

Architecture+Design Scotland Annual Report 2011/12

Laid before the Scottish Parliament 19 December 2012.
SG/2012/36



Architecture+DesignScotland
Ailtearachd is Dealbhadh na h-Alba

ARCHITECTURE AND DESIGN SCOTLAND: ANNUAL REPORT 2011/12

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Cover Image:
A model made by participants at the Access Education Team's Portfolio Building event.

Chair's Summary



Karen Anderson,
Chair of A+DS

Reflecting on our operational year 2011/12, the Scottish Parliament Debate on Architecture and Place was a milestone: a very positive event affirming the relevance of our work and mission. It was really encouraging to hear the MSPs who spoke giving cross-party support to the Cabinet Secretary for Culture's intention to create a new architecture and place policy for Scotland. Each MSP outlined their particular reasons why the quality of architecture and place was important. All addressed the issue from varying perspectives, but the message was consistent: the design of our environment and buildings is important for all of us and for Scotland's long-term prosperity.

In this year also, concurrent with the publication of the Portas Review, we launched *High Street* – a touring exhibition that considered the cultural relevance of our Scottish high streets. It touches on the current challenges facing us in our desire to support our important shared heritage. It offers some creative responses to the issues from specific groups of young people in organised workshops; from the public in general who attended the venues; and from 'experts' and stakeholders brought together in a special event and seminar to consider actions for helping our high streets thrive in the future. Our work on this key issue continued in 2012/13 with location-specific projects working with organisations aiming to regenerate their places and high streets.

In 2011 we held our annual Design Skills Symposium in Stirling where we asked the attendees from all disciplines involved in the planning and development process, to work together to consider proposals to tackle the specific challenges facing Stirling town centre and its surrounding development sites. We have subsequently developed this stream of our work with live projects.

As I write, in Stirling the 'Start Up Street' project we are involved in is gathering momentum, the Town Centre Review is in train, and the Architecture and Place Policy consultation responses have been published. In the year ahead we will continue to build the on key themes emerging from the Policy and the Review, and to further develop the team working that is creating an 'on the ground' difference in Stirling and elsewhere in Scotland's places.

Chief Executive's Summary

During 2011-12 we continued to deliver a high quality programme of work to promote the value of design and support the creation of good buildings and places across Scotland. Our programme is published in a business plan prepared corporately to ensure our work is aligned effectively and contributes to the national outcomes set by the Government. In taking this programme forward, we met regularly with the Cabinet Secretary for Culture and External Affairs, Fiona Hyslop MSP and our sponsors in the Scottish Government.

Our work is delivered primarily through the activities of our six programmes, who place an increasing emphasis on working together to achieve objectives. Their work is outlined in the pages that follow but it is perhaps worth highlighting just one of our key activities.

Our second Design Skills Symposium took place in Stirling in September 2011. It attracted over 100 delegates from a range of disciplines in the built environment in Scotland who participated in workshops to create proposals for the city. With each day featuring inspiring speakers including David Sim, Ben Hamilton Baillie and Sarah Longlands the event was an effective means of supporting increased collaboration across the professions. As part of the event Fiona Hyslop MSP, Cabinet Secretary for Culture and External Affairs, addressed the Symposium and officially launched the publication "New Design in Historic Settings" which was produced by Architecture and Design Scotland, Historic Scotland and Scottish Government.

This is but one example of our wider efforts to develop new approaches to delivering better places, through building confidence, trust and understanding amongst professionals and the communities they serve. We believe that by using design thinking in this way, to create the best places possible, we can add value to the work of our partners across the sectors and contribute positively to Scotland's future.



Jim MacDonald,
Chief Executive, A+DS

Postcards from...

In 2011/12 members of the A+DS board visited two different local authority areas - Dundee City and North Lanarkshire - to meet with those working in various projects of regeneration. The purpose of the visits was to create opportunities for learning and understanding how and when A+DS could offer help and support. Here are two short postcards with impressions from the visits.

In November 2011, members of the A+DS Board visited various sites throughout North Lanarkshire.

A striking memory from the Board's visit to North Lanarkshire is the lively, enthusiastic Council staff describing their distinctive and well-led approach to small town regeneration in Wishaw. Not Scotland's most glamorous town, maybe: but one with committed people, a clear Town Centre Action Plan, and action on its implementation.

In addition to Wishaw High Street, the Board also toured Motherwell town centre, Ravenscraig's development area and new regional Leisure Centre and the Wellwynd in Airdrie.

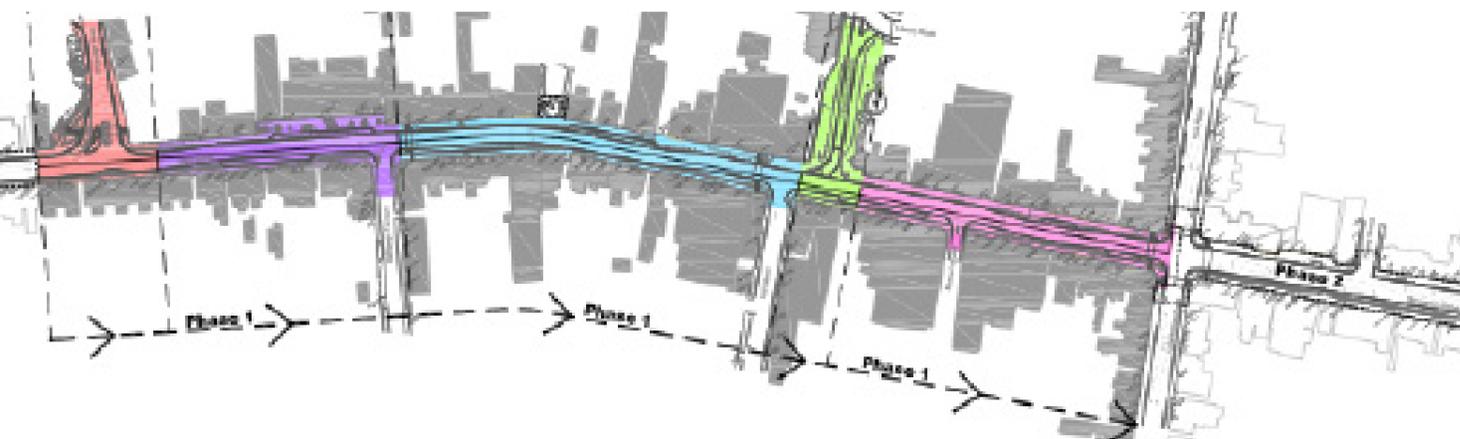
There are some parallels and shareable 'lessons' for authorities across the country:

- o Not giving up on the little (post-industrial) places. The work in Wishaw showed how Councils can decide such a centre's role and support it - working with the existing fabric, heritage, form and elements of quality; and making detailed block-by-block upgrades, to add to confidence, quality, and to demonstrate a commitment to the future.
- o More generally, thinking about Scotland's 'ordinary' mid-sized places - whether Motherwell or Airdrie, Dumbarton or Hamilton. For all of them, there's a need for a clear view on the role of the town and its centre.
- o As a good practice case-study, Airdrie's Wellwynd Centre is a good example of a 'social hub' at the heart of one such town, in an imaginatively refurbished and expanded church building.

The visit sparked further ideas on what A+DS can do to support the work that is ongoing in North Lanarkshire. First, the whole issue of 'strategies for places'. This is far from unique to the North Lanarkshire towns. As one of the Council's senior people said to us: *"moving beyond physical regeneration work...to place-making strategies"*.

It also raised the issue of training elected members: how to choose quality, how to think about design beyond personal preference and how to move on from an 'any development better than none' mind-set arising from decades of industrial decline.

Image:
Extract from Wishaw High Street plan.



In March 2012, members of the A+DS Board visited Dundee to gain a deeper understanding of the city's plans for the waterfront.

The A+DS Board members visited Dundee's central Waterfront, the western nature reserve, and the eastern Port area.

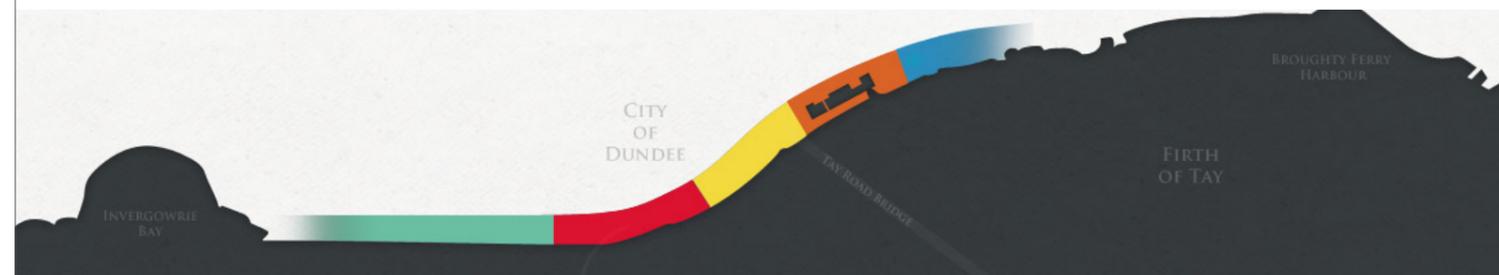
Dundee is its own place, of course, and has a major new 'win' in attracting the V&A's northern outpost. But Board members were struck by physical parallels with other waterside cities and towns like Hull, Liverpool and Greenock/Port Glasgow.

Some strong lessons emerged:

- o The city's regeneration strategy is 'locational not just thematic': that is, it's trying to do specific things in specific places in the city, not everything everywhere.
- o Their use of Cities Growth Fund resources had been highly focused, not sprinkled around.
- o Strong clear leadership has been critical, and has been expressed through a master planning process which led the whole technical and infrastructure effort, and which established the 'must haves' at key levels, without over-doing the detail.
- o The management of the V&A competition was held by the City, despite the end-user being a major national institution, and is an interesting model.

The Board's overall reaction was of an impressive and coherent story, with clear evidence of vision and leadership, and a framework that will encourage investors to commit to the city and to be guided by the evolving structure of the new Dundee.

Image:
Illustration from Dundee City Waterfront plan.



2011/12 at a glance



43

projects were reviewed by Design Review in 2011/12.

48

events/seminars and lectures provided by the Urbanism Programme.

260

teachers were involved with CPD training on architecture organised by our Access to Architecture Education team.

700

people attended A+DS events organised in The Lighthouse.

55

projects were showcased in the Healthcare Design Programme's Online resource Pulse.

30,000

people visited our exhibitions at The Lighthouse.

114,000

visits to www.ads.org.uk.

Main Images:

Page 8 Top row (l-r) Members of Design Review panels on a site visit, Designer Gillian Kyle launches the High Street exhibition, Panel Discussion at the Design Skills Symposium in Stirling.

Bottom row (l-r) Heather Chapple of the Healthcare Design programme presents at the Academy of Urbanism, Workshop participants at the Land of Stone exhibition, Groups working together at the Design Skills Symposium, Stirling.

Page 9 (Main image) Pupils at Campbeltown Grammar check out their new space following the Try Before You Buy programme of consultation.



Access to Architecture

Access to Architecture supports A+DS' objective to inspire an understanding and interest in architecture and sustainable places in Scotland. 2011/12 saw a range of accessible education activities, exhibitions and events, aimed at the general public and schools, delivered at The Lighthouse and nationwide.

The award-winning *High Street* exhibition explored the past, present and future of the Scottish High Street. Access and Urbanism worked together to deliver a seminar on future actions for the High Street in Scotland. A related education pack was developed and distributed to schools across the country with supporting CPD training for over 80 primary school teachers. Training was delivered to a further 200 participants through the online GLOW network.

Education activities also engaged with over 150 young people with courses ranging from introducing architecture to pre-school children, to developing portfolio skills with university applicants. Family workshops were delivered at events across Scotland in summer 2011, involving an additional 450 participants.

Other exhibitions included *Cedric Price: Think the Unthinkable*, later shown at The Bartlett School of Architecture, University College London, with a supporting symposium attended by 150 delegates. The *City Visions* exhibition was a study of city planning Berlin, London, Paris, Chicago and Glasgow. Events, workshops and seminars supported these exhibitions. A+DS, together with the RIAS, held its annual student awards for architecture and exhibited the winning designs along with a number of shorter exhibitions during the year. The website www.scottisharchitecture.com was rebranded in 2011 with content including features, news articles and highlights added frequently.



Visitors to the *High Street* exhibition at The Lighthouse. (Image: Alan Dimmick)

Design Review

In 2011/12 the Design Review programme began a process of reviewing its operation and undertook stakeholder research across Scotland, holding six workshops with current users of the service. This included representatives of the public and private sector, local panels, and local planning authorities from across Scotland. Based on the learning from this research, Design Review developed plans to shift its focus from peer review of projects at planning application stage to creating a more inclusive programme of earlier support. Renamed Design Forum its approach will comprise individual project repeat engagement over the pre-application briefing and design process, together with a separate programme of training and support, aimed at enabling clients and project teams to achieve the highest quality buildings and places.

While the research and development of the proposed Design Forum methodology took place, Design Review continued to hold Design Review panels, with a total of 11 panels held with 43 projects reviews, some of which trialled the new workshop method. The Design Review team also worked with Urbanism to deliver three training events for local authorities delivered in Glasgow, Edinburgh and Dundee. In addition to informing, and being part of, the change from Design Review to Design Forum, members of the Design Review panel took part in Design Reviews and training events, and were invited to participate in a new Panel annual training and briefing workshop.

In response to customer research findings Design Review will shift its focus to create a more inclusive programme of earlier support, renamed Design Forum.



Design Review; following a series of consultation workshops has refocussed its work to a programme of early support under the banner of Design Forum. (Image: A+DS)

Healthcare Design

The Healthcare Design Programme provided tailored support and advice to 19 projects, aiding the development of strategic design standards for the projects and the consideration, by Health Boards and Government, of the design quality of projects as part of their business case approvals.

Through this engagement the programme continued to develop strong working links with both Health Facilities Scotland and Scottish Futures Trust, and to promote health matters on a broader scale.

Through the web resource Pulse the programme showcased 55 projects and over 600 images, providing an easy to use resource for clients involved in the briefing and procurement of health buildings. The resource also includes specific case studies on a number of health buildings across Scotland. In addition there has been a number of reference guides published – for example *Circulation in Multi-Service Facilities* and guidance for new clients on their role in *Commissioning Healthcare Developments*. Other design studies were commissioned for publication in 2012/13.

“To date I think the input on Initial Design Statements is very helpful as it encouraged participants to think out of the box on how good design can facilitate the quality and effectiveness of health care issues. Access to the Pulse database of images and information on successful projects is also very useful for providing examples of what has worked elsewhere.”

Steven Witton, Edinburgh Community Health Partnership



Illustration taken from the publication *Circulation in Multi-Service Facilities*.

School Design

The Schools Programme continued to help those in Scotland tasked with creating successful places that support learning, doing this through participation with learners and in collaboration with partners.

From the innovative *Try Before You Buy* interior design project in Campbeltown to case studies of noteworthy small schools, the programme has highlighted ways in which existing schools can rise to the challenges of Curriculum for Excellence. Building on A+DS' work in Dumfries the team facilitated a programme of workshops across Scotland on the development of integrated learning campuses and the wider use of the *Learning Towns* approach to the more effective delivery of public services in well-designed places.

Through the A+DS website the team has celebrated award winning designs, publicised good practices, and offered practical online resources to school teachers and designers. Two exhibitions in Edinburgh and Glasgow demonstrated a uniquely *Scottish Family of Schools* response to the standardised design debate.



The Try Before You Buy interior design project in Campbeltown allowed pupils input their ideas for new school design. (Image: Alan Dimmick)

Sust.

The Sustainability in Architecture programme (Sust.) developed a number of programmes and activities to support sustainability in the built environment in Scotland.

Projects in 2011/12 included research into Green Business with six projects identified and initiated. In April 2011 the exhibition *Claystation - Remodelling Home* presented the creative outcomes of a debate on how we lived in the past, how we live now and how we may live in the future.

A new materials library - *Material Considerations* - aimed at introducing clients, architects and students to a wide range of sustainable building materials - was developed with substantial research going into the various products included in the library.

As part of the programme's education and outreach activity around sustainability an online game - *My Sust. Town* - was developed to deliver sustainability awareness to young people at S2-S4 levels. The Sust. team also developed a range of sustainability focussed building case studies which are available on www.ads.org.uk.

Sust., together with Integrated Environmental Solutions and Buro Happold, organised the first World Green Building Week event to be held in Scotland aimed at inspiring debate and collaboration amongst the Scottish building design community on the subject of green construction. Further events included a seminar on use of timber in construction and a CPD seminar on the use of stone in construction.

The Sust. programme also organised and ran a limited, two stage, collaborative design competition for Forestry Commission Scotland aimed at small and emerging design practices to design and build a permanent viewing platform at Larbert Loch at Forth Valley Royal Hospital.



Claystation - Remodelling Home presented the creative outcomes of a debate on how we lived in the past, how we live now and how we may live in the future. (Image: Claystation)

Urbanism

The focus of the Urbanism programme in 2011/12 was on building capacity for place based change, working with partners across Scotland in three ways: [i] facilitation and processes [ii] evidence and training and [iii] initiation projects.

In partnership with Scottish Natural Heritage, the programme developed a spatial scenarios process to identify and assess spatial options at whole settlement, neighbourhood and town centre scales. Sustainable Placemaking was trialled with North Ayrshire Council, with lessons learned published online. In addition to process design, the Urbanism programme helped facilitate decision making in live spatial planning projects at regional scale with Tayplan; and in charettes at city scale with City of Edinburgh Council.

The Urbanism programme contributed significantly to the work of the Key Agencies Group (KAG) in respect of implementing the planning modernisation agenda, including video guidance for elected members and collaboration with Design Forum on a series of masterplanning training modules. The Urbanism programme also collaborated with Improvement Services to support Heads of Planning Scotland (HOPS) deliver a conference on leadership.

A series of workshops, based on live projects, were used to derive a set of learning points about how to achieve mixed use in developments. In addition a series of papers on 'Place Leadership' were developed with University of Glasgow, linked to *Delivering Better Places in Scotland*.

Other activities included working with *Start Up Street* in Stirling to address vacant commercial and retail space in the town centre, collaboration with the British Council on the *Future City Jobs* event and a pilot project on micro finance models at Spiers Lock in Glasgow.



Creative regeneration at the Glue Factory, Speirs Locks, Glasgow. (Image: Gary Watt)

Financial Summary

The total revenue for the year ended 31 March 2012 was £1,981,250.

Income and Expenditure Statement for the year ending 31 March 2012.

	2012
	£
Revenue	1,981,250
Staff Costs	(1,148,950)
Other Expenditure	(811,680)
Operating Surplus	20,620
Finance Cost	-
Surplus before tax	20,620
Taxation	-
Surplus for the year	20,620

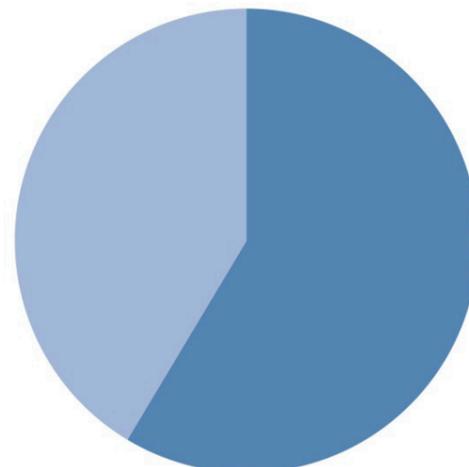
All of the activities of the company are classed as continuing.
The company has no recognised gains or losses other than the results for the year as set out above.
A full set of our audited annual accounts are available on the A+DS website on www.ads.org.uk

Expenditure: For year ended 31 March 2012.

Staff costs	£1,148,950
Other expenditure	£811,680

Expenditure For year ended 31 March 2012.

- Staff costs
- Other expenditure



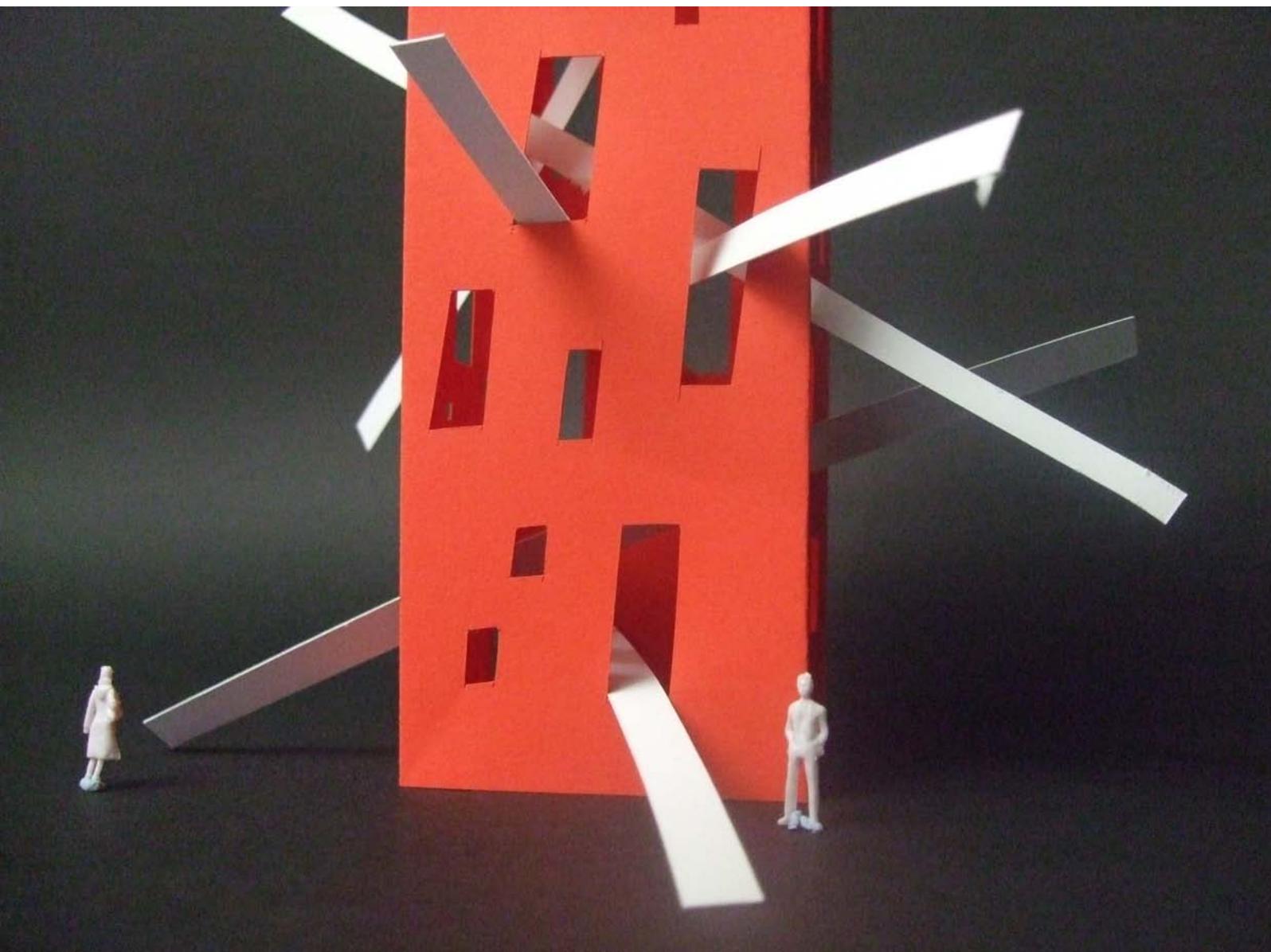
Our Board

The board of directors of Architecture and Design Scotland (A+DS):

Karen Anderson (Chair)
Sandy Beattie
Andrew Burrell
David Chisholm
Martin Crookston
Branka Dimitrijević
Jonny Hughes
Martin McKay
Graeme Ross
Alan Sim



Top row (l-r) Alan Sim, Andrew Burrell, Branka Dimitrijević
Middle row (l-r) David Chisholm, Graeme Ross, Martin McKay.
Bottom row (l-r) Sandy Beattie, Martin Crookston, Jonny Hughes.



Architecture and Design Scotland Limited
Company Limited by Guarantee
Annual Accounts

Year Ended 31 March 2012



Architecture+DesignScotland
Aithearachd is Dealbhadh na h-Alba

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Architecture and Design Scotland Limited
Company Limited by Guarantee
Officers and Professional Advisers
Year Ended 31 March 2012

The Board of Directors

K Anderson (The Chair)
S Beattie
A Burrell
D Chisholm
M Crookston
B Dimitrijevic
J Hughes
M McKay
G Ross
A Sim

Company Secretary

J MacDonald

Business Addresses

Bakehouse Close
146 Canongate
Edinburgh
EH8 8DD

Level 2
The Lighthouse
11 Mitchell Lane
Glasgow
G1 3NU

Registered Office

Bakehouse Close
146 Canongate
Edinburgh
EH8 8DD

Auditors

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Bankers

Royal Bank of Scotland
36 St Andrew Square
Edinburgh
EH2 2AD

Solicitors

Anderson Strathern
1 Rutland Court
Edinburgh
EH3 8EY

Architecture and Design Scotland Limited
Company Limited by Guarantee
Director's Report
Year Ended 31 March 2012

Director's Report

Introduction

The directors present their report and the financial statements of the company for the year ended 31 March 2012.

Architecture and Design Scotland Limited is an Executive Non Departmental Public Body (NDPB) sponsored directly by the Scottish Government as the national champion for good architecture, design and planning in the built environment. The financial statements have been prepared in a form directed by the Scottish Ministers in accordance with the Government Financial Reporting Manual (FRoM) and fulfil the requirements of the Companies Act 2006.

Performance Overview

During 2011-12 Architecture and Design Scotland (A+DS) continued to consolidate its activities and set out clear business plans for the operation of the organisation, implementing the objectives set out in *Delivering Better Places* – the Corporate Plan for 2011-14. Architecture and Design Scotland worked closely with the Scottish Government's Architecture and Place Division, and met with the Cabinet Secretary for Culture and External Affairs, Fiona Hyslop MSP, on a number of occasions.

The work of A+DS is delivered primarily through the activities of our six programmes, although there is now an increasing emphasis of cross-organisational working. Outlined below are the key activities delivered by the six programmes.

A major event in 2011 was the **Design Skills Symposium** organised by A+DS. It attracted over 100 delegates from a range of disciplines in the built environment in Scotland. The delegates participated in a range of workshops creating proposals for specific areas in Stirling, with each day featuring inspiring speakers including David Sim, Ben Hamilton Bailie and Sarah Longlands. As part of the event Fiona Hyslop MSP, Cabinet Secretary for Culture and External Affairs, addressed the Symposium and officially launched the publication "*New Design in Historic Settings*" which was produced by Architecture and Design Scotland, Historic Scotland and Scottish Government.

The **Access programme** supports A+DS' objective to inspire a greater understanding and interest in architecture in Scotland. The programme worked from pre-school to portfolio preparation workshops for university applicants, engaging with over 100 pre-school students on an early introduction to architecture and with an additional 450 participants in family workshops delivered at events across Scotland in the summer of 2011.

2011/12 also saw a range of exhibitions aimed at the general public, including the award-winning *High Street* exhibition exploring the past, present and the future of the Scottish High Street. As part of the exhibition the Access team worked with the Urbanism programme to deliver a seminar on future actions for the High Street in Scotland. An in depth educational pack was developed for distribution to schools across the country with supporting CPD training for over 80 primary school teachers. Utilising the online GLOW network, training was delivered to a further 200 teachers.

Other exhibitions included the *Cedric Price – Think the Unthinkable* exhibition, later shown at the Bartlett School of Architecture, University College London, with a supporting symposium attended by 150 delegates and *City Visions*, a study of city planning in Berlin, London, Paris and Glasgow. Events, workshops and seminars supported these exhibitions. A+DS, together with RIAS, held its annual student awards for architecture and exhibited the winning designs at The Lighthouse along with a number of shorter exhibitions. The www.scottisharchitecture.com website was re-branded in 2011 with monthly features and news articles.

In 2011/12 the **Design Review** programme began a process of reviewing its operation and undertook stakeholder research across Scotland, and held six workshops with current users of the service – including representatives of the public and private sector, local panels, and local planning authorities. Based on the learning from this research, Design Review developed plans to shift its focus from peer review of projects at planning application stage to creating a more inclusive programme of earlier

support. Renamed **Design Forum** its approach will comprise individual project engagement together with a programme of training and support, aimed at enabling clients and project teams to achieve the highest quality buildings and places.

While the research and development of the Design Forum took place, Design Review continued to hold Design Review panels, with a total of 11 panels held with 43 projects reviewed. The Design Review team also worked with Urbanism to deliver three training events for local authorities delivered in Glasgow, Edinburgh and Dundee. In addition to being represented at the training events, members of the Design Review panel were also invited to participate in a new annual training and briefing workshop.

The **Healthcare Design Programme** provided tailored support and advice to 19 projects aiding the development of strategic design standards for the projects and the consideration, by Health Boards and Government, of the design quality of projects as part of their business case approvals.

Through this engagement the programme continued to develop strong working links with both Health Facilities Scotland and Scottish Futures Trust, and to promote health matters on a broader scale.

Through the web resource *Pulse* the programme showcased 55 projects and over 600 images providing an easy to use resource for clients involved in the briefing and procurement of health buildings. The resource also includes specific case studies on a number of health buildings across Scotland. In addition there has been a number of reference guides published – for example *Circulation in Multi-Service Facilities* and guidance for new clients on their role in *Commissioning Healthcare Developments*. Other design studies were commissioned for publication in 2012/13.

The **Schools Programme** continued to help those in Scotland tasked with creating successful places that support learning, doing this through participation with learners and in collaboration with partners.

From a *Try before you buy* innovative interior design project in Campbeltown to case studies of noteworthy small schools, the programme has highlighted ways in which existing schools can rise to the challenges of Curriculum for Excellence. Building on A+DS' work in Dumfries the team facilitated a programme of workshops across Scotland on the development of integrated learning campuses and the wider use of the *Learning Towns* approach to the more effective delivery of public services in well-designed places.

Through the A+DS website the team has celebrated award winning designs, publicised good practices, and offered practical online resources to school teachers and designers. Two exhibitions in Edinburgh and Glasgow demonstrated a uniquely Scottish *Family of Schools* response to the standardised design debate.

The **Sustainability in Architecture programme (Sust.)** developed a number of programmes and activities to support sustainability in the built environment in Scotland.

Projects in 2011/12 included research into Green Business with six projects identified and initiated. A new materials library - *Material Considerations* - aimed at introducing clients, architects and students to a wide range of sustainable building materials - was developed with substantial research going into the various products included in the library. A series of associated exhibitions, seminars and workshops are planned to build on this work.

As part of the programme's education and outreach activity around sustainability an online game – *My Sust. Town* – was developed to deliver sustainability awareness to young people at S2-S4 levels who may have an interest in planning as a career. The Sust. team also developed a range of sustainability focussed building case studies which are available on www.ads.org.uk.

The focus of the **Urbanism programme** in 2011/12 was on building capacity for place based change, working with partners across Scotland in three ways: [i] facilitation and processes [ii] evidence and training and [iii] initiation projects.

In partnership with Scottish Natural Heritage, the programme developed a spatial scenarios process

to identify and assess spatial options at whole settlement, neighbourhood and town centre scales. *Sustainable Placemaking* was trialled with North Ayrshire Council, with lessons learned published online. In addition to process design, the Urbanism programme helped facilitate decision making in live spatial planning projects at regional scale with Tayplan; and in charettes at city scale with City of Edinburgh Council.

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A series of workshops, based on live projects were used to derive a set of learning points about how to achieve mixed use in developments. In addition a series of papers on '*Place Leadership*' were developed with University of Glasgow, linked to *Delivering Better Places in Scotland*.

Other activities included working with *Start Up Street* in Stirling to address vacant commercial and retail space in the town centre, collaboration with the British Council on the *Future City Jobs* event and a pilot project on micro finance models at Spiers Lock in Glasgow.

In other activities Architecture and Design Scotland undertook a brand audit and developed a new set of brand guidelines for the organisation to achieve a more consistent brand identity. Architecture and Design Scotland's website (www.ads.org.uk) was re-launched in April 2011 with nearly 114,000 visits to the website in its first year. A new system of regular email updates was introduced in December 2011. Promotional activity for A+DS resulted in coverage in national media including an opinion piece on the parliamentary architecture debate in *The Scotsman* and substantial coverage of the *High Street* exhibition.

Organisational Excellence

We want to deliver the best possible service to our customers/stakeholders.

We achieve this by understanding our strengths, by having strong leadership and motivated employees, by having confidence in our ability and by ensuring we have the correct systems and processes in place.

Financial Management

Our grant funding was fully expended in the year within the parameters set by the Scottish Government.

Procurement

We have procedures in place for the procurement of all goods and services.

Employees

Our employees are dedicated to ensuring A+DS undertakes its role effectively and creatively.

We provide all employees with opportunities for advancement regardless of their age, sex, marital status, disability, race, ethnic origin, sexual orientation or religious beliefs. We also share information about company progress, achievement of objectives and developments affecting employees.

Employment of Disabled Persons

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees

becoming disabled, every effort is made to retain them and adjustments made to work and or facilities where reasonably practicable and as appropriate in order that their employment with the company can continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Sickness Absence

In the year to 31 March 2012, 3.31% (2011:1.56%) of working time was lost due to staff sickness absence.

Employee Involvement and Communication

A+DS recognises that good communication is a key issue and is achieved through weekly updates by the Chief Executive and the cascade of briefings from management meetings to all staff.

Diversity and Equality

We are committed to ensure diversity and equality of all employees.

The Environment

We are working to support the Scottish Government in its environmental objectives by developing new methods of delivering our services which embrace the use of technology and as a result will help to reduce our carbon footprint. Further information is available within the Sustainability Report within our Annual Report.

Social and Community Relations

We value positive social and community relations and work to foster these in a range of ways, including providing placements for school pupils and working with other businesses located close to our offices in the Canongate.

Freedom of Information

The Freedom of Information (Scotland) Act, which came into full force in January 2005, means members of the public can make a request to see information held by A+DS. In 2011/12 we received and responded to three Freedom of Information requests.

Data Loss

There were no reported incidents of unauthorised exposure or loss of personal data during the financial year.

Future Developments

Future developments for Architecture and Design Scotland will support the strategic objectives outlined in our current Corporate Plan (2011-14) and will focus particularly on:

- Collaborating to achieve good architecture and sustainable places;
- Supporting and influencing our partners to create the best buildings and places; and
- Inspiring Scotland's people to value good architecture and places.

While each of A+DS' programmes has a distinct identity and focus – outlined in the Business Plan for 2012/13 and published on our website – 2012/13 will see a continued emphasis on corporate projects and looking at specific strategic issues impacting on Scotland. These include the annual *Design*

Skills Symposium, investigating *New Ideas for Old Places, Placemaking and Housing*, Scotland's new *Architecture Policy* and *Low Carbon Placemaking*.

Architecture and Design Scotland's commitment to supporting architecture and placemaking in Scotland is underlined by the launch in 2012 of the new Design Forum, aimed at enabling the highest quality buildings and places. Design Forum will provide early advice on key projects across Scotland. Design Forum will continue to roll out its new service throughout 2012/13 with the launch of a website of exemplars and supporting material.

A+DS will continue to prioritise work that contributes to sustainable economic growth, development of a low carbon economy and provides opportunities for young people; and will depend heavily on the expertise of our staff, Board, and the members of our Design Forum panel, together with a range of collaborations outside A+DS.

Financial Overview

The results for the year to 31 March 2012 are contained in the attached financial statements, prepared in accordance with the 2011-12 Government Financial Reporting Manual (FRoM) and in the form directed by the Scottish Ministers, taking cognisance of the Scottish Public Finance Manual.

The FRoM requires that the Company should comply with the Companies Act, but, as a Non Departmental Public Body, also follow the principles in the FRoM (for example, in preparing a remuneration report) where these go beyond the Companies Act. The accounting policies explain the basis on which the financial statements are prepared and transactions are recognised.

The resource budget allocation for 2011/12 comprised a grant-in-aid provision of £1,963,000. Revenue for the year was supplemented with sales income of £18,000.

Relevant Directors' Interests

Details of directors' interests are given in Note 14 Related Parties. No board members held any significant interests that conflicted with their responsibilities.

Risk and Uncertainty

We recognise the importance of effective risk management and work hard to identify and manage risks to our business. The principal means by which we do this is through our Corporate Risk Register. This Register is prepared by the Chief Executive, reviewed quarterly by the Management Team and presented to the Audit Committee every six months.

Key Risks currently identified include:

Loss of Scottish Ministers/Government support
Loss of stakeholder support
Loss of key staff/skills
Loss of business continuity
Legal challenge
Fraud or embezzlement
Failure to deliver best value

Results

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements. The company's main income is grant-in-aid from the Scottish Government. The surplus for the year on Ordinary Activities after Tax was £20,620 (2011: £12,184), which is transferred to reserves.

The company aims to be in a break-even position at each year end on a cash income/spend basis. The financial statements are prepared on an accruals basis in accordance with accounting standards. Since the company commenced trading it has generated an accumulated surplus of £42,344 as at 31 March 2012.

The directors are satisfied with the results for the year.

Company Status

Architecture and Design Scotland is a company limited by guarantee and registered in Scotland. The sole members are the Scottish Ministers. Architecture and Design Scotland is an Executive Non Departmental Public Body, operated through a limited company structure.

Scottish Ministers appoint the Chair, Chief Executive and non-executive directors of Architecture and Design Scotland.

The Board is responsible for the overall direction and strategy of A+DS. There is a formal policy of delegated authority, which includes matters specifically reserved to the Board for decision. All non-executive directors are independent.

Going Concern

As at 31 March 2012, Architecture and Design Scotland's balance sheet had net assets of £42,344 (2011: £21,724). The directors are confident that the relationship with the Scottish Government is such that the company will have sufficient funding for the foreseeable future. Accordingly, it is appropriate to prepare the financial statements on a going concern basis.

Directors and Their Interests

The non-executive directors of the company who held office during the period and to the date of signing of these financial statements were as follows:

K Anderson (The Chair)
S Beattie
A Burrell
D Chisholm
M Crookston
B Dimitrijevic
J Hughes
M McKay
G Ross
A Sim

There were no resignations during the year.

None of the directors held any interest in the company at any time during the period.

The board, chaired by Karen Anderson, met four times during the year.

Conflicts of Interest Procedures

A+DS has developed procedures to deal with potential conflicts of interest and provided training for Directors. The procedures include each Board Member providing a Register of Interests on appointment, and advising of updates as and when they occur. In addition Declarations of Interest is a standard item on the Agenda for all Board Meetings.

Audit Committee

The Audit Committee oversees the strategic process for risk management, internal control, corporate governance and statutory financial obligations. The committee is chaired by an independent non-executive director and is comprised of up to four, and at least three, non-executive directors of A+DS.

The committee meets quarterly and works to terms of reference written by the Board setting out its authority. Internal and external auditors are invited along to the Audit Committee meetings.

Supplier Payment Policy

It is our policy to agree terms of payment when orders for goods and services are placed and to adhere to these arrangements. In addition, where possible, it is our policy to comply with the Scottish Government's Prompt Payment Commitment of making payment of authorised invoices within 10 days.

Political and Charitable Donations

The company made no charitable or political donations during the year.

Taxation status

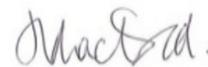
As an Executive NDPB sponsored directly by the Scottish Government, the Directors are of the opinion that the company's activities do not constitute a trade for Corporation Tax purposes and therefore consider that the company will not be subject to Corporation Tax.

Auditor and disclosure of information to auditor

As a non-profit making public sector company, which appears to the Scottish Ministers in terms of section 483(2) of that Act to carry out functions of a public nature, under The Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2009, the Scottish Ministers have determined that the financial statements of the company shall be audited by the Auditor General for Scotland. The Auditor General for Scotland has appointed KPMG LLP to undertake the audit for the year ended 31 March 2012.

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the Board



J MacDonald
Chief Executive/Accountable Officer

Approved on 10 December 2012

Architecture and Design Scotland Limited
Company Limited by Guarantee
Remuneration Report
Year Ended 31 March 2012

Remuneration Report

This report has been prepared in light of the relevant guidance set out in the Financial Reporting Manual prepared by the Treasury.

Chair and Non-Executive Directors

The Chair and Board Members (Directors) of A+DS are public appointments made by Scottish Ministers under the procedures set by the Office of the Commissioner for Public Appointments. The appointments are for a period of four years from 1 April 2010. The remuneration of Directors, and any agreed annual increase, is set by the Scottish Ministers and is not pensionable.

Chief Executive

The salary of the Company Secretary/Chief Executive is set by Scottish Ministers and any increase is dependent upon performance which is assessed by the Chair of A+DS using a system of annual appraisal. Any salary increase must be agreed by Scottish Ministers. This post is pensionable under Civil Service pension arrangements.

Service Contracts

All appointments to A+DS are based upon merit and on the basis of fair and open competition. Permanent members of staff are party to contracts of employment which have been developed in line with best practice. Notice periods are a maximum of 3 months with the majority being 1 month. No contract provides for additional sums payable in the event of termination of employment other than would normally be expected to be included in line with best practice. Any increase is dependent upon performance which is assessed using a system of annual appraisal.

There are no early termination payment clauses within the contracts.

There were no severances in the year 2011/12.

Remuneration and Appointments

Due to the company's NDPB status, remuneration is reviewed annually through an exercise carried out with the Scottish Government Finance and Pay Policy Unit; this is in accordance with government guidelines with regard to public sector pay. No benefits in kind were paid to the chair or non-executive directors.

Appointments are carried out in line with employment legislation, with the exception of the Chief Executive and non-executive directors' positions, which are carried out within the guidelines for senior public sector appointments process.

Salary and Allowances

Salary includes gross salary but not employer's pension contributions. There were no payments in respect of performance pay or bonuses during the year.

A+DS offers employees the opportunity to participate in salary sacrifice schemes such as the Bike to Work Scheme and Childcare vouchers.

Pensions

Pension benefits are provided through the Civil Service Pension arrangements. Employees may be in one of the statutory based defined benefit schemes either *Classic*, *Classic Plus* and *Premium* which are final salary schemes or the current scheme *nuvos* a career average scheme. The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under *Classic*, *Classic Plus*, *Premium*, and *nuvos* are increased annually in line with changes in

Architecture and Design Scotland Limited
Company Limited by Guarantee
Remuneration Report
Year Ended 31 March 2012

the Consumer Prices Index. Staff can currently choose between membership of *nuvos* or joining a stakeholder arrangement with an employer contribution (partnership pension account).

Employee contributions are set at either 1.5% for *Classic* or 3.5% for *Classic Plus*, *Premium* and *nuvos*.

Further details about the Civil Service Pension arrangements can be found at www.civilservice-pensions.gov.uk

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; 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 CETV figures and the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service Pension arrangements and for which the CS Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

Real increase in CETV reflects the increase effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme) and uses common market valuation factors for the start and end of the period

CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries

Information Subject to Audit

Under paragraph 5.2.17 of the FReM the following sections of this report are subject to audit: remuneration, pension, salary and allowance, benefits in kind, cash equivalent transfer values and compensation for loss of office and pension payment.

Architecture and Design Scotland Limited
Company Limited by Guarantee
Remuneration Report
Year Ended 31 March 2012

Remuneration of the chair and non-executive directors for the year to 31 March 2012 was as follows:

Name	2011-12			2010-11		
	Salary Band	Bonus Payments	Benefits in Kind	Salary Band	Bonus Payments	Benefits in Kind
	£'000	£	£	£'000	£	£
	In bands of £5k	-	-	In bands of £5k	-	-
K Anderson (The Chair)	5-10	-	-	5-10	-	-
S Beattie	0-5	-	-	0-5	-	-
A Burrell	0-5	-	-	0-5	-	-
D Chisholm	0-5	-	-	0-5	-	-
M Crookston	0-5	-	-	0-5	-	-
B Dimitrijevic	0-5	-	-	0-5	-	-
J Hughes	0-5	-	-	0-5	-	-
M McKay	0-5	-	-	0-5	-	-
G Ross	0-5	-	-	0-5	-	-
A Sim	0-5	-	-	0-5	-	-

Remuneration of the Chief Executive for the year to 31 March 2012 was as follows:

	2011-12			2010-11		
	Salary Band	Bonus Payments	Car allowance and other benefits	Salary Band	Bonus Payments	Car allowance and other benefits
	£'000	£	£	£'000	£	£
	In bands of £5k	In bands of £5k	In bands of £5k	In bands of £5k	In bands of £5k	In bands of £5k
J MacDonald	60-65	0	0	60-65	0	0

Note:
1. Salary is gross salary only
2. Performance related pay: none in 2011-12 due to pay freeze
3. Benefits in kind: The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. There were none in 2011-12.
4. There are no allowances
5. The directors, having considered the requirements of HM Treasury's Financial Reporting Manual and, in particular, the way in which the interpretation of the Companies Act applies in a public sector context and the responsibilities of managers within the Company, consider that only the remuneration of the Chief Executive falls to be disclosed.

Band of Highest Paid Employee's Total Remuneration (£'000)	60-65		60-65
Median Total Remuneration	34,230		32,000
Ratio	1.9:1		2.03:1

Architecture and Design Scotland Limited
Company Limited by Guarantee
Remuneration Report
Year Ended 31 March 2012

The total emoluments of all Board Members and Chief Executive for the year to 31 March 2012 were £106,258 (2011: £108,448).
The banded remuneration of the highest paid employee in A+DS for the year to 31 March 2012 was £60-65k (2011: £60-65k). This was 1.9:1 times (2011: 2.03:1 times) the median remuneration of the workforce, which was £34,230 (2011: £32,000).

In the year to 31 March 2012, no employees (2011: 0 employees) received remuneration in excess of the Chief Executive. Actual remuneration ranged from £16,712 to £64,978 (2011: £15,798 to £64,978).

The banded remuneration of the highest paid director for the year to 31 March 2012 was £9,600, being 0.026:1 times the median remuneration of the workforce, as presented below;

	2011-12		2010-11
Band of Highest Paid Director's Total Remuneration (£'000)	5-10		5-10
Median Total Remuneration	34,230		32,000
Ratio	0.026:1		0.3:1

Note:

- Salary is gross salary only
- Performance related pay: none in 2011-12 due to pay freeze
- Benefits in kind: The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. There were none in 2011-12.
- There are no allowances.

Pension Benefits

Pension Benefits of the Chief Executive for the year to 31 March 2012 was as follows:

	Accrued Pension at age 60 as at 31 March 12	Increase in pension net of inflation at age 60	Cash Equivalent Transfer Value		
			At 31 March 2012	At 31 March 2011	Real increase/ (decrease) in CETV
	£	£	£	£	£
J MacDonald	20,575	1,219	272,000	236,000	14,000

The accrued pension is inclusive of the lump sum payment that the member may elect to draw from their accrued pension entitlement. Members may elect to take a maximum of 25% of their accrued pension as a lump sum payment. This will subsequently reduce their future pension entitlement.

At the direction of Government Actuaries, a market adjustment factor has not been applied in calculating the cash equivalent transfer values at 31 March 2012, consequently affecting the representation of the real increase or decrease in CETV.

Signed by order of the directors



J MacDonald
Chief Executive/Accountable Officer
Approved on 10 December 2012

Architecture and Design Scotland Limited
Company Limited by Guarantee
Statement of Accountable Officer's Responsibilities
Year Ended 31 March 2012

Statement of Accountable Officer's Responsibilities

Under the Public Finance and Accountability (Scotland) Act 2000, the Scottish Ministers have directed Architecture and Design Scotland Limited to prepare, for each financial year, a statement of accounts in conformity with the accounts direction on page 36 of these financial statements, detailing the resources acquired, held or disposed of during the year and the use of resources by the organisation during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Architecture and Design Scotland Limited 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 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 accounts; and
- prepare the financial statements on a going concern basis.

The Scottish Ministers have appointed the Chief Executive of Architecture and Design Scotland Limited as the Accountable Officer of the organisation.

The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Architecture and Design Scotland Limited's assets, are set out in the Memorandum to Accountable Officers from the Principal Accountable Officer.

Architecture and Design Scotland Limited
Company Limited by Guarantee
Governance Statement
Year Ended 31 March 2012

Governance Statement

Year Ended 31 March 2012

Introduction

This statement has been prepared by me as Accountable Officer for Architecture and Design Scotland as part of the annual accounts required under the terms of the Scottish Public Finance Manual (SPFM).

The statement, for which I am personally responsible, covers the accounting period 2011-12 and additionally the period up to the date of signature. It sets out Architecture and Design Scotland's governance procedures and how it implements these. The statement is informed by work undertaken throughout the period relating to performance and risk management and, on this basis, provides useful information relating to the organisation's approach to risk and its responses to identified and emerging risks.

Scope

Effective governance is about more than clarity of role and process, important though both of these are. To be truly effective a governance framework must support the business in question and those responsible for delivering it. In addition, it must encourage accountability and promote a positive culture where everyone in the organisation is empowered.

This statement therefore outlines both the procedural aspects of our governance and the methods by which these operate.

In particular, the statement,

- sets out the governance framework of Architecture and Design Scotland
- explains the operation of the framework during the period in question
- provides an assessment of our corporate governance and its compliance with generally accepted best practice principles and relevant guidance
- offers an assessment of our risk management arrangements
- details any significant lapses of data security.

Preparation

The preparation of the statement has been informed by the work of our Audit Committee on the risk management, performance reporting and internal controls; the opinion of internal audit on the quality of the systems of governance, management and risk management; feedback from staff about the business, its use of resources and the extent to which budgets and performance targets have been met.

The Governance Framework of Architecture and Design Scotland

Architecture and Design Scotland is an Executive Non-Departmental Public Body of the Scottish Government and is a company limited by guarantee under the Companies Act 1985 (as amended). Its remit and responsibility is set out by the Management Statement prepared by the Scottish Government's Built Environment Directorate. This statement effectively sets out the scope of our activities on behalf of Scottish Ministers.

The organisation's work is overseen by a Board appointed by Scottish Ministers. The Board is currently made up of a Chair, Deputy Chair and eight Board members. The Board's role is to ensure that Architecture and Design Scotland fulfils the aims and objectives set by the Scottish Ministers and to promote the efficient and effective use of staff and other resources.

Architecture and Design Scotland Limited
Company Limited by Guarantee
Governance Statement
Year Ended 31 March 2012

Specifically, the Board,

- sets the overall strategic direction of Architecture and Design Scotland within the policy, planning and resources framework determined by the Scottish Ministers
- ensures that any statutory or administrative requirements for the use of public funds falling within the stewardship of Architecture and Design Scotland are complied with
- demonstrates high standards of corporate governance at all times
- provides commitment and leadership in the development and promotion of Best Value principles throughout the organisation
- appoints, with the Scottish Ministers' approval, a Chief Executive to Architecture and Design Scotland and, in consultation with the sponsor Directorate, set performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight both to the proper management and use of public monies and to the delivery of outcomes in line with Scottish Ministers' priorities

The Chief Executive is the designated Accountable Officer and is personally responsible for safeguarding the public funds for which he/she has charge, ensuring propriety and regularity in the handling of those public funds and managing the day-to-day operations and management of Architecture and Design Scotland.

Specifically, the Chief Executive as Accountable Officer is required to,

- establish Architecture and Design Scotland's corporate and business plans in the light of the Scottish Ministers' wider strategic aims
- establish a robust performance management framework which supports the achievement of Architecture and Design Scotland's aims and objectives as set out in those plans
- ensure full performance reporting to the Board, the sponsor Directorate and the wider public
- inform the sponsor Directorate of Architecture and Design Scotland's progress in helping to achieve the Scottish Ministers' policy objectives and in demonstrating how resources are being used to achieve those objectives
- ensure that timely forecasts and monitoring information on performance and finance are provided to the sponsor Directorate and that any issues are notified to the sponsor Directorate in a timely fashion
- advise the Board on the discharge of its responsibilities
- advise the Board on Architecture and Design Scotland's performance compared with its aims and objectives
- ensure that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions
- take action if the Board, or the Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration or efficiency or effectiveness
- ensure that a system of risk management is embedded in the organisation
- ensure that an effective system of programme and project management and contract management is maintained
- ensure that the funds made available to Architecture and Design Scotland are used for the purpose intended by the Parliament, and that such moneys, together with Architecture and Design Scotland's assets, equipment and staff, are used economically, efficiently and effectively
- ensure that adequate internal management and financial controls are maintained by Architecture and Design Scotland, including effective measures against fraud and theft
- maintain a comprehensive system of internal delegated authorities which are notified to all staff, together with a system for regularly reviewing compliance with these delegations
- ensure that effective human resource management policies are maintained and that strategic human resource planning is related to Architecture and Design Scotland's objectives
- sign the accounts and be responsible for ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Scottish Ministers
- sign a Statement of Accountable Officer's responsibilities, for inclusion in the annual report and accounts
- prepare a Governance Statement regarding Architecture and Design Scotland's system of internal control, for inclusion in the annual report and accounts

Architecture and Design Scotland Limited
Company Limited by Guarantee
Governance Statement
Year Ended 31 March 2012

- sign a Certificate of Assurance on the maintenance and review of Architecture and Design Scotland's internal control systems
- ensure that an effective complaints procedure is in place including, where applicable, reference to the Scottish Public Services Ombudsman and made widely known
- give evidence when summoned before Committees of the Scottish Parliament on the use and stewardship of public funds by Architecture and Design Scotland.

Management Team

The Management Team currently comprises the Chief Executive, the Head of Corporate Services, the Head of Design Forum, the Head of Access and Sust. and the Head of Urbanism. This group is responsible for supporting the day to day running of the organisation.

Specifically the Management Team is responsible for,

- Signing off project plans for activities within the approved Business Plan
- Agreeing amendments to the allocation of operational budgets
- Initiating new projects outwith the approved Business Plan

Currently, these roles and responsibilities are supported by the Management Statement and Financial Memorandum (2008) and a Scheme of Delegated Responsibility (2012). In addition, the Board is supported by three sub-committees, namely the Audit, Planning and Consultations and Communication Sub-Committees. Each of these works to terms of reference approved by the Board.

The business is framed by a three year Corporate Plan supported by annual Business Plans, progress against which is reported to the Board. These reports separately describe the business undertaken as set out in the Business Plan and, in parallel, the management and expenditure of budgets.

In addition, a corporate risk register is established and reported to the Audit Committee twice annually.

The Operation of the Framework

During the period in question (April 2011 to October 2012) the Board met 17 times, of these 10 were formal meetings where papers were presented and decisions reached, while the remainder was a mixture of strategy discussion and visits to learn about relevant practice across Scotland. The Audit Committee met 6 times.

Notably during this time the Board and its Sub-Committees:

- Approved the Annual Report and Accounts for 2010/11
- Noted reports on the implementation of the Business Plan for 2011/12
- Approved the Business Plan for 2012/13
- Approved new procedures for Project Management and Procurement
- Approved a new Scheme of Delegation
- Agreed a new format for the Risk Register

The Management Team met 16 times during the same period

Assessment of Corporate Governance

Based on a review of best practice, reports from our Internal Auditors and feedback from Board and staff, I am satisfied that our corporate governance arrangements are satisfactory. The roles of key elements (Board, CEO, Management Team) are clear and understood. Decision making within the organisation is clearly set out and supported by guidance on e.g. procurement and project management.

Assessment of Risk Management

Management of risk is developing. The establishment of a new format for the Corporate Risk Register provides the basis for a uniform approach to risk management across the organisation, supported by routine reporting and review. In addition, a programme of training for staff is in place and planned to be complete by March 2013.

Data Security Issues

During the year in question, there were no significant data security issues encountered.

Conclusions

Architecture and Design Scotland's governance arrangements have been developed significantly during the period in question. Building on work undertaken in 2010-11 improvements have been made to the management and reporting of risk, the management of our finances and the control and reporting of our business. In addition, there has been a streamlining of the corporate structures that exist to support the day to day running of the organisation.

On this basis, I am satisfied that the governance of the organisation is adequately addressed through the implementation of the framework described and that it is operating satisfactorily.



J MacDonald
Chief Executive/Accountable Officer

Approved on 10 December 2012

Sustainability Report

The Scottish Government expects all public bodies in Scotland, including Non Departmental Public Bodies such as A+DS, to report on sustainability alongside their Annual Reports and Accounts commencing with the 2011-12 financial year. The information provided below conforms to the public sector sustainability reporting guidance produced by the Scottish Government. Although this is non-mandatory, A+DS will strive to meet this expectation over the coming years.

A+DS recognises the importance of environmental issues and sustainability and therefore endeavours to consider these matters in all of our business decisions. A+DS recognises the importance of sustainability, supporting the national outcomes to "value and enjoy our built and natural environment and protect it and enhance it for future generations" and to "reduce the local and global environmental impact of our consumption and production". A+DS endeavours to consider these matters in our all of our business decisions.

A+DS occupies offices in Edinburgh and Glasgow. The office in Glasgow is situated in The Lighthouse building and is occupied on a serviced accommodation basis from Glasgow City Council (GCC). As The Lighthouse building is part of a larger estate owned by GCC, it has not been possible to disaggregate the data for sustainability reporting within A+DS. Thus the data in this report in relation to buildings only relates to the Edinburgh office at Bakehouse Close.

Summary of Performance: 2011-12

During the last 12 months we have started to set up systems to collect information which will allow us to measure and benchmark current performance in terms of energy usage and business travel. This will assist us in setting targets and monitoring greenhouse gas emissions and costs over the forthcoming years.

Office Supplies and Publications

We already actively encourage electronic communication in place of paper. Where a hard copy is required, we use recycled stationery and print double sided to decrease paper usage. The majority of output in terms of reports and publications are produced in soft copy only, with our website being the main distribution channel. A bi-monthly electronic newsletter keep our supporters up to date with our activities.

Travel - Business Travel and Commuting

All employees are encouraged to reduce the carbon footprint by Green Travel such as utilising the Bike to Work scheme and travelling by public transport. Flexible working hours allow staff to fit travel around train and bus times.

Architecture and Design Scotland Limited
Company Limited by Guarantee
Sustainability Report
Year Ended 31 March 2012

Area	Actual Performance
Total energy consumption	65,229 kWh
Total energy expenditure	£6,824
Recycling Expenditure	£671
Total waste expenditure	£1,100
Water consumption	403 m ³
Water expenditure	£424

Energy consumption (kWh)	Electricity (non renewable)	17,757 kWh
	Electricity (renewable)	0
	Gas	47,472 kWh
	LPG	0
	Other (Gas-oil)	0
Financial indicators (£)	Expenditure on energy	£6,824
	Expenditure on business travel - official travel and fleet costs	£18,496

Waste

Paper, cardboard, plastics and glass waste is sent for recycling. Special arrangements are made to recycle any obsolete computer equipment and furniture.

Sustainable Procurement

A+DS uses Scottish Government procurement framework contracts. The SG framework is committed to sustainable procurement and the sustainability strategy. A+DS pays climate change levies to Scottish Power for Electricity and to Scottish Gas.

Summary of Future Strategy

A+DS is committed to reducing its impact on the environment in line with the Scottish Government's sustainability strategy.

Independent Auditor's Report to the Members of the Board of Architecture and Design Scotland Limited, the Auditor General for Scotland and the Scottish Parliament

We have audited the financial statements of Architecture and Design Scotland Limited for the year ended 31 March 2012 set out on pages 23 to 35. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU as applied in accordance with the provisions of the Companies Act 2006 and the Accounts Direction applicable to the year issued by the Scottish Ministers.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Auditor General for Scotland in accordance with sections 21 and 22 of the Public Finance and Accountability (Scotland) Act 2000. Our audit work has been undertaken so that we might state to those two parties those matters we are required to state to them in an auditor's report and for no other purpose. In accordance with the Code of Audit Practice approved by the Auditor General for Scotland, this report is also made to the Scottish Parliament, as a body. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, the company's members, as a body, and the Auditor General for Scotland, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors, accountable officer and auditor

As explained more fully in the statement of accountable officer's responsibilities set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the accountable officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2012 and of the surplus for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the EU; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and the Accounts Direction applicable for the year issued by the Scottish Ministers.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Opinion on regularity prescribed by the Public Finance and Accountability (Scotland) Act 2000

In our opinion in all material respects the expenditure and income in the financial statements were

incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Opinion on other matters prescribed by the Public Finance and Accountability (Scotland) Act 2000

In our opinion:

- the part of the remuneration report to be audited has been properly prepared in accordance with the Accounts Direction applicable to the year issued by the Scottish Ministers; and
- the information given in the part of the remuneration that is not audited for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

DJ Watt (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
191 West George Street
Glasgow
G2 2LJ

Statement of Comprehensive Net Expenditure

	Note	2012 £	2011 £
Revenue	3	1,981,250	2,781,710
Staff costs	4	(1,148,951)	(1,131,482)
Other expenditure	5	(811,679)	(1,636,099)
Operating surplus		20,620	14,129
Finance cost	5	-	(1,945)
Surplus before tax		20,620	12,184
Taxation		-	-
Surplus for the year		20,620	12,184

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 27 to 35 form part of these financial statements..

Architecture and Design Scotland Limited
Company Limited by Guarantee
Statement of Financial Position
Year Ended 31 March 2012

Statement of Financial Position

		2012 £	2011 £
	Note		
Non-current assets			
Furniture, fittings and computer equipment	6	66,718	102,533
Total non-current assets		66,718	102,533
Current assets:			
Trade and other receivables	7	38,140	421,515
Cash and cash equivalents	8	300,915	113,262
Total current assets		339,055	534,777
Total assets		405,773	637,310
Current liabilities:			
Trade and other payables	9	335,948	552,701
Total current liabilities		335,948	552,701
Non-current assets plus/less net current assets/liabilities		69,825	84,609
Non-current liabilities			
Other payables	9	27,481	62,885
Total non-current liabilities		27,481	62,885
Assets less liabilities		42,344	21,724
Reserves			
General reserve		42,344	21,724
		42,344	21,724

These financial statements were approved by the directors and authorised for issue on 10 December 2012 and are signed on their behalf by:


K Anderson
Director

The notes on pages 27 to 35 form part of these financial statements.

Architecture and Design Scotland Limited
Company Limited by Guarantee
Statement of Changes in Taxpayers' Equity
Year Ended 31 March 2012

Statement of Changes in Taxpayers' Equity

	General reserve £
Balance at 31 March 2010	9,540
Changes in reserves	
Retained surplus	12,184
Total recognised surplus for 2011	12,184
Balance at 31 March 2011	21,724
Retained surplus	20,620
Total recognised surplus for 2012	20,620
Balance at 31 March 2012	42,344

The notes on pages 27 to 35 form part of these financial statements.

Architecture and Design Scotland Limited
Company Limited by Guarantee
Statement of Cash Flows
Year Ended 31 March 2012

Statement of Cash Flows

	2012 £	2011 £
Note		
Cash flows from operating activities		
Net surplus	20,620	14,129
Finance costs paid	-	(1,945)
<i>Adjustments for non-cash items</i>		
Depreciation of furniture, fittings and computer equipment	39,080	39,646
<i>Movements in working capital</i>		
Decrease/(increase) in trade receivables and other current assets	383,375	133,626
(Decrease)/increase in trade payables and other current liabilities	(211,641)	(123,065)
Net cash inflow from operating activities	231,434	62,391
Cash flows from investing activities		
Purchase of furniture, fittings and computer equipment	(3,264)	(52,977)
Net cash outflow from investing activities	(3,264)	(52,977)
Cash flows from financing activities		
Capital element of payments in respect of finance leases	(5,112)	(11,021)
Net cash outflow from long term accruals	(35,405)	(190)
Net financing	(40,517)	(11,211)
Net (decrease)/ increase in cash and cash equivalents in the year	187,653	(1,797)
Cash and cash equivalents at the beginning of the year	113,262	115,059
Cash and cash equivalents at the end of the year	300,915	113,262

The notes on pages 27 to 35 form part of these financial statements..

Architecture and Design Scotland Limited
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31 March 2012

Notes to the Financial Statements

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2011-12 FReM issued by HM Treasury. The accounting policies contained in the FReM apply IFRS as adopted by the European Union and the Companies Act 2006 and as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Architecture and Design Scotland Limited for the purpose of giving a true and fair view has been selected. The particular policies adopted by Architecture and Design Scotland Limited are described below. They have been applied consistently in dealing with items that are considered material to the financial statements.

The FReM states that non-departmental public bodies should account for grant-in-aid as a movement in reserves rather than income. However, the Group has concluded that under the Companies Act it is appropriate to continue to account for grant-in-aid as income, on the basis that grant-in-aid received by the Group is required in order to carry out a function which its owners have asked it to perform. On that basis, the Group considers grant-in-aid to be an exchange transaction and, as such, requires to be accounted for in the income statement.

The company has not adopted any standard that has not become effective as at 31 March 2012 and the directors do not consider that any such standard will have a material impact on the financial statements going forward.

a. Accounting Convention

These accounts have been prepared under the historical cost convention.

b. Income and Expenditure

Income represents both grant-in-aid from the Scottish Government and other income, principally comprising income from work performed during the year for NHS Scotland/Health, Schools Directorate and the Scottish Government's Urban Regeneration Unit. Income is recognised in the period to which it relates and when expenditure associated with that income has been incurred by the company.

The majority of operating expenditure is shown gross of VAT as the company is not able to recover VAT on expenditure incurred in relation to grant-in-aid projects.

c. Business Combinations

The company purchased a part of the business and assets of The Lighthouse Trust during 2009. Income and expenditure in relation to the part of The Lighthouse Trust acquired was included within the income statement from the date when control of that part of the Trust passed to Architecture and Design Scotland Limited.

d. Taxation

As an Executive NDPB sponsored directly by the Scottish Government, the directors are of the opinion that the company's activities do not constitute a trade for Corporation Tax purposes and therefore consider that the company will not be subject to Corporation Tax.

e. Furniture, Fittings and Computer Equipment

Furniture, fittings and computer equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying value of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

f. Depreciation

Depreciation is provided on furniture, fittings and computer equipment on a straight

Architecture and Design Scotland Limited
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31 March 2012

line basis at rates sufficient to write down their cost, less their estimated residual value, over their estimated useful lives. The depreciation periods for the categories of assets are as follows:

Furniture and fittings – 10 years
Computer equipment – 3-10 years
Depreciation methods, useful lives and residual values are reassessed at each financial year end.

g. Trade and Other Receivables

Trade and other receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established. A provision for impairment of trade receivables is established when there is objective evidence that the company may not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement immediately. Subsequent to initial recognition, receivables are stated at cost less provision for impairment.

h. Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances with banks which have an insignificant risk of changes in value.

i. Trade and Other Payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

j. Grants Received

Government grants in respect of capital expenditure are credited to a deferred income account. The grant is released as income to the income statement in line with the expected useful life of those assets. Grants of a revenue nature are credited to the income statement in the same period as the related expenditure is incurred. Grant income received in advance of the year in which the related expenditure is incurred is recorded as deferred income at the year end date, within trade payables and other current liabilities.

k. Capital Charge

HM Treasury, under the Clear Line of Sight (Alignment Project) removed the cost of capital charge from budgets and accounts from 1 April 2010. The cost of capital charge is therefore no longer applicable. The removal of the cost of capital charge is a change in accounting policy under IAS 8. Applying paragraph 31 of IAS 1 and, noting that the removal of the cost of capital charge has no effect on the balance sheets, a specific disclosure is not required. The impact on the prior-year Income Statement is £nil.

l. Pensions

Employees of the company are covered by the provisions of the Principal Civil Service Pension Scheme which are described in note 4. Full superannuation costs are an expense of the company at rates determined by HM Treasury.

m. Financial Instruments

Financial instruments include cash and bank balances, receivables and payables. Financial instruments are recognised in the statement of financial position when the company has become a party to the contractual provisions of the instrument.

n. Leases

Where substantially all the risks and rewards of ownership of a leased asset are borne by the company, it is recorded as a non-current asset and a corresponding creditor recorded in respect of debt due to the lessor, with the interest element of the finance lease payment charged to the income statement. The capital element of the leasing commitment is shown as an obligation under finance leases with the capital element of lease rentals being applied to reduce the outstanding obligation. Assets obtained under finance leases are capitalised at their fair value in the statement of financial position.

Architecture and Design Scotland Limited
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31 March 2012

Rentals payable in respect of operating leases are charged to the income statement on a straight line basis over the term of the lease.

2. Segmental Reporting

All income is provided by the Scottish Government, either directly through grant-in aid or indirectly through Scottish Government programme work. Results are reported to the Board on this basis.

	Revenue	Expenditure	Net result
Programme			
Corporate	740,328	681,461	58,867
Design Review	204,473	196,838	7,635
Health	126,696	125,541	1,155
Urbanism	275,149	265,814	9,335
Schools	254,721	250,743	3,978
Access	272,562	261,295	11,267
Sust	332,994	300,132	32,862
	2,206,923	2,081,824	125,099
Statutory financial adjustment statement	-225,673	-121,194	-104,479
	1,981,250	1,960,630	20,620

During the year A+DS monitors revenue and expenditure based on actual and committed expenditure. At the year end there are a number of adjustments to present the financial results on a statutory basis.

3. Income

	2012 £	2011 £
Grant-in-aid	1,963,711	2,700,258
Other income	17,539	81,452
	1,981,250	2,781,710

4. Staff Numbers and Related Costs

Staff costs comprise of:

	2012 £	2011 £
Wages and salaries	916,013	884,902
Seconded, loan and temporary staff	9,691	29,872
Social security costs	73,402	80,953
Pension costs	149,845	135,755
Total employment costs	1,148,951	1,131,482

Directors' emoluments in the year amounted to £45,589 (2011: £43,070) as disclosed within the Remuneration Report on page 6.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. Architecture and Design Scotland Limited makes contributions to PCSPS on behalf of employees but is unable to identify its share of the underlying assets and liabilities of the scheme. The contributions to the scheme have therefore been accounted for as if it were a defined contribution scheme and are charged to the income statement in the year in which they become payable. The scheme actuary valued the scheme as at 31 March 2007. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation www.civilservice-pensions.gov.uk.

As the scheme is unfunded, although the actuary can determine a notional surplus or deficit within the whole scheme based on the Superannuation Contributions Adjusted for Past Experience' approach, there is no actual deficit or surplus for the scheme as a whole. As such no disclosure about the deficit or surplus or the implications thereof has been made in the financial statements as normally required under IAS 19.

In 2011-12, employers' contributions of £131,156 (2011: £135,755) were payable to the PCSPS at one of four rates in the range 16.7% (2011: 16.7%) to 24.3% (2011: 24.3%) of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions usually every four years following a full scheme valuation. From 1 April 2012, the rates will be in the range 16.7% to 24.3%. The contribution rates are set to meet the cost of the benefits accruing during 2011 - 12 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Average Number of Persons Employed

The average number of persons employed during the year was as follows:

	2012	2011
Directors	10	10
Direct employees	26	26
Seconded, loan and temporary staff	0	2
	36	38

5. Other expenditure

	2012 £	2011 £
Legal and professional fees	17,347	23,670
Rentals under operating leases	156,000	156,104
Other establishment expenses	40,554	34,218
Publications	9,874	55,393
Travel, subsistence and motor expenses	48,217	74,384
Advertising and sponsorship	2,559	10,074
Recruitment costs	3,184	9,576
Research costs	103,517	84,358
Exhibition costs	232,860	841,268
Accountancy fees	2,602	75,609
Other running costs	155,727	231,799
<i>Non-cash items:</i>		
Depreciation	39,238	39,646
Cost of capital charges	-	-
Total	811,679	1,636,099

In addition, the company incurred finance charges on leased assets of £4,831 (2011: £1,945) in the year. During the year the company purchased the following services from its auditor, KPMG LLP (2011: RSM Tenon Audit Limited):

	2012 £	2011 £
Audit services	14,383	7,800
Other services	-	105
	14,383	7,905

The majority of operating expenditure is shown gross of VAT as the company is not able to recover VAT on expenditure incurred in relation to grant-in-aid projects.

Architecture and Design Scotland Limited
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31 March 2012

6. Furniture, Fittings and Computer Equipment

	Furniture and fittings	Computer equipment	Total
	£	£	£
Cost or valuation			
At 1 April 2010	107,248	79,044	186,292
Additions	-	52,977	52,977
At 31 March 2011	107,248	132,021	239,269
Additions	3,075	930	4,005
Disposals	(741)	-	(741)
At 31 March 2012	109,582	132,951	242,533
Depreciation			
At 1 April 2010	40,712	56,378	97,090
Charged in year	10,415	29,231	39,646
At 31 March 2011	51,127	85,609	136,736
Charged in year	10,767	28,471	39,238
Released on disposal	(159)	-	(159)
At 31 March 2012	61,735	114,080	175,815
Net book value at 31 March 2012	47,847	18,871	66,718
Net book value at 31 March 2011	56,121	46,412	102,533

Furniture and fittings with a carrying value of nil (2011: £24,846) were held under finance leases.

7. Trade Receivables And Other Current Assets

	2012 £	2011 £
Amounts falling due within one year:		
Trade receivables	8,344	32,400
Balance with the Scottish Government	-	210,977
Receivable VAT	3,133	-
Prepayments and accrued income	26,663	178,138
	38,140	421,515

Payment terms for trade receivables vary but are generally fourteen days from invoice date. The invoices in relation to the trade receivables noted above of £8,344 (2011: £32,400) are dated within three months of the year end date. As such, the trade receivables are not considered to be overdue for payment as at 31 March 2012 and have not therefore been impaired.

Architecture and Design Scotland Limited
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31 March 2012

8. Cash And Cash Equivalents

	2012 £	2011 £
Balance at 1 April 2011	113,262	115,059
Net change in cash and cash equivalent balances	187,653	(1,797)
Balance at 31 March 2012	300,915	113,262
The following balances at 31 March 2012 were held at:		
Commercial banks and cash in hand	300,915	113,262
Balance at 31 March 2012	300,915	113,262

9. Trade Payables And Other Current Liabilities

	2012 £	2011 £
Amounts falling due within one year:		
Accruals and deferred income	335,948	543,957
Current part of finance leases	-	5,112
Payable VAT	-	3,632
	335,948	552,701
Amounts falling due after more than one year:		
Accruals and deferred income	27,481	62,885
Non-current part of finance leases	-	-
	27,481	62,885

Architecture and Design Scotland Limited
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31 March 2012

10. Capital Commitments

The company had no material capital commitments at 31 March 2012 (2011: £nil).

11. Commitments Under Leases

a. Operating Leases

The Edinburgh premises which the company operates from is occupied under an operating lease which expires on 13 April 2016. The Glasgow premises which the company operates from is occupied under a Management Agreement which operates on a yearly basis. The total of future minimum lease payments following the year of these financial statements is given in the table below, analysed according to the period in which the lease expires.

	2012 £	2011 £
Obligations under operating leases comprise:		
Buildings:		
Expiry within 1 year (The Lighthouse – Glasgow)	87,500	106,104
Expiry after 1 year but not more than 5 years	-	-
Expiry thereafter (Bakehouse Close – Edinburgh)	200,000	250,000
	<u>287,500</u>	<u>356,104</u>
Other:		
Expiry within one year	-	204
Expiry after 1 year but not more than 5 years	-	-
Expiry thereafter	-	-
	<u>-</u>	<u>204</u>

The company does not sub-lease its property or other assets held under operating lease agreements and is not exposed to any material contingent rent payments.

b. Finance Leases

The company has obligations under finance leases for furniture and equipment. Obligations under finance leases are as follows.

	2012 £	2011 £
Obligations under finance leases comprise:		
Furniture and equipment, future minimum lease payments:		
Due within 1 year	-	7,057
Due after 1 year but within 5 years	-	-
Less interest element	-	(1,945)
Present value of minimum lease payments	<u>-</u>	<u>5,112</u>

Architecture and Design Scotland Limited
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31 March 2012

12. Financial Instruments

The company's activities and the way government bodies are funded means that Architecture and Design Scotland Limited is not exposed to the degree of financial risk faced by other non-public sector bodies.

Accordingly, the company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is minimal.

The directors consider that the carrying value of the company's trade receivable and payables approximates to their fair value as all trade receivables and payables are recoverable/payable in the short term.

13. Contingent Liabilities

The company had no material contingent liabilities at 31 March 2012 (2011: £nil).

14. Related-Party Transactions

During the year, grant-in-aid of £1,570,060 (2011: £1,912,000) was granted by the Scottish Ministers to Architecture and Design Scotland Limited. Additional sums amounting to £362,793 (2011: £384,204) were also paid by the Scottish Ministers for related programmes on Health, Schools and Urban Regeneration. The Scottish Ministers are the sole member of the company.

All related party transactions are conducted on an arms length basis.

There were no other related party transactions during the year.

15. Post Balance Sheet Events

There are no material post balance sheet events at either year end that require to be adjusted or disclosed in the financial statements.



ARCHITECTURE AND DESIGN SCOTLAND

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of Section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts.

A member of the staff of the Scottish Ministers

Dated 20 September 2006

Management Information

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 21 to 22.

Architecture and Design Scotland Limited
Company Limited by Guarantee
Management Information
Year Ended 31 March 2012

	2012	2011
	£	£
Turnover		
Grant-in-aid	1,963,711	2,700,258
Other income	17,539	81,452
	<u>1,981,250</u>	<u>2,781,710</u>
Overheads		
Administrative expenses	(1,960,630)	(2,767,581)
	<u>20,620</u>	<u>14,129</u>
Other charges		
Notional cost of capital	-	-
Operating surplus	<u>20,620</u>	<u>14,129</u>
Hire purchase and finance lease charges	-	(1,945)
Surplus on ordinary activities	<u>20,620</u>	<u>12,184</u>

Architecture and Design Scotland Limited
Company Limited by Guarantee
Management Information
Year Ended 31 March 2012

	2012	2011
	£	£
Administrative expenses		
Wages and salaries	999,105	995,727
Pension Contributions	149,845	135,755
	<u>1,148,950</u>	<u>1,131,482</u>
Establishment Expenses		
Rent	156,000	156,104
Rates and water	21,343	21,090
Light and heat	6,805	9,125
Insurance	6,401	119
Repairs and Maintenance	6,005	3,884
Cleaning of premises	-	-
	<u>196,554</u>	<u>190,322</u>
General expenses		
Travel, subsistence and motor expenses	48,217	74,384
Telephone	15,076	27,672
Office Expenses	12,379	6,378
Printing, stationery and postage	7,932	12,655
Consumables	51,638	28,893
Staff training	10,392	22,096
Hospitality	2,019	2,120
Subscriptions and donations	9,893	277
Research Cost	103,517	84,358
Publications	9,873	55,393
Advertising and sponsorship	2,559	10,074
Exhibition costs	232,860	841,268
Recruitment costs	3,184	9,576
General expenses	33,463	113,908
Legal and professional fees	17,347	23,670
Accountancy fees	2,602	75,609
Auditor's remuneration	12,937	7,800
Depreciation	39,238	39,646
Bad debt provision	-	10,000
	<u>615,126</u>	<u>1,445,777</u>
	<u>1,960,630</u>	<u>2,767,581</u>

Architecture and Design Scotland

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