness of internal controls within Revenue Scotland's Tax, Legal and Corporate Functions teams.

These assurances raised some issues in respect of financial controls within the organisation. The issues were identified by Audit Scotland and reported within their interim audit letter to our Audit and Risk Committee and some additional matters were identified internally relating to backlogs of work within the finance function.

Audit Scotland's interim audit letter, summarising the audit work completed during their 2024-25 interim audit of Revenue Scotland, identified four issues. Two of these related to recommendations from the prior year which had since been addressed. The other two related to weaknesses in controls around user permissions and to four sets of reconciliations which had not been undertaken in full during the year.

The other matters identified internally related to other routine finance tasks which had lapsed during the year, leading to backlogs.

Prompt action was taken to establish a programme of work to address the issues identified, overseen by a Steering Group including senior representation from the Scottish Government's Directorate of Internal Audit and Assurance.

All of the issues identified have been addressed and the backlogs all brought under control. I am pleased to report that, in undertaking this work, no fraud or losses of tax revenues were identified nor was there any delay to the annual audit process. The Board and Audit and Risk Committee were kept informed throughout and were assured by the action that has been taken.

In order to ensure that our controls are sufficiently robust and to prevent any recurrence of these issues, I have commissioned a review by our internal auditors which will examine the root causes and to make recommendations that will identify where we can enhance the controls we have in place.

Accountability Report

Corporate Governance Report

The Accountable Officer of the Scottish Environment Protection Agency (SEPA) has provided me with assurance in respect of the statutory functions delegated to them by Revenue Scotland. No significant issues were raised with me by SEPA.

In conclusion, I can confirm that, based on the aforementioned written assurances received, there were no significant control weaknesses identified in the period under review.

Report on personal data incidents

Revenue Scotland manages, maintains and protects all information according to the requirements of relevant legislation, its own information policies and best practice.

Revenue Scotland has an Information Assurance governance structure which prioritises and manages information risks.

The governance structure:

- ▶ protects the organisation, its staff and our taxpayers from information risks where the likelihood of occurrence and the consequences are significant
- ▶ ensures adherence with statutory duties and
- ▶ assists in safeguarding Revenue Scotland's information assets.

Revenue Scotland has a Senior Information Risk Owner (SIRO) and a number of Information Asset Owners (IAOs), who provide assurance to the SIRO that proper controls are in place. The SIRO role is to ensure information security policies and procedures are fit for purpose and are reviewed and implemented across all of Revenue Scotland's business functions.

The IAOs are tasked with ensuring compliance with statutory duties, knowing what information assets they 'own' and what information they handle, along with the relevant security requirements, sensitivity, importance and protocols for sharing of information assets.

In addition, our Information Governance Group (IGG) steers Revenue Scotland's approach to information governance, reviews issues arising with regards to data protection, carries out horizon scanning in relation to new legislative and other developments relating to information governance, and monitors our compliance with our mandatory legal obligations.

Accountability Report

Corporate Governance Report

Parliamentary scrutiny

As a Non-Ministerial Office, Revenue Scotland is accountable to the Scottish Parliament and, as such, can be called to appear before parliamentary committees to provide updates on operational matters, give evidence on tax related matters or provide written statements.

During 2024-25 Revenue Scotland attended Parliament on 19 November 2024 for an annual evidence session on Revenue Scotland's performance during 2023-24.

Revenue Scotland's Corporate Plan, supporting legislation and this Annual Report are published documents. The [Corporate Plan 2024-27](#), on which this document reports, was approved by Scottish Ministers and laid before the Scottish Parliament on 28 March 2024 and this report will be laid before Parliament in October 2025.

Corporate plans, annual reports and accounts and minutes of Revenue Scotland Board meetings are available on our [website](#).

Internal Audit

The Scottish Government's Directorate for Internal Audit and Assurance (DIAA) provide Revenue Scotland's internal audit service through a shared service arrangement with the Scottish Government.

DIAA produce an annual audit plan which is reviewed by the Audit and Risk Committee, who provide advice on the plan to the Board and the Accountable Officer. Regular updates on progress against the audit plan are presented by DIAA to the Audit and Risk Committee's meetings.

The Memorandum of Understanding between Revenue Scotland and DIAA was also reviewed during the year, reconfirming the basis for this service going forwards.

During the year, DIAA completed audits on the following:

Commercial Relationship Management

This review looked at the controls in place to manage risk around our contract and commercial relationship management arrangements. It found a good understanding of the role that commercial relationship management plays within the organisation and a strong attitude and ability to develop it further.

A 'Reasonable' assurance rating was awarded, recognising that there were some areas where improvements were required to enhance the adequacy and effectiveness of procedures. These areas for improvement related to:

- ▶ providing clarity in relation to the governance structure for contract management
- ▶ due diligence on lower value contracts
- ▶ maintaining the contracts register
- ▶ providing contract extension/award recommendations in a timely manner.

The report also recommended identifying actions to strengthen capability around commercial relationship management and to ensure that the organisation obtains the most benefit and added value from commercial relationships.

Accountability Report Corporate Governance Report

Stakeholder Engagement

This review looked at the controls in place to manage the risk surrounding our stakeholder engagement arrangements. The work considered the approach taken by Revenue Scotland and the benefits it had delivered.

A 'Reasonable' assurance rating was awarded, recognising that there were some areas where improvements were required to enhance the adequacy and effectiveness of procedures. The review found the overall controls and governance of stakeholder engagement were well managed and identified opportunities for improvement related to: improving capacity and capability across all teams to deliver a consistent standard of stakeholder engagement; improving guidance to facilitate a more consistent approach to recording of stakeholder engagement data; strengthening the lessons learned approach; and further developing the Stakeholder Engagement plan to provide more clarity and ensuring that the plan is followed consistently.

Information Management

This review evaluated and reported on the controls in place to manage the risk surrounding Revenue Scotland's information management arrangements.

A 'Substantial' assurance rating was awarded. The review highlighted the organisation's strong and compliant information management practices, which aligned with applicable Scottish Government guidance. It was noted that there was: a clearly defined Accountability Report Corporate Governance Report Accountability Report Corporate Governance Report Revenue Scotland Annual Report and Accounts 2024-25 Resource Accounts 80 governance structure to support effective oversight; efficient information management gathering and dispersal methods; and robust data protection measures in place. It also recognised work to enhance information management capabilities and work to ensure that information management documents, strategies and policies were kept up-to-date.

Opportunities for improvement were identified in relation to the review of data held on shared drives, to ensure on-going compliance with organisational information management policies, and ensuring that information management roles held by staff were consistently reflected within individual's annual work objectives.'

Accountability Report

Corporate Governance Report

Annual Assurance Opinion 2024-25

The overall annual assurance opinion provided by DIAA for 2024-25 was 'Substantial' assurance. This reflects DIAA's opinion that Revenue Scotland's risk, governance and control procedures remain effective in supporting the delivery of its objectives and that any exposure to potential weakness is low and the materiality of any consequent risks negligible.

DIAA reported that the culture within Revenue Scotland continues to be open to audit and assurance, with the RS Senior Leadership Team engaging with designated DIAA contacts on key strategic and operational matters.'

External Audit

External Audit is provided by Audit Scotland. The Audit Director is appointed under the Public Finance and Accountability (Scotland) Act 2000 to carry out the external audit of Revenue Scotland and the devolved taxes. During the year, the Audit and Risk Committee scrutinised Audit Scotland's audit plan and received regular updates from them. The Independent Auditor's Report can be found on page 18.

As part of the 2023-24 audit undertaken by Audit Scotland, two matters were highlighted for attention, namely:

- ▶ the risk that the related party disclosure may be incomplete or inaccurate; and
- ▶ the scope for medium-term financial planning arrangements to be developed further to highlight and ensure financial sustainability.

Action to address these matters is underway and is expected to be completed during 2025-26.

Audit Scotland issued an interim audit letter in May 2025, in which they summarised the audit work they had undertaken during their 2024-25 interim audit of Revenue Scotland and identified some risks related to financial controls which required to be addressed. Details of the organisation's response to this letter are set out in the Assurances Provided to the Accountable Officer section on page 12.

Accountability Report

Corporate Governance Report

Assessment of corporate governance

Revenue Scotland has in place a system of internal controls and policies which are designed to safeguard its assets, data and ensure the reliability of financial records in relation to operational and tax duties.

I have noted above the issues experienced in relation to some of our finance controls. I am satisfied that the action that has been taken has ensured that these controls are now all working satisfactorily. In addition, the review by our internal auditors will provide me with additional assurance and expert advice on any further actions we should be taking to ensure that these controls are as robust as they can be moving forward.

I continue to ensure that these controls are subject to review by management on a regular basis. Our internal controls also undergo formal review by both Internal and External Audit, whose reports are made available to the Audit and Risk Committee. Having assessed our corporate governance arrangements, I confirm that they comply with generally accepted best practice principles and relevant guidance.

Risk management

I have assessed our risk management arrangements and confirm that they are in accordance with the guidance set out in the Scottish Public Finance Manual. The year-end Certificates of Assurance include a dedicated section assessing the effectiveness of Revenue Scotland's risk management approach over the year and no significant control matters were raised. This, alongside the detailed review of the Corporate Risk Register undertaken with our Audit Committee and the assessment of risk throughout the year, contributes to my overall confidence assessment offered; further confirming that robust arrangements and practices were in operation throughout 2024-25.

Elaine Lorimer

**Elaine Lorimer – Chief Executive of
Revenue Scotland and Accountable Officer**

02 October 2025



Independent Auditor's Report

Independent Auditor's report to
the Auditor General for Scotland
and the Scottish Parliament

Independent Auditor's report to 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 Revenue Scotland Devolved Taxes Account for the year ended 31 March 2025 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Revenue and Expenditure, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements. 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 2024/25 Government Financial Reporting Manual (the 2024/25 FReM).

In my opinion the accompanying financial statements:

- ▶ give a true and fair view of the state of affairs of the account as at 31 March 2025 and of the net revenue for the year then ended;
- ▶ have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 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 27 May 2025. My period of appointment is three years, covering 2024/25 to 2026/27. I am independent of the account 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 account. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Independent Auditor's report to the Auditor General for Scotland and the Scottish Parliament

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 account'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 account's current or future financial sustainability. However, I report on the account'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 account'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.

Independent Auditor's report to the Auditor General for Scotland and the Scottish Parliament

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 account;
- ▶ 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 account;
- ▶ inquiring of the Accountable Officer concerning the account'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 account'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.

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.

Independent Auditor's report to the Auditor General for Scotland and the Scottish Parliament

Reporting on other requirements

Other information

The Accountable Officer is responsible for the other information in the Revenue Scotland Devolved Taxes Account. The other information comprises the Foreword and the Accountability 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 have 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 Foreword 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 the Foreword and Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the Foreword 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.

Independent Auditor's report to the Auditor General for Scotland and the Scottish Parliament

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 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 Revenue Scotland Devolved Taxes Account, 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.

Lisa Duthie

Lisa Duthie
Audit Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT
02 October 2025



Devolved Taxes Account 2024-25: Financial Statements

Devolved Taxes Account 2024-25

Financial Statements

Statement of Revenue and Expenditure

for the year ended 31 March 2025

	Note	2024-25 £000	2023-24 £000
Revenue			
Taxes			
Land and Buildings Transaction tax	2.1	899,162	784,372
Scottish Landfill tax	2.1	55,938	68,372
Total taxes		955,100	852,744
Penalties and Interest			
Penalties	2.2	5,580	2,178
Interest	2.2	877	536
Total penalties and interest		6,457	2,714
Total Revenue		961,557	855,458
Expenditure			
Interest paid	3.1	(2,548)	(1,386)
Decrease/(Increase) in impairments	3.2	(6,457)	(862)
Debts written off	3.2	1	(53)
Total expenditure		(9,004)	(2,301)
Net revenue for the Scottish Consolidated Fund		952,553	853,157

There were no recognised gains or losses accounted for outside the Statement of Revenue and Expenditure.

The notes on page 29-43 form part of these financial statements.



Devolved Taxes Account 2024-25

Financial Statements

Statement of Financial Position

as at 31 March 2025

	Note	2024-25 £000	2023-24 £000
Current assets			
Receivables	4.1	25,734	17,434
Accrued revenue receivable	4.1	31,374	26,854
Cash	5	116,248	56,015
Total current assets		173,356	100,303
Current liabilities			
Payables and on account balances	6	(6,647)	(3,855)
Total current liabilities		(6,647)	(3,855)
Net current assets		166,709	96,448
Total assets less current liabilities		166,709	96,448
Total net assets		166,709	96,448
Represented by:			
Balance due to the Scottish Consolidated Fund	7	166,709	96,448

The notes on pages 29-43 form part of these financial statements.

The Chief Executive and Accountable Officer of Revenue Scotland authorised these financial statements for issue on 02 October 2025

Elaine Lorimer

Elaine Lorimer – Chief Executive of Revenue Scotland and Accountable Officer



Devolved Taxes Account 2024-25

Financial Statements

Statement of Cash Flows

for the year ended 31 March 2025

	Note	2024-25 £000	2023-24 £000
Net cash flows from operating activities		942,525	872,098
Cash paid to Scottish Consolidated Fund	7	(882,292)	(878,018)
(Decrease)/Increase in cash in this period	5	60,233	(5,920)
Notes to the Statement of Cash Flows			
A Reconciliation of net cash flows to movement in net funds			
Net revenue for the Scottish Consolidated Fund	SoRE	952,553	853,157
Decrease/(Increase) in non-cash assets	4.1	(12,820)	18,981
(Decrease)/Increase in liabilities	6	2,792	(40)
Net cash flows from operating activities		942,525	872,098
Net cash flows from investing activities		0	0
Net cash flows from financing activities		0	0
B Analysis of changes in net funds			
(Decrease)/Increase in cash in this period		60,233	(5,920)
Net funds at 1 April		56,015	61,935
Net funds at 31 March	5	116,248	56,015

The notes on pages 29-43 form part of these financial statements.





Notes to the Accounts



Devolved Taxes Account 2024-25 Financial Statements Notes to the Accounts

1. Statement of accounting policies

1.1 Basis of accounting

In accordance with the accounts direction issued by the Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, these financial statements have been prepared in accordance with the 2024-25 Government Financial Reporting Manual (FReM), issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The income and associated expenditure contained within these statements are those flows of funds which Revenue Scotland handles on behalf of the Scottish Consolidated Fund and where it is acting as agent rather than principal.

The Devolved Taxes Account have been prepared on a going concern basis, which provides that the organisation will continue in operational existence for the foreseeable future.

Devolved Taxes Account 2024-25

Notes to the Accounts

1.2 Accounting convention

The Devolved Taxes Account have been prepared in accordance with the historical cost convention. Taxes (including repayments) are accounted for on an accruals basis and where necessary, estimation techniques have been selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard (IAS) 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Critical accounting judgements and key sources of estimation

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates. It also requires management to exercise judgement in the process of applying accounting policies. For the Devolved Taxes Accounts the significant assumptions and estimates are set out in the accounting policies and/or notes to the accounts. The 31st May has been used as the cut-off point for accrual purposes.

1.3 New accounting standards

In accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors, changes to International Financial Reporting Standards (IFRS) that have been issued but not yet effective have been reviewed for impact on the financial statements in the period of initial application. There are no updates to the standards that are considered to be relevant to Revenue Scotland's Devolved Taxes Account.

IFRS17 (Insurance Contracts) is expected to replace IFRS 4 (Insurance Contracts) in 2025-26, it is not expected that this will impact on the Devolved Taxes Accounts.

1.4 The tax gap

The tax gap is not recognised in the Devolved Taxes Account. The tax gap is the difference between the amount of tax that should, in theory, be collected by Revenue Scotland (the theoretical liability), against what is actually collected. The theoretical liability represents the tax that would have been paid if all individuals and companies complied with both the letter of the law and Revenue Scotland's interpretation of the intention of the Scottish Parliament in setting law (referred to as the spirit of the law). Revenue Scotland undertakes compliance work in order to limit the tax gap.

Devolved Taxes Account 2024-25

Notes to the Accounts

1.5 Financial instruments

Revenue Scotland collects tax revenue on behalf of the Scottish Ministers for the Scottish Consolidated Fund, therefore financial instruments play a limited role in creating and managing risk. The only financial instruments within the accounts are financial assets in the form of receivables and financial liabilities in the form of payables.

1.6 Revenue recognition – Taxation

Taxes are measured in accordance with IFRS 15: Revenue from Contracts with Customers. They are measured at the fair value of amounts received or receivable, net of repayments. Revenue is recognised when:

- ▶ A taxable event has occurred, the revenue can be measured reliably and it is probable that the economic benefits from the taxable event will flow to the Scottish Consolidated Fund. A taxable event therefore occurs when a liability arises to pay a tax.

Repayments of Additional Dwelling Supplement are recognised when the taxpayer or agent submits a claim for repayment creating an obligating event, and the sale of the previous main residence falls within the reported financial year or earlier.

1.7 Revenue recognition – Penalties and Interest

Penalties and interest are measured in accordance with IFRS 15. They are measured at the fair value of amounts received or receivable. Revenue is recognised when:

- ▶ A penalty or interest charge is validly imposed and an obligation to pay arises.

Penalty and interest revenue is de-recognised:

- ▶ When a penalty is cancelled following the correction of a tax return arising from a minor error by the taxpayer or agent;
- ▶ Where a penalty is cancelled following a review by Revenue Scotland; and
- ▶ Where a taxpayer's appeal against the penalty is upheld by the Scottish Tribunals.

Where penalty and interest revenue has been previously recognised and is later deemed uncollectable for reasons other than those shown above, this is recorded as an expense at the date of the decision.

1.8 Contingent assets

IAS 37: **Provisions, Contingent Liabilities and Contingent Assets**, defines a Contingent Asset as a possible asset, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control. Contingent assets often cannot be reliably quantified; where values can be determined these have been provided.

Devolved Taxes Account 2024-25

Notes to the Accounts

Contingent assets are not recognised within the Statement of Revenue and Expenditure or Statement of Financial Position but are disclosed as notes within Revenue Scotland's accounts.

1.9 Contingent liabilities

IAS 37: **Provisions, Contingent Liabilities and Contingent Assets**, defines a Contingent Liability as a possible liability, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control. Contingent liabilities often cannot be reliably quantified; where values can be determined these have been provided.

Contingent liabilities are not recognised within the Statement of Revenue and Expenditure or Statement of Financial Position but are disclosed as notes within Revenue Scotland's accounts.

1.10 Receivables

Revenue Scotland determines impairments in accordance with IFRS 9: Financial Instruments. Impairments have been measured by applying the credit loss model set out in IFRS 9. The impairment model in IFRS 9 is based on the premise of providing for expected losses utilising available information and considering the probability of collection.

Devolved Taxes Account 2024-25

Notes to the Accounts

2. Revenue and other income

2.1 Taxes

	2024-25 £000	2023-24 £000
Land & Buildings Transaction Tax		
Residential	485,450	421,046
Non-residential	233,972	187,100
Additional Dwelling Supplement (ADS)	257,789	237,911
Repayment of ADS	(78,049)	(61,685)
Total Land & Buildings Transaction Tax	899,162	784,372
Scottish Landfill Tax	55,938	68,372
Total	955,100	852,744

Land and Buildings Transaction Tax is payable on the acquisition of a chargeable interest in, or over, land in Scotland.

Additional Dwelling Supplement (ADS) is payable on the purchase of additional residential properties in Scotland. It is repayable where the taxpayer's previous main residence is sold and the [qualifying conditions](#) are met.

Scottish Landfill Tax is payable on disposals of waste material in Scotland made by way of landfill.

Devolved Taxes Account 2024-25

Notes to the Accounts

2.2 Penalties and interest

	Year of Offence	Penalty £000	2024-25 Interest £000	Total £000	Penalty £000	2023-24 Interest £000	Total £000
Land and Buildings Transaction Tax	2024-25	568	70	638			
	2023-24	57	67	124	665	48	713
	2022-23	60	16	76	363	148	511
	Pre 2022	4,321	473	4,794	1,077	76	1,153
	Total	5,006	626	5,632	2,105	272	2,377
Scottish Landfill Tax	2024-25	439	79	518			
	2023-24	135	172	307	164	109	273
	2022-23	0	0	0	118	22	140
	Pre 2022	0	0	0	(209)	133	(76)
	Total	574	251	825	73	264	337
Total penalties & interest		5,580	877	6,457	2,178	536	2,714

Penalties are charged on the late receipt of tax returns, late payments or other reasons permitted under the RSTPA. Penalties are recognised when a penalty notice has been issued to the taxpayer.

Interest is charged on the late payment of tax returns or penalties.

Devolved Taxes Account 2024-25

Notes to the Accounts

3. Expenditure

3.1 Interest paid

	2024-25 £000	2023-24 £000
Land & Buildings Transaction Tax	2,544	1,378
Scottish Landfill Tax	4	8
Total Interest paid	2,548	1,386

Interest payable by Revenue Scotland on the repayment of any tax or penalties.

3.2 Revenue losses and gains

	Debts written off £000	Increase/ (decrease) in impairments £000	2024-25 Total £000	2023-24 Total £000
Land & Buildings Transaction Tax	(1)	1,418	1,417	915
Scottish Landfill Tax	0	5,039	5,039	0
Total	(1)	6,457	6,456	915

Revenue losses and gains are made up of revenue write-offs and the movement in the impairment of receivables (further information can be found in Note 4.2 Change to impairments).

Debts written off are amounts that, after all reasonable action has been taken and following careful appraisal, have been considered to be irrecoverable.

Impairment reflects the prospects of recovery in relation to debt recovery action.

Devolved Taxes Account 2024-25

Notes to the Accounts

4. Receivables

4.1 Amounts due:

	Receivables £000	Accrued Revenue Receivable £000	2024-25 Total £000	2023-24 Total £000
Land & Buildings Transaction Tax	25,174	17,208	42,382	31,298
Scottish Landfill Tax	9,856	14,166	24,022	15,829
Totals before impairments	35,030	31,374	66,404	47,127
Less impairments (see note 4.2)	(9,296)	0	(9,296)	(2,839)
Total	25,734	31,374	57,108	44,288

Receivables represents taxpayer liabilities where a liability has been assessed and not paid at the date of the statement of financial position, including amounts due from those on whom financial penalties have been imposed prior to, but not paid at that date.

Accrued Revenue Receivable represents taxpayer liabilities which relate to the financial year but for which the liability had not been assessed as at the date of the Statement of Financial Position. These may include estimates made by Revenue Scotland of those activities.

4.2 Change to impairments

	LBTT £000	SLFT £000	2024-25 Total £000	2023-24 Total £000
Balance at 1 April	2,839	0	2,839	1,977
Change in estimated value of impairments	1,418	5,039	6,457	862
Balance at 31 March	4,257	5,039	9,296	2,839

Impairments are debts which are currently being pursued but which are considered likely to be irrecoverable in the longer term. Receivables in the Statement of Financial Position are reported after the deduction of the estimated value of impairments. The estimate is based on a number of factors including where legal action has been initiated.



Devolved Taxes Account 2024-25

Notes to the Accounts

5. Cash

	2024-25 Total £000	2023-24 Total £000
Government Banking Service	65,456	55,292
Commercial Bank	50,792	723
Total	116,248	56,015

Cleared funds are paid over to the Scottish Consolidated Fund on a monthly basis in arrears. The above balances represent funds received from taxpayers which had not been paid over to the Scottish Consolidated Fund as at 31 March 2025 and which were paid over during 2025-26. Delays in actioning transfers from the Commercial Bank account held by Revenue Scotland resulted in a large cash balance being held at 31st March 2025. This was an isolated incident and was resolved in 2025-26 with funds transferred to the Scottish Consolidated Fund.

6. Payables and on account balances

	Revenue Repayable £000	2024-25 Total £000	2023-24 Total £000
Land & Buildings Transaction Tax	6,482	6,482	3,770
Scottish Landfill Tax	165	165	85
Balance at 31 March	6,647	6,647	3,855

Taxes are structured in such a manner that taxpayers are entitled to amend their return within twelve months of the effective date of the transaction and claim a repayment.

Revenue repayable relates to outstanding repayments of tax or penalties, including claims for repayment of Additional Dwelling Supplement, where the amount has been established at the date of the Statement of Financial Position. It also includes any credit balances which may be repayable in the future.

Devolved Taxes Account 2024-25

Notes to the Accounts

7. Balance due to the Scottish Consolidated Fund Account

	2024-25 £000	2023-24 £000
Balance due at 1 April	96,448	121,309
Net revenue for the Scottish Consolidated Fund	952,553	853,157
Less amount paid to Scottish Consolidated Fund	(882,292)	(878,018)
Balance due at 31 March	166,709	96,448

Only cleared funds are paid over to the Scottish Consolidated Fund. The balance represents accrued income and amounts that remain outstanding or funds which are still to be paid over to the Scottish Consolidated Fund at the date of the Statement of Financial Position.

Devolved Taxes Account 2024-25

Notes to the Accounts

8. Contingent assets

Contingent assets can arise as a result of a deferral being granted by Revenue Scotland, or as a result of appeals to the Scottish Tax Tribunals or as a result of an enquiry into tax returns received.

Deferrals

LBTT Deferrals	2024-25 Total £000	2023-24 Total £000
At 1 April	6,607	6,059
Additions	7,267	1,082
Amounts not materialising	(128)	(509)
Amounts materialised	(19)	(25)
At 31 March	13,727	6,607

Property buyers can make applications to Revenue Scotland to defer the LBTT payable on a land transaction where:

- ▶ the whole or part of the chargeable consideration is contingent or uncertain and;
- ▶ the chargeable consideration becomes payable more than six months after the effective date of the transaction.

This could include, for example, a situation where additional consideration is payable by the buyer if planning permission is obtained after the sale.

Where a deferral has been granted, the amount of tax due is not recognised within the financial statements until the chargeable consideration materialises. The estimated timings are:

	2024-25		2023-24	
	No	£000	No	£000
Due within 1 year	115	6,239	61	2,373
Due within 2-5 years	71	2,311	66	1,486
Due in more than 5 years	56	5,177	60	2,748
Total	242	13,727	187	6,607



Devolved Taxes Account 2024-25

Notes to the Accounts

8. Contingent assets

Tribunal cases

Those aggrieved by an appealable decision made by Revenue Scotland may dispute that decision by requesting that Revenue Scotland carry out a review and/or by making an appeal to the Tax Chamber of the First-tier Tribunal for Scotland (FTTS). Mediation may also be entered into at any time.

Where appeals have been made to either the FTTS or Upper Tribunal, the tax revenue and any associated penalties and interest are not recognised in the Statement of Revenue and Expenditure or Statement of Financial Position but are disclosed as contingent assets due to the uncertainty of the outcome.

Tribunal cases	2024-25 Total £000	2023-24 Total £000
At 1 April	1,168	53
Additions	242	1,168
Recognised in year	(67)	(27)
De-recognised in year	0	(26)
At 31 March	1,343	1,168

Further information on the nature and value of these contingent assets cannot be disclosed as to do so may result in the disclosure of protected taxpayer information.

Devolved Taxes Account 2024-25

Notes to the Accounts

8. Contingent assets

Enquiries

Revenue Scotland has the power to open an enquiry which can cover anything contained, or required to be contained, in a tax return relating to:

- ▶ Whether the taxpayer is liable to pay tax; and
- ▶ The amount of tax due.

The enquiry has to be closed within three years of the filing date of the tax return where the filing date for LBTT is 30 days after the effective date of the transaction and for SLfT is 44 days after the end of the relevant quarter. At the conclusion of the enquiry Revenue Scotland will advise the taxpayer of the outcome and whether an amendment to the tax return and/ or the tax due is required. When the enquiry is completed and a closure notice issued, any additional tax or reduction in tax is recognised in the financial statements at the date of closure.

Revenue Scotland has a number of open enquiries into LBTT and SLfT tax returns but management are of the opinion that:

- ▶ Some of these enquiries are at an early stage and it may not yet be possible to assess with certainty the amount of tax subject to the enquiry;
- ▶ To disclose values of additional tax in these circumstances may prejudice the outcome of those enquiries.

For these reasons a value for contingent assets relating to enquiries has not been disclosed in these financial statements.

Devolved Taxes Account 2024-25

Notes to the Accounts

9. Contingent liabilities

Additional Dwelling Supplement

Property buyers who have included ADS in their LBTT tax return are entitled to seek a repayment of the supplement if they meet certain criteria, including selling their previous main residence. When they submit a claim then this is recognised in the accounts in accordance with our accounting policy.

However, where no such claim has been received there is not an “obligating event” in terms of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, and as a result any amounts that may be due to taxpayers are treated as a contingent liability.

Taxpayers are invited to indicate their intention to sell their previous main residence and seek repayment of ADS when submitting their tax return. Where taxpayers have indicated in their tax return that it is their intention to sell their previous main residence but have not done so by the end of the financial year, then the potential refund is disclosed as a contingent liability. For 2024-25 all such amounts of ADS are estimated as £60m (2023-24: £51m).

It should be noted that this is an indicative figure, based on the information received from taxpayers in their tax return.

Enquiries

As outlined in Note 8 Revenue Scotland has a number of open enquiries into LBTT and SLfT tax returns which may, or may not, result in additional tax or a reduction in tax liabilities.

Management are of the opinion that:

- ▶ Some of these enquiries are at an early stage and it may not yet be possible to assess with certainty the amount of tax subject to the enquiry;
- ▶ To disclose values of possible tax in these circumstances may prejudice the outcome of those enquiries.

For these reasons a value for contingent liability relating to enquiries has not been disclosed in these financial statements

Disputes

There is a possibility that Revenue Scotland may be required, as a result of tax disputes, to refund tax, penalties and/or interest which has been recognised in these or prior year financial statements. As with all disputes there will be uncertainty as to the outcome. There are no individual cases where the amounts involved are estimated to be material.

Devolved Taxes Account 2024-25

Notes to the Accounts

10. Related Party Transactions

There were no related party transactions requiring disclosure under IAS 24 for 2024/25 or 2023/24.

Accounts Direction



Scottish Government
Riaghaltas na h-Alba
gov.scot

REVENUE SCOTLAND

DEVOLVED TAXES ACCOUNT

DIRECTION BY THE SCOTTISH MINISTERS

In accordance with section 19(4) of the Public Finance and Accountability Scotland Act 2000, The Scottish Ministers hereby give the following direction:

1. Revenue Scotland will prepare, for the financial year ended 31 March 2021, and subsequent years, an account of the devolved taxes collected by Revenue Scotland in the exercise of its functions. The account shall show the amounts receivable from the collection of taxes, any deductions permitted and amounts paid to the Scottish Consolidated Fund in accordance with the Revenue Scotland and Tax Powers Act 2014.
 2. The account shall comply with the relevant accounting principles and disclosure requirements, as specified in the Government Financial Reporting Manual (FReM) which is in force for the year for which the account is prepared.
 3. The account shall comprise:
 - A Foreword - explaining the statutory background and respective responsibilities of Scottish Ministers, Revenue Scotland etc. in relation to the Devolved Taxes.
 - An Accountability report:
 - a statement of the Accountable Officer's responsibilities in relation to the account
 - a Governance Statement setting out the framework for the Devolved Taxes as this relates to their payment into the Scottish Consolidated Fund. This may link to, but need not repeat, Revenue Scotland's Governance statement dealing with the wider operation of the systems for the taxes.
 - Financial Statements:
 - A statement of revenue and related expenditure
 - A Statement of Financial Position
 - A Statement of Cash Flows
 - And such notes to the account as may be necessary.
 4. The account shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
 5. This direction shall be reproduced as an appendix to the accounts. The previous Accounts Direction dated 24 April 2018 is hereby revoked
- Signed by the authority of the Scottish Ministers

Chief Financial Officer
27th October 2021

Contact details:

Revenue Scotland
PO Box 24068
Victoria Quay
Edinburgh
EH6 9BR

Visit: www.revenue.scot