

Architecture &
Design Scotland

Aithearachd is Dealbhadh na h-Alba

Annual report and accounts

For the year ending 31 March
2024

Architecture &
Design Scotland
Aithearachd is Dealbhadh na h-Alba

Climate Action Towns
Gathering and
resource launch

28th March 2024

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2024**

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**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

PERFORMANCE REPORT

YEAR ENDED 31 MARCH 2024

PERFORMANCE REPORT

Officers and Professional Advisers

The Board of Directors

A Allen (The Chair)
K Macari (Deputy Chair)
C Parkinson
L Wilson
A Bonney
A Scott
B Ross
D Narayanan
G Varna
S McCabe

Company Secretary

J MacDonald

Business Address

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Edinburgh Futures Institute
1 Lauriston Place
Edinburgh
EH3 9EF

Registered Office

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1 Lauriston Place
Edinburgh
EH3 9EF

Auditor

Audit Scotland
4th Floor
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

Bankers

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

Solicitors

Anderson Strathern
1 Rutland Court
Edinburgh
EH3 8EY

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Chair and CEO's Foreword

At Architecture and Design Scotland, we work with our wide range of stakeholders to create the best places for Scotland.

As the national champion for good architecture and design, our work supports the delivery of Scottish Ministers' policies and objectives for the built and natural environment for the benefit of the people of Scotland. This has been reflected over the year through delivery of projects across the health and learning estates, place-based investment, strategic development planning and wide-ranging outreach activities.

We bring our design skills and expertise to support the processes that deliver new buildings and places. We believe people-centred, climate conscious approaches to the design of places and buildings are essential to meet the great challenges of our time and support the priorities of the Scottish Government. We also believe that working together is the way forward, and we are here to support and share our expertise with anyone making changes to their places.

During the year, we published our new three-year corporate plan setting out how we will deliver on our current strategy. As part of this, we have improved how we understand the impact of our work and where we need to concentrate our efforts in 2024 to 2027.

We also worked closely with colleagues in Scottish Government on a review of architecture policy delivery, the results of which are expected to reframe our role in the coming year.



Kirsty Macari

Deputy Chair

11 December 2024



Jim MacDonald

Chief Executive

11 December 2024

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Overview

Our Performance Report for 2023/24 was measured against our 2023/24 Business Plan, 2021-24 Corporate Plan and 2021-31 Corporate Strategy.

About Architecture and Design Scotland

As a public body funded by the Scottish Government, our role is to promote the design of buildings and places that meet the needs of everyone in Scotland, in line with Creating Places: A Policy Statement on Architecture and Place for Scotland.

To fulfil our role, we will

- champion good design and collaboration, nationally and internationally
- be a leading organisation, enabling the transformation of Scotland's places through the way they are planned, designed, delivered and sustained
- support and enable the effective participation of people in decision-making
- work in a range of places to make a difference on the ground
- work in partnership to promote a whole-place collaborative approach
- help shape and promote Scottish Ministers' policies for the built and natural environment
- share learning from the different places we work in

By doing this, we play a key part in informing and implementing policies around climate change, housing, infrastructure, community empowerment, transport, culture, international relations, landscape, environment, planning, health, learning and regeneration.

This report has been presented in accordance with the requirements of Section 414 of the Companies Act 2006. The company's independent auditor is required by law to report on whether the information given in the Performance Report is consistent with the Accounts. The auditor's opinion is included in the Auditor's Report on pages 45 to 48.

Statutory Background

Architecture and Design Scotland is an Executive Non-Departmental Public Body of the Scottish Government. We were established in 2005 to promote good architecture and sustainable design and our work supports the delivery of the Scottish Government's objectives and outcomes.

Our Vision

Our Strategy for 2021-31 sets out how we plan to make the Place Principle an everyday reality in Scotland. It draws on in-depth engagement with our stakeholders and is aligned with the Scottish Government's National Performance Framework. Place is where our homes, schools, health centres, workplaces, shops, natural environment and more all interact to underpin our lives. The importance of place is reflected in national policies including those for tackling climate change, housing, town centres, regeneration, transport and infrastructure, and in the Place Principle which requires a whole-place collaborative approach.

A whole-place collaborative approach means thinking about the future of these aspects together. It provides a practical and relatable way of looking at the combined impact of complex change on real people and communities. It also recognises the power of place to tackle climate change, improve health and wellbeing, address inequalities and encourage inclusive economic growth.

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By aligning a range of policy and investment streams around the ambitions of the people they aim to support, we can make better places. Success would be a whole-place collaborative approach systemically embedded across Scotland. Achieving this would see more people working together to make decisions on the future of their places. It would give an even stronger voice to the people who live in and use places, enabling their experiences to guide design and delivery. It would mean we have helped to create well-designed buildings, spaces and places that meet the needs of all those who use them.

Organisational Structure

The Chief Executive and Leadership Team support a team of 23 employees based in Edinburgh and report to the Board which is made up of a Chair, Deputy Chair and ordinary Board Members.

Key Strategic Objectives, Issues and Risks

The Board of Architecture and Design Scotland sets the strategic focus areas for the organisation in collaboration with the Chief Executive.

Our 2021-31 Corporate Strategy sets out the strategic aim for our work and the 2021-24 Corporate Plan sets out eight outcomes to help us work towards this aim and the scope of work we will do to help us achieve these.

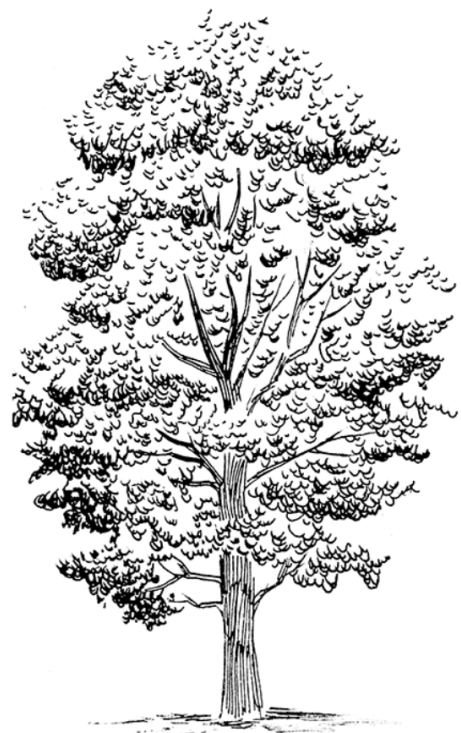
We have established an evaluation framework to help us understand the extent to which our work is contributing to our outcomes. We also published our new three-year Corporate Plan (2024–27), which sets out how we will deliver on our current strategy going forward.

Our annual Business Plan sets out a detailed programme of work and ensures we can monitor our yearly performance.

Outcomes to 2024

This plan aims to build evidence and understanding of the benefits of a whole-place approach. This will rely on achieving the following by 2024:

1. We are widely known as Scotland's leading authority on applying the Place Principle to the built environment.
2. We are relied on by partners, stakeholders and decision-makers for providing leadership, skills and added value to support a collaborative whole place approach.
3. We have the knowledge and relationships to pursue systemic change that will remove barriers to – and actively encourage – a whole-place collaborative approach.
4. Our partners and stakeholders can access evidence of the benefits of a whole-place collaborative approach, and know how to measure the benefits in their own work.
5. All those with an interest in undertaking whole-place collaborative projects across Scotland can access examples of what such an approach looks like.
6. Our partners and stakeholders across Scotland share a common understanding of what a whole-place collaborative approach is.
7. Whole-place collaborative approaches are being adopted and embedded in eight local authorities or other organisations responsible for planning and/or investment in places.
8. In each of Scotland's 32 local authority areas, real change on the ground – for the benefit of local communities – has begun, following our support of whole-place collaborative projects.

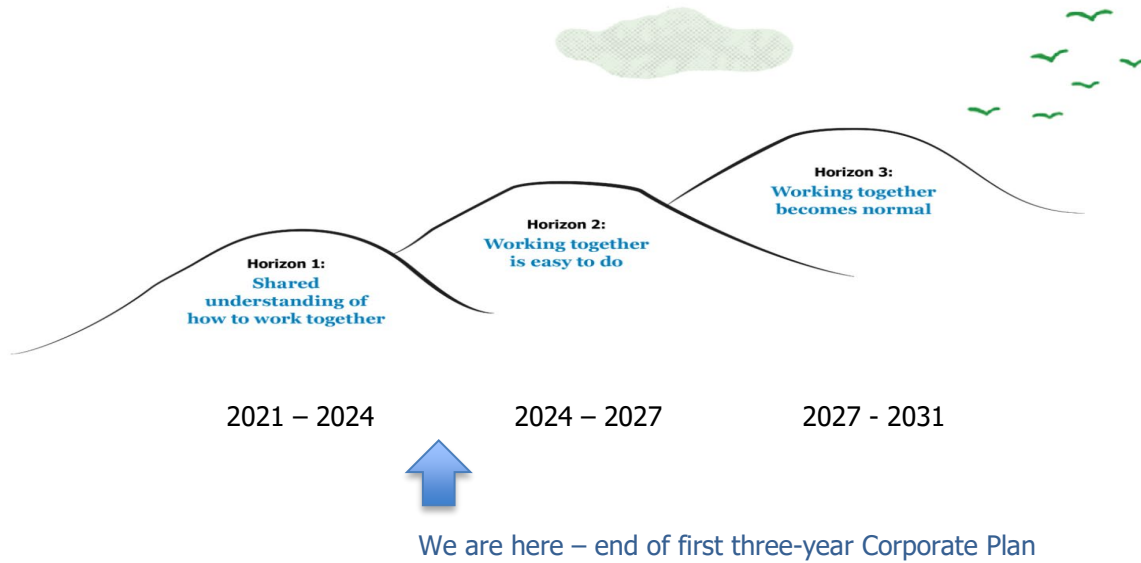


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In our strategy, we have set out a route map to embed the Place Principle in Scotland based on working towards three horizons. While we will focus on each horizon in turn, all are present in what we plan to do through to 2031.



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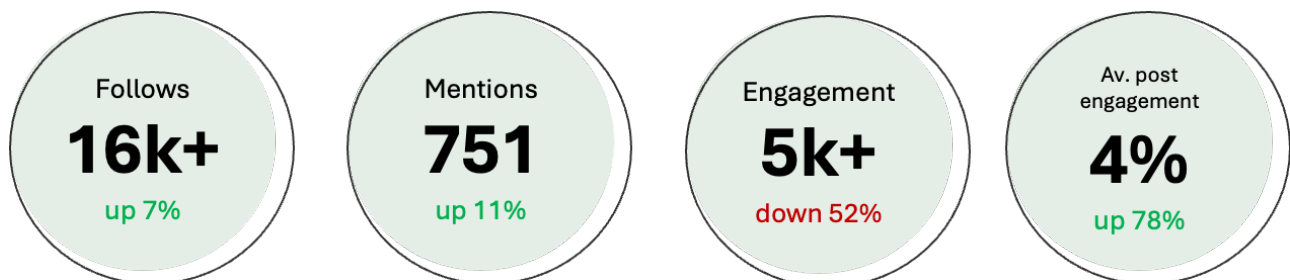
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Performance Analysis

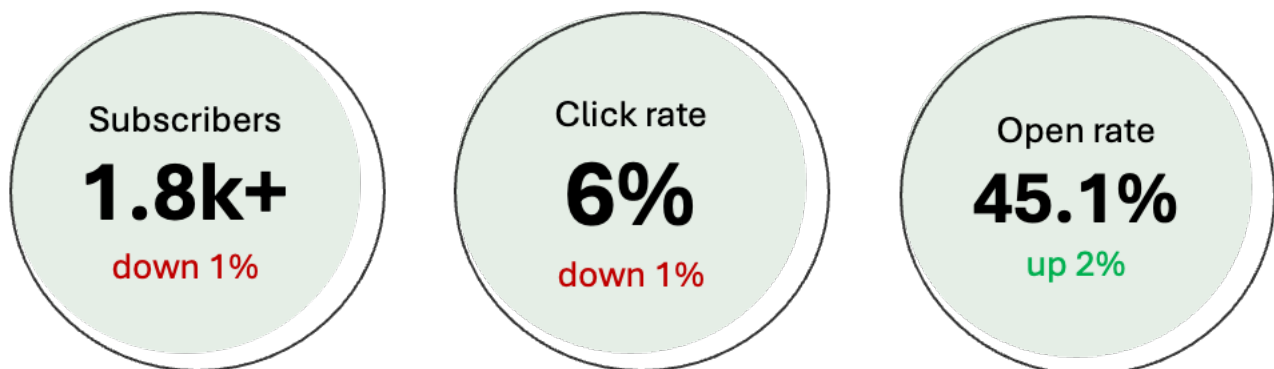
Key Highlights for 2023/24

- 1 • Newsletters and social media engagement are above public sector average.
- 2 • We receive positive feedback on the value we add from those we work with.
- 3 • We can show that our input has influence on policy making.
- 4 • We have anecdotal evidence of the benefits of adopting a whole-place collaborative approach.
- 5 • Audiences are accessing our digital resources exemplifying a whole-place collaborative approach.
- 6 • We have increased understanding of place-based collaborative approaches among our partners and stakeholders.
- 7 • We have successfully supported over eight organisations that are showing examples of adopting a place-based collaborative approach.
- 8 • We have now supported place-based collaborative design processes in over 70% of local authority areas.

Key Social Media Metrics for 2023/24 in Comparison With 2022/23



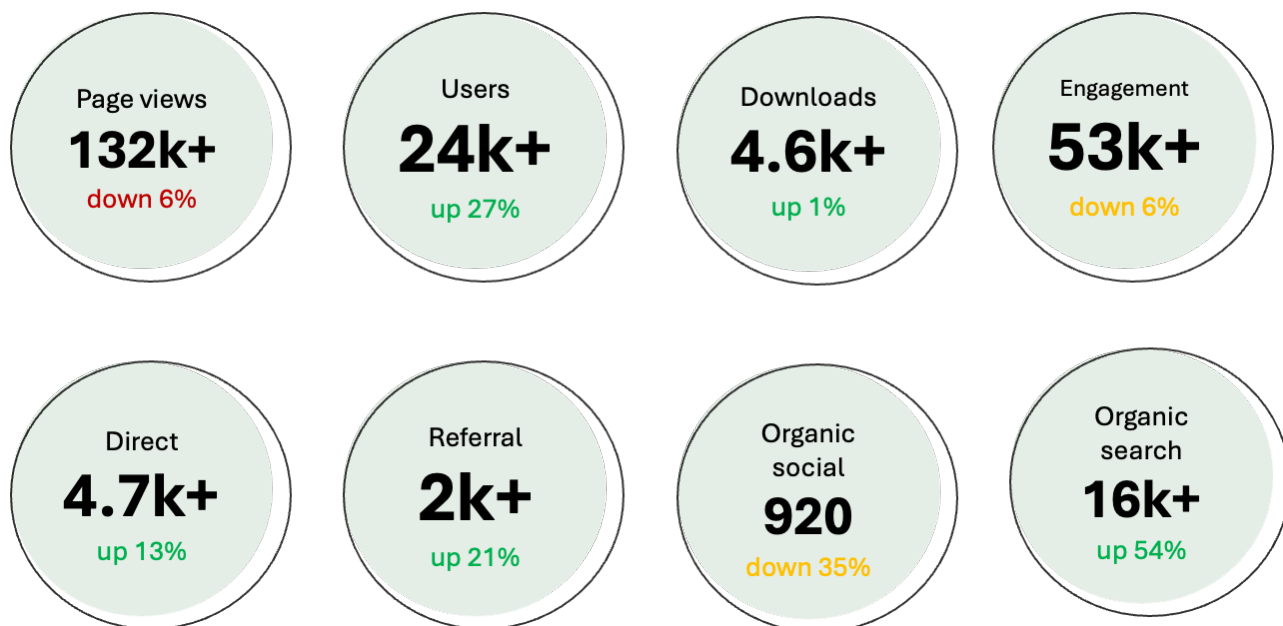
Newsletter Metrics for 2023/24 in Comparison With 2022/23



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Key Website Metrics for 2023/24 in Comparison With 2022/23



Review of Performance

In summary, the performance report for 2023/24 shows 14 business plan activities across the year, the majority of which were delivered as planned. Where performance was below expectation, steps were put in place for each activity.

At 31 March 2024, 9 of the business plan activities were on track (Green RAG rating), 3 had minor delays (Amber RAG rating), and 2 were closed. The minor delays were due to either stakeholder delay, project issues requiring the work to be rescope or temporary resourcing issues. None of the activities had major delays (Red RAG rating). Work on Place Based Development Frameworks, started under the Key Agencies Group Green Recovery collaboration, was completed and closed, as was the Climate Action Towns project.

The Leadership Team review progress of all activities on a monthly basis, and the Audit Committee review performance of the organisation on a quarterly basis. The Audit Committee formally reports to the Board on a quarterly basis.

Strategic Aim and Corporate Plan Outcomes

We continue to make progress in adopting an effective approach to measuring the extent to which the outcomes we have identified are being achieved. This has involved improving systems and methods to gather data and building our capacity to do so from across our work. Architecture and Design Scotland is an outcomes-focused, rather than target driven, organisation. We seek to understand the change and impact that is related to our work. The outcomes are not success measures in themselves – what is important is that we have increased our understanding of our impact and built on this in the development of the next corporate plan.

Outcomes Status as of 31 March 2024

This year was the final year of the 2021-24 Corporate Plan, and we have been drawing conclusions on our progress on the associated outcomes.

The following outlines the level of evidence accumulated during the corporate plan period towards our 8 outcomes which are set out on page 4.

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As our Strategy is over 10 years, we did not expect to collect all the evidence within Corporate Plan 1 – these Outcomes will be continue to be evidenced throughout the remainder of the 10-year Strategy.

We can see clear positive evidence for outcomes 2, 5, 7 and 8. We do not have enough data across all measures to evidence the level of progress for outcomes 1, 3, 4 and 6.

Outcome 2: We are relied on by partners, stakeholders and decision-makers for providing leadership, skills and added value to support a collaborative whole place approach.

Outcome 5: All those with an interest in undertaking whole-place collaborative projects across Scotland can access examples of what such an approach looks like.

Overview – positive evidence

71%

We have supported whole-place collaborative projects in 23 local authority areas, beginning real change on the ground for the benefit of local communities.



Those with an interest in undertaking whole-place collaborative projects across Scotland can access examples of what such an approach looks like on our website.

8+

We have supported adoption of whole-place collaborative approaches in eight local authorities or other organisations responsible for planning and/or investment in places.



Those we work with rely on us for providing leadership, skills and added value to support a collaborative whole place approach.

Outcome 7: Whole-place collaborative approaches are being adopted and embedded in eight local authorities or other organisations responsible for planning and/or investment in places.

Outcome 8: In each of Scotland's 32 local authority areas, real change on the ground – for the benefit of local communities – has begun, following our support of whole-place collaborative projects.

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Outcome 1: We are widely known as Scotland's leading authority on applying the Place Principle to the built environment.

Outcome 3: We have the knowledge and relationships to pursue systemic change that will remove barriers to – and actively encourage – a whole-place collaborative approach.

Overview – lack of evidence



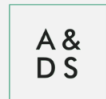
We have many stories exemplifying our impact – we have not been able to create resources that evidence the benefits of a whole-place collaborative approach, and how stakeholders can measure these in their own work.



We know more about barriers to adopting a collaborative whole place approach – we don't know enough about our strategically important relationships.



Some of our partners and stakeholders share a common understanding of what a whole-place collaborative approach is – we need to know more.



We have increased the audiences for our key messages – we are not widely known as Scotland's leading authority on applying the Place Principle to the built environment.

Outcome 4: Our partners and stakeholders can access evidence of the benefits of a whole-place collaborative approach, and know how to measure the benefits in their own work.

Outcome 6: Our partners and stakeholders across Scotland share a common understanding of what a whole-place collaborative approach is.

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The following outlines the level of evidence accumulated during the corporate plan period.



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Building on this learning, we have strengthened our systems and processes for collection of data, as well as how we shape outcomes and data collection within Corporate Plan 2.

Key Work for our Corporate Plan 2, Building on Findings from Corporate Plan 1

Focusing on outcomes greatly increased our understanding of how the organisation functions and what we prioritise. We went into the Corporate Plan 1 period with an awareness that the outcomes were ambitious and would not be fully achieved. Corporate Plan 2 continues within the long-term framework of the strategy, with a mission that focuses on work to 31 March 2027.

Over the next three years, we will use our range of design skills to help people explore the potential of their place, whatever its scale. We will work with our partners to test, apply, and learn from new ways of working. We will promote people-centred, climate-conscious design and work with our partners to achieve net zero, address inequality, create opportunity, and inform innovation in the way wider public services are delivered.

The focus to 2027 will be to use our architecture and design expertise to support partnerships which use a whole-place, collaborative approach and create an accessible knowledge base for our stakeholders. We will show what design-led, place-based collaboration means in practice, outline the benefits it brings, give examples of how it can be done and work with our partners to remove the barriers that stop it from happening.

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To support our progress towards this mission, we have set out 5 outcomes that will be used for internal purposes from 2024-27:

Our outcomes are



Our contribution to the Scottish Government's missions is clear



Our stakeholders have access to more knowledge and skills on applying the Place Principle



Some of the barriers we observe to working in line with the Place Principle have been removed



New place partnerships are established



Increasingly people-centred, climate conscious design of places

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Snapshots of 2023/24 Activities:

Supporting Planning Authorities With Local Development Plan Preparations

In 2023, the Key Agencies Group (KAG) confirmed that six local authorities from across Scotland would receive support to take a place-based collaborative approach to preparing Local Development Plans and this work has been developed throughout the year.

The six pilot authorities



Key Agencies Group Local Development Plan Collaborative Offer - Shared Learning Event

In February 2024 we delivered a Shared Learning Event with Improvement Service showcasing our collaborative work with four of the six pilot authorities through the joint KAG Local Development Plan Offer. The online event ran for two hours and 199 people joined the session.

The panel discussion covered the process undertaken, key learning points and reflections on challenges and barriers overcome. The four authority panellists were joined by three KAG colleagues giving insight to the key benefits of collaborative place-based working.

Feedback from the audience:

'Having many different examples from different contexts was very useful, as was the shared lessons across the pilot authorities. That resources have been provided to help replicate some of this work.'

'Great range of panellists, excellent facilitation by the chair, lots of informative content for Local Authorities'

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Scotland + Venice: A Fragile Correspondence

In 2023 Architecture and Design Scotland, as part of the Scotland + Venice partnership, supported the delivery of A Fragile Correspondence at the International Architecture exhibition at La Biennale di Venezia.

Key highlights from the exhibition

15,000

visitors attracted
from May to
November

11 events

supported the exhibition
including conversations
and exchanges from
Austria, Australia, Ireland
and Lithuania

Coming soon...

Scottish audiences will
be able to explore A
Fragile Correspondence
at V&A Dundee in late
2024.

**330 online
23 print
16 broadcasts**
media coverage
reached

Collaborators from A Fragile
Correspondence take part in an event at
the opening weekend in May 2023.



Providing Design Advice for Health Developments

In 2023/24 through NHS Scotland Design Assessment Process (NDAP), we have supported seven health boards and engaged with over 120 stakeholders through Design Statement workshops on projects totalling over £1 billion of public investment for Scotland's health estate. We worked collaboratively to support health boards in the design of health and social care facilities to ensure that the views of patients, staff and communities are captured and inform emerging design proposals. We use digital tools to help develop strategic briefs in the form of project specific Design Statements. The Design Statement sets out bespoke qualitative standards unique to each project and is a statement of need and intent from the health boards to Scottish Government.

Town Centre Living Working Group

We continued work started by the Town Centre Living Short-Life working group, together with partners in Scottish Futures Trust, Scottish Land Commission and others. This has led to representation at the minister-led Town Centre Action Plan Forum and promotion of town centre living across Scotland, including through a series of roadshows.

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Town Centre Living Roadshows

More than 200 people have taken part in a series of events to inspire and influence the drive to have more people living in Scotland's town and city centres. The roadshow visited Perth, Paisley, Inverness, Falkirk, with a further session being held online.

The Town Centre Living and Investment Roadshow featured five events, visiting four places with representatives of councils, community organisations, improvement districts, architects, town planners and housing associations among those taking part.

They have been held as communities across the country awoken to the benefits of having more people living - as well as working - in the heart of communities.

[Roadshow series highlights huge potential for communities across the country | A&DS](#)

Climate Action Towns

Climate Action Towns was a Scottish Government funded project, that concluded at the end of March 2024. The aim of the project was to work with a network of small towns to identify relevant climate issues and support local communities to take place-based climate action.

As we came to the end of the three-year Climate Action Towns project, we collated our learnings into a report and a series of short videos and a toolkit, which can be found on a dedicated webpage via link below.

These resources are aimed at a range of audiences; together they set out how we can identify the climate action initiatives relevant to everyone's places.

[Climate Action Towns | A&DS \(ads.org.uk\)](#)



Our team attends the Hannahston Woodlands Nature Day in Drongan promoting the Climate Action Towns project.

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Looking Ahead to 2024/25

In 2024/25 we launched our Corporate Plan for 2024-27 which sets out the work we plan to do over the next three years as we implement our ten-year Strategy.

This describes how we will continue to use design to help people explore the potential of their place, whatever its scale. In the spirit of the Place Principle, we will work with our partners to test, apply, and learn from new ways of working as we promote people-centred, climate conscious design and collaborate to address inequality, create opportunity, and inform innovation in the way wider public services are delivered.

In May 2024 we moved to a new office location in Edinburgh. Our old premises at Bakehouse Close were vacated on 30 April 2024 and we moved into a shared space at the Edinburgh Futures Institute, where we are already benefiting from increased collaboration with new partners. From 1 April 2024 we also vacated our Glasgow office space.

Scottish Government begun a process in 2023/24 to review architecture policy and the work of A&DS within that policy. The architecture review findings will be published in early 2025 and the A&DS Chair, Board and staff views will be sought before the final version is published. Once the architecture review findings are known, A&DS will begin the work to implement relevant A&DS recommendations from the architecture Review.

You can find more information about our current and future work on our website at www.ads.org.uk, which includes how to follow us across our social media platforms and how to subscribe to our newsletter.

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Financial Overview

The results for the year to 31 March 2024 are contained in the attached Accounts, prepared in accordance with the 2023/24 Government Financial Reporting Manual (FReM) and in the form directed by the Scottish Ministers, taking cognisance of the Scottish Public Finance Manual.

The FReM requires that the company should comply with the Companies Act, but, as a Non-Departmental Public Body, also follow the principles in the FReM (for example, in preparing a Remuneration Report) where these go beyond the Companies Act. The accounting policies explain the basis on which the Accounts are prepared, and transactions are recognised. The Accounts are prepared on an accruals basis in accordance with accounting standards.

Architecture and Design Scotland received Grant in Aid from Scottish Government of £2,090k in the year to 31 March 2024 (2022/23: £2,090k). This grant in aid is spent on people costs, overheads, and projects.

After adjustments for the release of income deferred from prior periods and the deferral of income relating to future periods, other income was £101k (2022/23: £123k). Our expenditure on people costs was £1,706k (2022/23: £1,607k) and £618k on operating costs (2022/23: £610k).

Since the company commenced trading it has accumulated reserves of £193k as at 31 March 2024 (31 March 2023: £326k).

This represents the timing of work performed by Architecture and Design Scotland which cuts over multiple financial years. Scottish Government are fully aware and supportive.

The Directors are satisfied with the results for the year.

Procurement

We have policies and procedures in place for the procurement of all goods and services and we have a Memorandum of Understanding in place with Scottish Government Procurement Division which provides us with training and advice in-year along with policy updates.

Our procurement policy has six key priorities

- support for our core business
- compliance with legislation
- transparency, fairness and accountability
- achieving value for money
- raising the level of procurement knowledge, skills and expertise
- maximising access to Collaborative Contracts available via the contract's strategy directory

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 Architecture and Design Scotland. In 2023/24 we received and responded to eight Freedom of Information (FoI) requests (2022/23 we responded to five). Seven FoI replies were actioned within the statutory 20 working day deadline.

Data Loss

There were no incidents reported to the Information Commissioner in the year 2023/24.

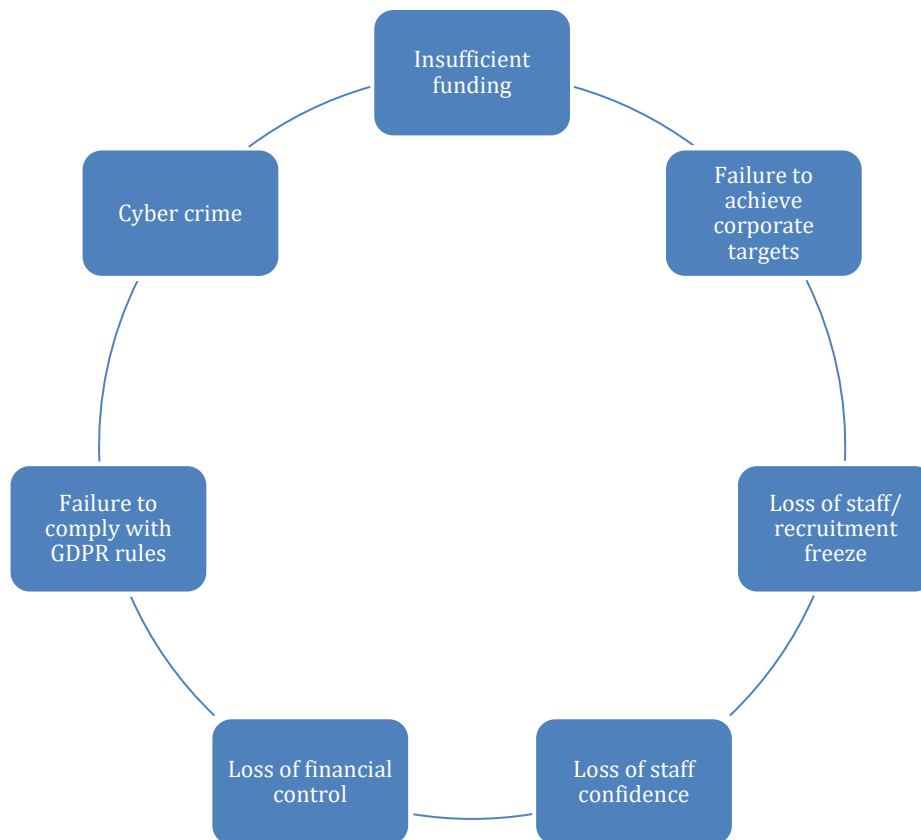
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Risk and Uncertainty

Risks remains a key topic at Audit Committee. 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 Risk Register. This Register is reviewed quarterly by the Leadership Team and presented to the Audit Committee on a quarterly basis.

The key strategic risks identified in-year for Architecture and Design Scotland are noted below.



The key risks remained the same as the previous year, with a greater emphasis being placed on insufficient funding and loss of staff and the inability to recruit because of a recruitment freeze.

Mitigations were put in place to manage risks which are monitored quarterly by the Leadership Team and updated accordingly in-year as appropriate. Mitigations include active controls including

- monitoring funding and creating opportunities to increase funding streams
- continuous monitoring for cyber attacks
- implementation of project management system
- regular meetings with our Sponsor Team at Scottish Government

In the current year, these strategic risks have not adversely affected the delivery of our work.

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Going Concern

As at 31 March 2024, Architecture and Design Scotland's balance sheet had net assets of £193k (31 March 2023: £326k). 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 Accounts on a going concern basis.

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 ten days. In the year to 31 March 2024, 93% of authorised purchase invoices were paid within ten days (31 March 2023 – 86%).

Non-Financial Information Including Anti-Corruption and Anti-Bribery Matters

We report on matters of anti-corruption and anti-bribery in a quarterly governance statement from the Chief Executive to the Audit Committee. All policies are kept under review and align with Scottish Government's guidance.

Sustainability Report

Architecture and Design Scotland are supporting communities to have their voice heard on climate issues that are important to them, which is an integral part of the whole-place collaborative approach, and the design advice team's work.

We do this by

- delivering a consistent approach to messaging on the climate emergency both internally and externally
- ensuring our staff development includes sustainability training

Our three-year project on Climate Action Towns was completed in 2023/24 and we have collated our learnings into a report and a series of short videos, which can be found on a dedicated webpage [here](#). Sitting alongside the report is a [toolkit](#) which provides a range of ideas and activities to support community-led climate action.

The information on this webpage continues to be a resource which shares the story of the project.

Architecture and Design Scotland is committed to taking forward the learnings of Climate Action Towns by continuing to embed the lessons in all our work.

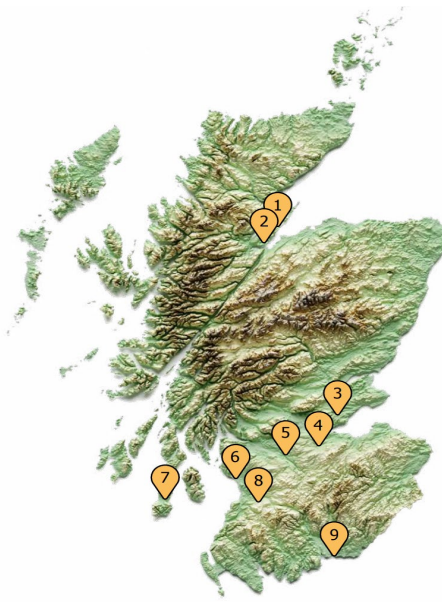
**Scotland's climate is changing, and we need
to take urgent action across all scales.**

As half of Scotland's population lives in towns, it is vital that they are part of the climate conversation. In 2021 The Scottish Government invited Architecture and Design Scotland – Scotland's design agency for place – to develop the Climate Action Towns project.

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The Climate Action Towns

1. Invergordon
2. Alness
3. Benarty
4. Blackburn
5. Holytown
6. Stevenston
7. Campbeltown
8. Drongan, Rankinston and Stair
9. Annan

The aim was to work with communities and other stakeholders to identify the best ways to embed climate actions in their towns. Climate action could range in scale from a seed library to community energy schemes. The actions respond to the needs of local places and communities. The Climate Action Towns report shares the learning from the project and demystifies the process to support the identification of climate actions relevant to your place.

Selecting the towns

Nine towns are part of the Climate Action Towns project. Each has a population between 3,000 -10,000 and was chosen using a data-driven approach. This meant looking at data relating to climate risk, current climate action and funding, as well as other factors such as levels of child poverty. Another consideration was to what extent the community had taken previous climate action.

The project engaged with community groups and partners to understand each town's capacity and appetite for climate action. We used design-thinking and creative approaches to deliver workshops and events to learn from the towns and bring partners together. There was a focus on embedding the conditions and capacities that are needed to enable community-led climate action in a place.

Sharing the learning

We are beginning to see the results as climate action is embedded in plans and projects. We are committed to sharing the learning so that more places can get involved in taking place-based climate action. Climate action that works for people and place.

In November 2019 the Board endorsed a series of measures to be adopted, which intended to reduce the carbon emissions associated with our business. Since then, we have developed our understanding of the breadth and depth of issues related to emissions and our role in reducing these.

In response to Public Bodies Climate Change Duties (PBCCD) reporting requirements, we completed our first submission in 2022. This was not a requirement as an NDPB from a regulatory point of view, however we felt it important to report on our Climate Duties and establish a baseline for emissions data which will provide the basis for measuring our future progress.

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

PERFORMANCE REPORT

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Our initial focus throughout 2023/24 in relation to Climate Duties was to ensure

- systems and resources are in place to understand our impact and enable effective reporting of it
- our 2024-27 Corporate Plan addresses the climate emergency directly
- our wider policies and procedures support emissions reduction and/or mitigation
- we can understand the impact of the work we do
- our office move considered climate issues

Elements of our work in relation to Climate Duties is reflected in the measures detailed over the following pages.



The climate emergency remains an overarching priority and is central to the Scottish Government's programme of work. We are working hard to make a positive contribution to Scottish Government's target to achieve net zero emissions by 2045. We will do this through the way we work, and also in the work we deliver.

We will continue to measure and report on our contribution towards net zero emissions.

Summary of Performance 2023/24

We continue to embrace the Public Bodies Climate Change Duties (PBCCD) reporting scheme and produced our second report on how we are performing against the climate change duties.

**ARCHITECTURE AND DESIGN SCOTLAND
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PERFORMANCE REPORT

YEAR ENDED 31 MARCH 2024

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 is produced electronically only with our website being the main distribution channel. A monthly electronic newsletter keeps our stakeholders up to date with our activities.

Travel - Business Travel and Commuting

Business travel in 2023/24 has increased as we returned to a new normal business working, post-Covid, as we continue our hybrid working and hold weekly staff in-person meetings.

In general, all employees are encouraged to reduce the carbon footprint by using active travel routes and we offer incentives such as our Bike to Work Scheme loans and season ticket loans for public transport.

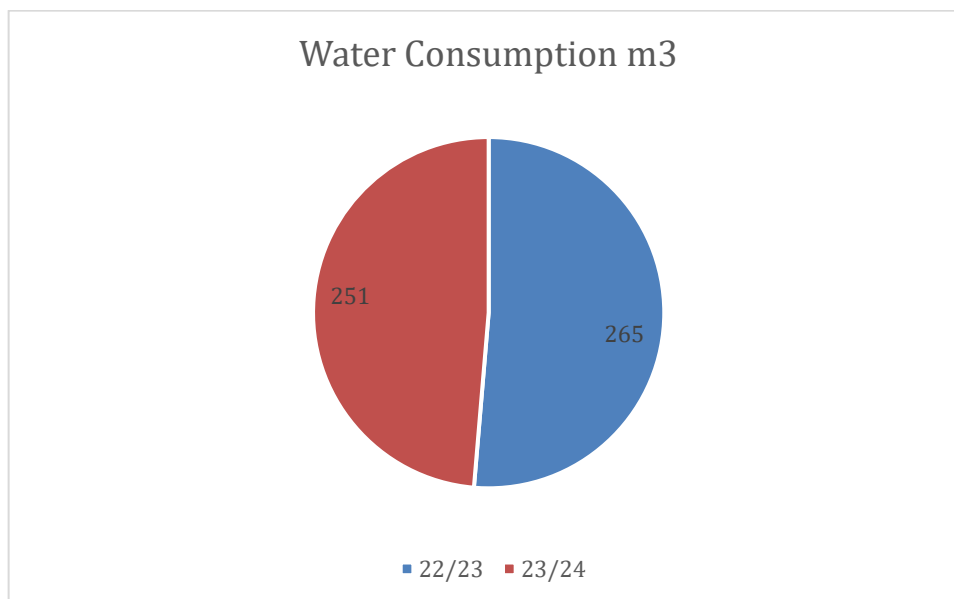
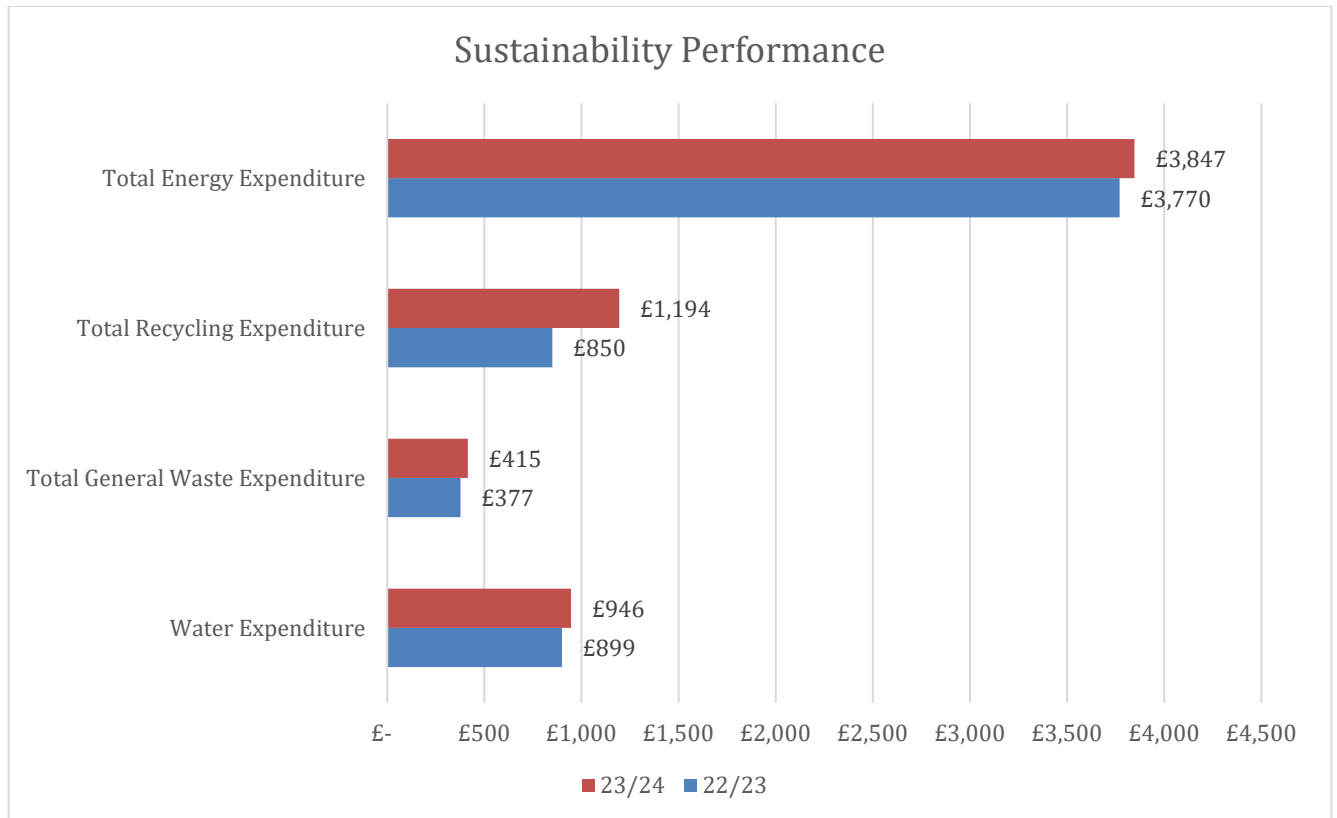
Flexible and hybrid working is also available to all staff, depending on the required business need.

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

**PERFORMANCE REPORT
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Sustainability Performance

We have identified slight increases in recycling and general waste numbers, mainly due to cost-of-living increases. Energy consumption did increase because the main office was open four days per week.

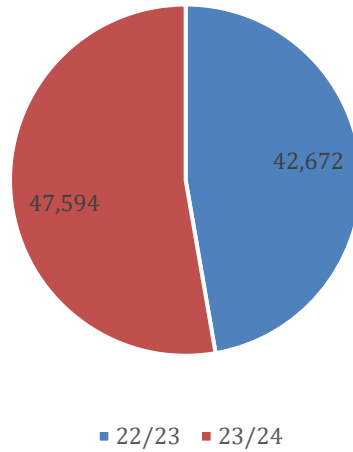


**ARCHITECTURE AND DESIGN SCOTLAND
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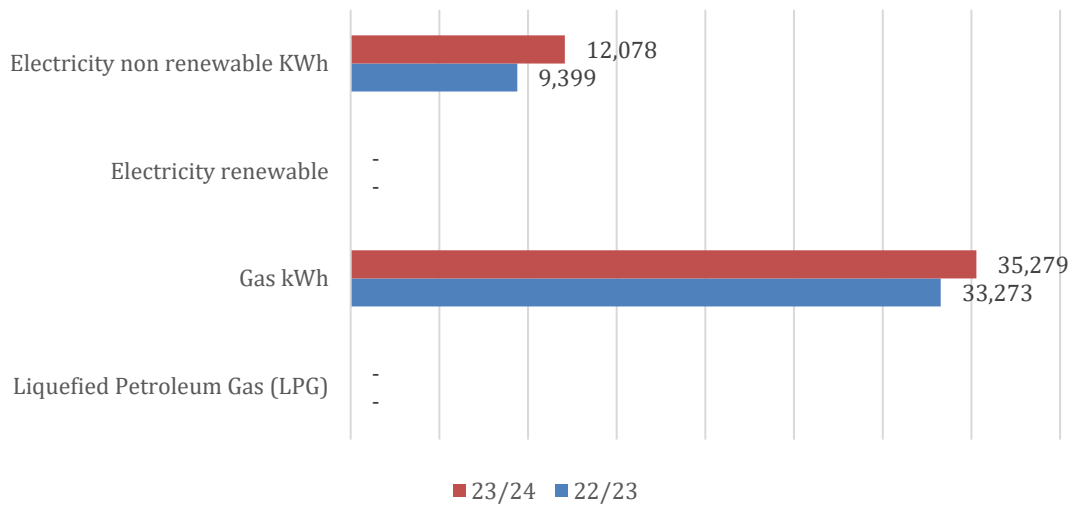
PERFORMANCE REPORT

YEAR ENDED 31 MARCH 2024

Total Energy Consumption kWh



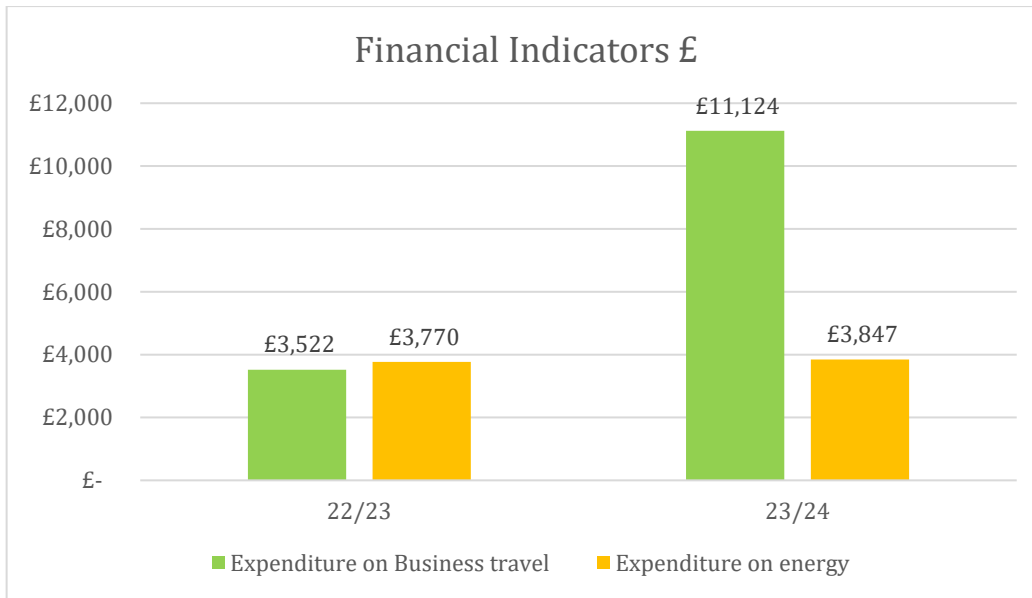
Energy Consumption



**ARCHITECTURE AND DESIGN SCOTLAND
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Waste

Paper, cardboard, cans, plastics and glass waste are normally sent for recycling. Special arrangements are made to recycle any obsolete computer equipment and furniture. The figure for 2023/24 has increased slightly mainly due to cost-of-living increases.

Water

The cost of water consumption in our Edinburgh office premises in Bakehouse Close was a percentage split between ourselves and the other tenant sharing the office building. The consumption was slightly down on the previous year due to a tenant moving in on the second floor – which then shared some of the standard meter costs.

Business Travel

Business travel increased in 2023/24 due to travel to the Venice Biennale which took place in year.

Sustainable Procurement

Architecture and Design Scotland uses Scottish Government procurement framework contracts. The Scottish Government framework is committed to sustainable procurement and the sustainability strategy.

Architecture and Design Scotland pays climate change levies to EDF Energy for electricity and to Total Gas & Power for gas.

Social and Community Relations

We have hosted several meetings for partners which included Royal Town Planning Institute (RTPI) and Planning, Architecture and Regeneration Division (PARC) from Scottish Government.

Sustainability Going Forward

An accommodation review took place in 2023/24 and a move from two locations to one location was considered and agreed.

The search criteria included sustainability and active travel options for any new location.

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We will continue to use feedback from stakeholders to see how we are adding value on climate issues through our unique role in helping Scotland to design for the future needs of its population.

We are also ensuring that our organisation is tackling issues internally through its Accommodation Strategy, People Strategy and organisational carbon footprint.

What Will That journey Look Like?

- we will incorporate our approach to the climate emergency within the next Corporate Plan
- we will learn from our stakeholder and partners through collaboration and share the learning
- our carbon footprint, climate action plan priorities and achievements will be reported in our future Annual Report and Accounts and on our website and through the Public Bodies Climate reporting

Strategic Priorities - Next Year and Beyond

To ensure we deliver our ten-year Corporate Strategy, we have used the final year of the current three-year Corporate Plan (2021-24) to assess our progress, and the findings have shaped our next three-year Corporate Plan (2024-27).



J MacDonald
Chief Executive/Accountable Officer
11 December 2024

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

**ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2024**

ACCOUNTABILITY REPORT

Corporate Governance Report

The requirements of the Directors' Report are set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of SI 2008 No 410, and in the Remuneration and Staff Report, as set out in Chapter 6 of the Companies Act 2006 and SI 2013 No 1981.

Directors' Report

Introduction

The Directors present their Report and the Accounts of the company for the year ended 31 March 2024.

The Accounts have been prepared in a form directed by the Scottish Ministers in accordance with the Government Financial Reporting Manual (FReM) and fulfil the requirements of the Companies Act 2006.

In accordance with section 414(c)(11) of the Companies Act 2006, Architecture and Design Scotland has chosen to include the Review of Business Performance in the Performance Report which would otherwise be included in the Directors' Report.

Organisational Excellence

We want to deliver the best possible service to our 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.

Company Status

Architecture and Design Scotland is an Executive Non-Departmental Public Body (NDPB) sponsored directly by the Scottish Government, whose purpose is to champion good architecture, design and planning in the built environment. Architecture and Design Scotland is a company limited by guarantee and registered in Scotland - Company Registration Number SC267870. The sole members are the Scottish Ministers.

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 Architecture and Design Scotland. There is a formal policy of delegated authority, which includes matters specifically reserved to the Board for decision. All non-executive Directors are independent.

The Audit Committee has responsibility for risk, governance and performance. This Committee recommends the appointment of our internal auditors and receives our internal audit reports and Annual Report and Accounts.

Ministerial Responsibility

The minister with responsibility for Architecture and Design Scotland is Angus Robertson MSP, Cabinet Secretary for Constitution, External Affairs and Culture.

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

**ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2024**

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 Accounts were as follows

A Allen (The Chair)
K Macari (Deputy Chair)
A Bonney
A Scott
B Ross
C Parkinson
D Narayanan
G Varna
L Wilson
S McCabe

Relevant Directors' Interests

Details of Directors' interests are given in **Note 14 Related Parties Transactions**. No Board Members held any significant interests that conflicted with their responsibilities.

The Board, chaired by Ann Allen, met nine times during the year. Audit Committee, chaired by Kirsty Macari, met five times during the year. Attendance of these meetings was as follows

Board Member	Board Meetings (9)	Audit Committee Meetings (5)
A Allen ¹	7 (2 part only)	n/a
A Bonney	9	4
A Scott	9	4
B Ross	8	4
C Parkinson	8	4
D Narayanan	3	3
G Varna	3	0
K Macari	8	5
L Wilson	8 (1 part only)	2
S McCabe	5 (2 part only)	2

¹ The Chair can attend Audit Committee on an observer basis only.

Conflicts of Interest Procedures

Architecture and Design Scotland 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 and Audit Committee meetings.

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE
ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2024**

Leadership Team

The Leadership Team comprises the Chief Executive, Director of Outreach and Operations, Director of Design, Corporate Infrastructure Manager and the Communications Manager.

This team is responsible for supporting the day to day running of the organisation.

Specifically, the Leadership Team is responsible for

- monitoring delivery of work within the approved Business Plan
- agreeing amendments to the allocation of operational budgets
- initiating new projects additional to the approved Business Plan

Currently, these roles and responsibilities are supported by the Management Statement and Financial Memorandum (2019) and a Scheme of Delegated Responsibility (2012). In addition, the Board was supported by two sub-committees, namely Audit Committee and Planning & Policies Group. Each of these worked to Terms of Reference approved by the Board.

The business is framed by a ten-year Corporate Strategy, three-year Corporate Plan and yearly Business Plan, 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 Risk Register is maintained and reported to the Audit Committee quarterly.

Audit Committee

The Audit Committee oversees the strategic process for business reporting, risk management, internal control, corporate governance and statutory financial obligations.

The committee is chaired by a Board Member and all Board Members, except for the Chair, are members of Audit Committee. This was revised in October 2022 and previously comprised of a minimum of four, and a maximum of five, Board Members.

The committee meets quarterly and works to the Terms of Reference setting out its authority agreed by the Board. Internal auditors and external auditors are invited to the Audit Committee meetings.

The Audit Committee continues to review corporate and strategic risks in line with our Risk Policy. This includes quarterly updates on risk appetite, assurance definitions and inherent and residual risk.

TIAA are contracted to provide internal audit services to 31 March 2026.

Political and Charitable Donations

The company made no political or charitable 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.

**ARCHITECTURE AND DESIGN SCOTLAND
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ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2024**

Auditor and Disclosure of Information to Auditor

As a non-profit making public sector company, which carries out functions of a public nature in terms of section 483(2) of the Companies Act 2006, under the Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland Order 2008), the Scottish Ministers have determined that the Accounts of the company shall be audited by the Auditor General for Scotland. The Auditor General for Scotland has appointed Audit Scotland to undertake the audit for the year ended 31 March 2024.

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

Jim MacDonald

J MacDonald
Chief Executive/Accountable Officer
11 December 2024

Kirsty Macari

K Macari
Deputy Chair
11 December 2024

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

**ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2024**

Statement of the Directors and Accountable Officer's Responsibilities

The Directors and Accountable Officer are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare Accounts for each financial year. As required by the Accounts Direction applicable for the year issued by the Scottish Ministers, they are required to prepare the Accounts in accordance with IFRSs as adopted by the UK and applicable law and have elected to prepare the Accounts on the same basis.

Under company law the Directors must not approve the Accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its surplus or deficit for that period. In preparing the Accounts, the Directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether they have been prepared in accordance with IFRSs as adopted by the UK and the Accounts Direction applicable to the year issued by the Scottish Ministers
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its Accounts comply with the Companies Act 2006 and the Accounts Direction applicable to the year issued by the Scottish Ministers. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of Accounts may differ from legislation in other jurisdictions.

Disclosure of Relevant Audit Information

As Accountable Officer, I am not aware of any relevant audit information of which our auditors are unaware. I have taken all necessary steps to ensure that I am aware of any relevant audit information and to establish that the auditors are also aware of this information.

Accounts Direction

The Accounts have been prepared in accordance with a direction given by the Scottish Ministers in pursuance of Section 19(4) of the Public Finance and Accountability (Scotland) Act 2000.

The Statement of Accounts shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the Statement of Accounts are prepared.

The Accounts shall be prepared 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.

This direction is shown as an appendix to these Accounts on page 61.

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

**ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2024**

Governance Statement

Introduction

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

The statement, for which I am personally responsible, covers the systems of internal control for the accounting period 2023/24 and additionally the period up to the date of signing. 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 Internal Audit and our Audit Committee on the corporate performance management and staff performance reviews and follow up items from the previous year.

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 2006. Its remit and responsibility is set out by the Management Statement prepared by the Scottish Government's Planning and Architecture Division. 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 the Scottish Ministers. At 31 March 2024 the Board was made up of a Chair and nine ordinary 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.

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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 approval of the Scottish Ministers, Architecture and Design Scotland's Chief Executive, following appropriate approval of the Chief Executive's remuneration package in line with Scottish Government Pay Policy for Senior Appointments and, in consultation with the Scottish Government, sets appropriate performance objectives which give due weight to the proper management and use of resources within the stewardship of Architecture and Design Scotland and the delivery of outcomes

The Chief Executive is the designated Accountable Officer and is personally responsible for safeguarding the public funds for which he 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 monies, 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

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- 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
- prepare a Governance Statement regarding Architecture and Design Scotland's system of internal control, for inclusion in the Annual Report and Accounts
- 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
- ensure that an effective Freedom of Information mechanism is in place for prompt and accurate reporting

The system has been in place for the year ended 31 March 2024 and up to the date of approval of the Annual Report and Accounts.

As Accountable Officer, I have overall responsibility for reviewing and maintaining effective internal controls and risk management arrangements for the organisation. This responsibility was assigned to me by the Scottish Ministers. The following processes provide me reasonable assurance

- an assurance framework established in accordance with the Scottish Public Finance Manual which provides assurance from employees who are responsible for developing, implementing and maintaining internal controls across their delegated areas
- the work of the internal auditors, which is directed through an internal audit plan agreed by the Audit Committee and focuses on identified control risk areas. The internal auditors submit reports on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement
- quarterly reviews by the Audit Committee of the organisation's corporate Risk Register in assessing the effectiveness of risk management arrangements
- comments made by the external auditors in their management letters and other reports
- performance reporting, risk reporting and balanced scorecard measuring on a quarterly basis
- reporting from projects and the corporate infrastructure team via monthly Leadership Team

Internal Audit

TIAA, our internal auditors, aim to add value to the work we do by ensuring their Annual Audit Report provides a summary of the audit work done in the year together with clear judgements and conclusions on how well we have discharged our responsibilities and demonstrated the effectiveness of our arrangements.

TIAA carried out ten days of internal audit on the following topics

- review of risk management
- review of staff appraisal system
- follow up actions reporting

**ARCHITECTURE AND DESIGN SCOTLAND
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All recommendations were considered by the Leadership Team and implemented where appropriate by the organisation to improve systems and processes.

Where it is appropriate the internal auditors will recommend actions that support continuous improvement and summarise areas of good practice identified from their audit work.

The Head of Internal Audit's Annual Opinion stated that we have reasonable and effective risk management, control and governance processes in place.

The Operation of the Framework

During the period in question (April 2023 to March 2024) the Board had nine formal business meetings where papers were presented, and decisions reached. The Audit Committee met five times.

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

- approved the Annual Report and Accounts for 2022/23;
- reviewed the 2023/24 Business Plan
- approved the Business Plan for 2024/25
- approved the budget for 2024/25
- reviewed sickness absence figures
- approved the internal audit plan
- reviewed Strategic and Corporate Risks
- reviewed GDPR requirements
- approved key policies and procedures

The Leadership Team had 42 formal meetings during the same period. The Leadership Team meet weekly for one hour.

Role of Audit Committee

Audit Committee's responsibilities include

- acting on behalf of the Board, in overseeing the finalisation of the Accounts and the Statement on Internal Control, summarising its conclusions from the work internal audit has done during the year
- establish and review the strategic processes for risk, control and governance and the Statement on Internal Control
- reviewing accounting policies, the Accounts, and the Annual Report of the organisation, including the process for review of the Accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors
- overseeing the planned activity and results of both internal and external audit
- reviewing the adequacy of management response to issues identified by audit activity, including external audit's management letter/report
- providing assurances relating to the corporate governance requirements for the organisation
- providing assurances for tendering proposals for internal audit services or for purchase of non-audit services from contractors who provide audit services
- reviewing anti-fraud policies, whistle-blowing processes, and arrangements for special investigations

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The Audit Committee can

- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience
- procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by Board or Accountable Officer

Assessment of Corporate Governance

Based on a review of best practice and feedback from Board and staff, I am satisfied that our corporate governance arrangements are satisfactory. The roles of key elements (Board, Chief Executive, Leadership Team) are clear and understood. Decision making within the organisation is clearly set out and supported by guidance.

Assessment of Risk Management

Management of risk continued to develop effectively. The Risk Registers provided the basis for an informed and uniform approach to risk management across the organisation supported by routine reporting and review.

Both the Audit Committee and Board review risk on a quarterly basis. The Leadership Team consider project and operational risk on a monthly basis.

Data Security Issues

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

Conclusion

Architecture and Design Scotland's governance arrangements have continued to develop during the period in question. Building on work undertaken in previous periods, improvements have been made to the management and reporting of risk, the management of our finances and the control and reporting of our business.

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.

Jim MacDonald

J MacDonald
Chief Executive/Accountable Officer
11 December 2024

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

**ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2024**

Remuneration and Staff Report

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 Architecture and Design Scotland are public appointments made by Scottish Ministers under the procedures set by the Office of the Commissioner for Public Appointments. The Chair was appointed in October 2018 and reappointed for a second term of four years on 1 October 2022. Three board members appointed in June 2018 were reappointed for a second term of four years on 1 June 2022 along with two new Board Members who were appointed for a term of four years on 16 June 2022. The remaining four Board Members appointed in April 2019 were reappointed for a second term of four years on 15 April 2023. The remuneration of Directors, and any agreed annual increase, is set by the Scottish Ministers and is non 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 Architecture and Design Scotland 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 Architecture and Design Scotland are based upon merit and on the basis of fair and open competition. Permanent members of staff hold contracts of employment which have been developed in line with best practice. Notice periods are a maximum of three months with the majority being one 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 2023/24.

Remuneration and Appointments

Due to the company's NDPB status, the remuneration policy is aligned to Scottish Government and 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, except for 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.

Architecture and Design Scotland offers employees the opportunity to participate in salary sacrifice schemes such as the Bike to Work Scheme, Childcare Vouchers Scheme and Travel Season Ticket loans.

**ARCHITECTURE AND DESIGN SCOTLAND
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YEAR ENDED 31 MARCH 2024**

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – **classic, premium, and classic plus** provide benefits on a final salary basis, whilst **nuvos** provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and **alpha** are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The PCSPS contributions were payable at one of four rates in the range 26.6% (2022/23: 26.6%) to 30.3% (2022/23: 30.3%) of pensionable pay, based on salary bands. The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the **partnership** pension account.

In **alpha**, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to **alpha** from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of **classic, premium, and classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. The pension figures in this report show pension earned in PCSPS or **alpha** – as appropriate. Where a member has benefits in both the PCSPS and **alpha**, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

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

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

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

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

ACCOUNTABILITY REPORT

YEAR ENDED 31 MARCH 2024

The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.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 or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

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

Real increase in CETV

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

The following sections of this report are presented for audit - remuneration (including salaries and allowances, accrued pension, benefits in kind), pension benefits (including cash equivalent transfer values), fair pay, exit packages and compensation payments.

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

**ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2024**

A&DS Board Remuneration

Remuneration of the Chair and non-executive Directors for the year to 31 March 2024 was as follows

	2023/24		2022/23	
	Salary Band	Total	Salary Band	Total
Name	£'000	£'000	£'000	£'000
	In bands of £5k	In bands of £5k	In bands of £5k	In bands of £5k
A Allen (The Chair)	10-15	10-15	10-15	10-15
K Macari	0-5	0-5	0-5	0-5
C Parkinson	0-5	0-5	0-5	0-5
L Wilson	0-5	0-5	0-5	0-5
A Bonney	0-5	0-5	0-5	0-5
D Narayanan	0-5	0-5	0-5	0-5
B Ross	0-5	0-5	0-5	0-5
A Scott	0-5	0-5	0-5	0-5
G Varna	0-5	0-5	0-5	0-5
S McCabe	0-5	0-5	0-5	0-5

A&DS Staff Remuneration

Remuneration of the Chief Executive and Leadership Team for the year to 31 March 2024 was as follows

	2023/24			2022/23		
	Salary Band	Pension Benefit	Total	Salary Band	Pension Benefit	Total
Name	£'000	£'000	£'000	£'000	£'000	£'000
	In bands of £5k		In bands of £5k	In bands of £5k		In bands of £5k
Jim MacDonald (CEO)	80-85	59	140-145	80-85	-	80-85
Lynne Lineen	65-70	27	95-100	60-65	25	85-90
Heather Claridge ¹	55-60	23	80-85	20-25	22	25-30
Sue Reynolds	50-55	46	95-100	45-50	19	65-70
Anja Ekelof	50-55	22	70-75	45-50	20	65-70
Heather Chapple ²	n/a	n/a	n/a	5-10	-	5-10

Note:

1. In post part of the year 2022/23 as joined in November 2022. FYE equivalent salary was in salary band £45-50k.
2. In post part of the year 2022/23 as took ill health retirement in July 2022. FYE equivalent salary was in salary band £60-65k.
3. Salary is gross salary only.
4. Performance related pay: The Chief Executive received an increase of £1,942 in pay during the 2023/24 year which was not performance related.
5. 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 2023/24.
6. There are no bonus payments, car allowances or other benefits paid.
7. There are no allowances.
8. The total emoluments, including pension benefit of all Board Members and the Chief Executive for the year to 31 March 2024 were £156,405. (2022/23: £152,064).

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

**ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2024**

Fair Pay Disclosure

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

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

	2023/24	2022/23
Remuneration banding for highest paid individual	£80,000 - £85,000	£80,000 - £85,000
Percentage change from previous financial year for highest paid individual	2.42%	0.6%
Average percentage change from previous financial year for employees	17.6%	7.2%
Lower quartile remuneration	£37,156	£33,120
Lower quartile ratio	2.22	2.49
Median remuneration	£45,855	£41,642
Median ratio	1.80	1.98
Upper quartile remuneration	£53,351	£49,860
Upper quartile ratio	1.55	1.65
Remuneration range	£29,677 – £80,000-£85,000	£27,335 – £80,000-£85,000

Architecture and Design Scotland believe the median pay ratio for 2023/24 is consistent with the pay, reward and progression policies for employees taken as a whole.

Note:

1. Salary is gross salary only.
2. Performance related pay: none in 2023/24.
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 2023/24.
4. There are no allowances.
5. The increase in average percentage change resulted from salary increases as per the pay remit and employee resignations in year at lower grades.
6. The movement in the ratios is attributable to a lower percentage change in the highest paid director's remuneration than the employees' remuneration.
7. The percentage change from previous financial year for highest paid individual is normally calculated using mid- point of the banding which would be calculated as 0% change. However to provide accurate information, the actual figures have been used to present the actual position.

Exit Packages

No employees left under exit packages in the year 2023/24 (2022/23: nil).

Compensation for Loss of Office

No employees left under compulsory early retirement terms in the year 2023/24 (2022/23: nil).

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

**ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2024**

Pension Benefits

Pension Benefits of the Leadership Team for the year to 31 March 2024 was as follows

	Accrued Pension at pension age as at 31 March 2024	Increase in pension net of inflation at pension age	Cash Equivalent Transfer Value		
			At 31 March 2024	At 31 March 2023 ¹	Real increase/ (decrease) in CETV
	£'000	£'000	£'000	£'000	£'000
	In bands of £5k	In bands of £2.5k			
Jim MacDonald	45-50	2.5-5	1,010	875	53
Lynne Lineen	10-15	0-2.5	223	177	21
Heather Claridge	0-5	0-2.5	22	5	11
Sue Reynolds ²	10-15 and a lump sum of 35-40	0-2.5 plus a lump sum of 2.5-5	328	260	42
Anja Ekelof	15-20	0-2.5	231	192	14

1 This figure differs from the 2023 Annual Report and Accounts due to the Principal Civil Service Pension Scheme 2015 Remedy exercise. Members' records have been 'rolled back' to place members in the scheme which they were previously in.

2 The lump sum relates to a transfer in from a different pension scheme.

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 2024, consequently affecting the representation of the real increase or decrease in CETV.

Staff Report

Employees

Our employees are dedicated to ensuring Architecture and Design Scotland 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.

Staff Costs

Staff costs comprise of

	2023/24 £				2022/23 £
	Directors	Permanent Staff	Other staff	Total	Total
Salaries	49,470	1,070,549	127,728	1,247,747	1,178,149
National Insurance	191	116,079	13,237	129,507	124,008
Pension costs	-	293,299	35,322	328,621	304,860
Total employment costs	49,661	1,479,927	176,287	1,705,875	1,607,017

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

**ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2024**

The gender balance of employees at 31 March 2024 is as follows

	Male Employees 2023/24 No	Female Employees 2023/24 No	Male Employees 2022/23 No	Female Employees 2022/23 No
Non-Executive Directors (excluding Leadership Team)	2	8	2	8
Leadership Team	1	4	1	4
Employees	9	14	9	16

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. Architecture and Design Scotland 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 last valued the scheme as at 31 March 2020. You can find details in the resource Accounts of the Cabinet Office: Civil Superannuation www.civilservicepensionscheme.org.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 Accounts as normally required under IAS 19.

In 2023/24, employer's contributions of £319,032 (2022/23: £299,274) were payable to both PCSPS and the Partnership pension. This excludes the pension cost accrual in relation to untaken annual leave. The scheme's actuary reviews employer contributions usually every four years following a full scheme valuation.

Staff Numbers

The number of persons employed as at 31 March was as follows

	2024 No	2023 No
Directors (9 employed for 2 days per month, 1 for 4 days per month)	10	10
Permanent employees	25	25
Other staff (short term contract)	3	4
Total persons employed	38	39

Employment of Disabled Persons

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their 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.

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE
ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2024**

Sickness Absence

In the year to 31 March 2024 2.29% (2022/23: 2.53%) of working time was lost due to staff sickness absence. These figures exclude any long-term absences.

Employee Involvement and Communication

Architecture and Design Scotland 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.

We have members of staff who are Trade Union members.

We have aligned ourselves to Scottish Government's wellbeing policies.

Diversity and Equality

We are committed to ensure diversity and equality for all employees and to have appropriate policies in place.

Parliamentary Accountability

Architecture and Design Scotland is held to account by the Parliament through the Public Finance and Accountability (Scotland) Act 2000.

Our spending and use of resources are reported to our Sponsor Department (Planning, Architecture and Regeneration Department) within Scottish Government.

The Auditor General for Scotland appoints external auditors to Architecture and Design Scotland, with Audit Scotland holding the role from 2016/17 for a period of six years. Audit Scotland has now been reappointed for the period 2022/23 to 2026/27.

Signed by order of the Directors

Jim MacDonald

J MacDonald
Chief Executive/Accountable Officer
11 December 2024

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Architecture and Design Scotland, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Architecture and Design Scotland for the year ended 31 March 2024 under The Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2008. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity, and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Government Financial Reporting Manual (the 2023/24 FReM). In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the company as at 31 March 2024 and of the deficit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers, and the Companies Act 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 2 December 2022. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the company in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the company. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the company's current or future financial sustainability. However, I report on the company's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

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

Responsibilities of the Accountable Officer and directors for the financial statements

As explained more fully in the Statement of the Directors' and Accountable Officer's Responsibilities, the Accountable Officer and directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer and directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer and directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the company's operations.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the central government sector to identify that the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers, and the Companies Act 2006 are significant in the context of the company;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the company;
- inquiring of the Accountable Officer concerning the company's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

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

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

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

Reporting on other requirements

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

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with directions made under the Public Finance and Accountability (Scotland) Act 2000 by the Scottish Ministers and the Companies Act 2006.

Other information

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

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

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

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with directions made under the Public Finance and Accountability (Scotland) Act 2000 by the Scottish Ministers and the Companies Act 2006; and

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with directions made under the Public Finance and Accountability (Scotland) Act 2000 by the Scottish Ministers and the Companies Act 2006.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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

Stephanie Harold

Stephanie Harold CA

Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT
11 December 2024

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

**ANNUAL ACCOUNTS
YEAR ENDED 31 MARCH 2024**

ANNUAL ACCOUNTS

Statement of Comprehensive Net Expenditure

		2023/24 £	2022/23 £
	Notes		
Income			
Other operating income	2	(101,207)	(122,666)
		(101,207)	(122,666)
Expenditure			
Staff costs	3	1,705,875	1,607,017
Other expenditure	4	617,866	610,177
		2,323,741	2,217,194
Net expenditure		2,222,534	2,094,528

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

**ANNUAL ACCOUNTS
YEAR ENDED 31 MARCH 2024**

Statement of Financial Position

		31 March 2024 £	31 March 2023 £
	Notes		
Non-current assets			
Right-of-use assets	10	4,700	61,100
Trade and other receivables	5	-	4,190
Total non-current assets		<u>4,700</u>	<u>65,290</u>
Current assets			
Trade and other receivables	6	51,307	219,667
Cash and cash equivalents	7	353,094	326,533
Total current assets		<u>404,401</u>	<u>546,200</u>
Total Assets		409,101	611,490
Current liabilities			
Trade and other payables	8	(168,503)	(220,574)
Provisions	11	(47,485)	-
Total current liabilities		<u>(215,988)</u>	<u>(220,574)</u>
Non-current assets less net current assets/liabilities		193,113	390,916
Non-current liabilities			
Provisions	11	-	(65,269)
Lease liability	10	-	-
Total non-current liabilities		<u>-</u>	<u>(65,269)</u>
Assets less liabilities		<u>193,113</u>	<u>325,647</u>
Represented by:			
General Reserve		193,113	325,647
		<u>193,113</u>	<u>325,647</u>

These Accounts were approved by the Board of Directors and authorised for issue on 11 December 2024

Jim MacDonald

J MacDonald
Chief Executive/Accountable Officer
11 December 2024

Kirsty Macari

K Macari
Deputy Chair
11 December 2024

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

**ANNUAL ACCOUNTS
YEAR ENDED 31 MARCH 2024**

Statement of Cash Flows

		2023/24 £	2022/23 £
	Notes		
Cash flows from operating activities			
Net expenditure	SoCNE	(2,222,534)	(2,094,528)
<i>Adjustments for non-cash items</i>			
(Decrease)/increase in provision	11	(17,784)	5,121
Decrease in non-current assets	5	4,190	1,566
Depreciation – right-of-use assets	4	56,400	56,459
<i>Movements in working capital</i>			
Decrease/(increase) in trade receivables and other current assets	6	168,360	(92,178)
(Decrease)/increase in trade payables and other current liabilities	8	(52,071)	43,545
Net cash inflow from operating activities		(2,063,439)	(2,080,015)
Cash flows from investing activities			
Recognition of right-to-use assets	10	-	(117,559)
Net cash outflow from investing activities		-	(117,559)
Cash flows from financing activities			
Scottish Government funding for the year	SoCTE	2,090,000	2,090,000
Net cash flows from financing activities		2,090,000	2,090,000
Net increase/(decrease) in cash and cash equivalents in the year	7	26,561	(107,574)
Cash and cash equivalents as at 1 April		326,533	434,107
Cash and cash equivalents at 31 March		353,094	326,533

Analysis of Changes in net Funds

	Cash at bank and in hand £	Cash at bank and in hand £
1 April	326,533	434,107
Cash flows	26,561	(107,574)
31 March	353,094	326,533

**ARCHITECTURE AND DESIGN SCOTLAND
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Statement of Changes in Taxpayers' Equity

**General
reserve
£**

Changes in taxpayers' equity 2022/23

Balance at 1 April 2022	330,175
Incurred deficit	(2,094,528)
Grant in Aid Transfer	2,090,000
Balance at 31 March 2023	325,647

Changes in taxpayers' equity 2023/24

Balance at 1 April 2023	325,647
Incurred deficit	(2,222,534)
Grant in Aid Transfer	2,090,000
Balance at 31 March 2024	193,113

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Notes to the Accounts

1. Statement of Accounting Policies

The accounts have been prepared in accordance with the accounts direction issued by Scottish ministers (page 61) under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 and also in accordance with the Financial Reporting Manual (FReM) applicable for the year. The accounting policies contained in the FReM apply UK adopted International Financial Reporting Standards (IFRS) 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 for the purpose of giving a true and fair view has been selected. The accounting policies adopted by Architecture & Design Scotland are described below. They have been applied consistently in dealing with items considered material in relation to the accounts

a. Basis of Accounting

These Accounts have been prepared under the historical cost convention.

Figures are presented in pounds sterling. In common with similar public bodies, the future of Architecture and Design Scotland's liabilities will be met by future grant funding to be approved annually by the Scottish Government. The approval of amounts for 2024/25 has already been given and there is no reason to believe that future approvals will not be forthcoming. Accordingly, it is considered appropriate to adopt a going concern basis for the preparation of these Accounts.

b. Adoption of New Accounting Standards

There are no new accounting standards adopted in 2023/24.

c. New Accounting Standards not yet Effective

Architecture and Design Scotland disclose accounting standards not yet applied and assesses the possible impact that initial application would have on the financial statements. There are no new standards not yet effective that will have an impact on Architecture and Design Scotland's accounts.

d. Non-Current Assets

The minimum level of capitalisation for a non-current asset is £5,000 for individual or group purchases. Non-current assets are held at fair value.

e. Operating Income and Expenditure

Income represents other income, principally comprising income from work performed during the year.

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 funded projects.

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f. 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.

g. Cash and Cash Equivalents

Cash and cash equivalents include bank deposits with commercial banks and cash in hand.

h. 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.

i. Grants Received

Grant in Aid received to cover general operating activities is shown as Grant in Aid transfer and credited directly to the General Reserve.

j. Pensions

Employees of the company are covered by the provisions of the Principal Civil Service Pension Scheme which are described in the Remuneration and Staff Report on pages 37 to 44. Full superannuation costs are an expense of the company at rates determined by HM Treasury.

k. 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.

l. Leases

IFRS 16, as adapted and interpreted by the FReM, has been applied with the initial application date of 1 April 2022. Previously leases were classified as either 'operating' or 'finance' leases based upon the assessment of the risks and rewards being incidental to ownership of the underlying asset.

Under IFRS 16 Architecture and Design Scotland recognises assets where they consider they have exclusive right to use the asset (right-of-use assets) and the lease liability for most leases on the balance sheet. Recognition exemptions have been applied for short-term and low-value leases.

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

The definition of a lease under IFRS 16 has been applied to contracts entered into after the 1 April 2022. Upon lease commencement a right-of-use asset is recognised measured at cost, being the initial amount of lease liability adjusted for any lease payments made before the commencement date, less incentives received. The right-of-use asset is subsequently depreciated, in the same way as other assets of the same type, using a straight-line method from the commencement date over the lease term, which is equal to, or shorter than, the asset's useful life. The right-of-use asset will be periodically reviewed to account for any potential impairment losses and any material remeasurement of the lease liability.

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Upon commencement of a new lease Architecture and Design Scotland will recognise a lease liability measured at cost excluding VAT of unpaid lease payments.

m. 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.

n. Provisions

The company recognises provisions when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resource will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using the discount rate prescribed by HM Treasury.

o. Reserves

The General Reserve represents the excess of income over expenditure on Grant in Aid funded activities, after adjusting for accruals and prepayments.

p. Key Sources of Judgement and Estimation Uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of estimation means that the actual outcomes could differ from the assumptions and estimates. There are no items in the financial statements at 31 March 2024 for which there is a significant risk of material adjustment in the following financial year.

There were also no critical judgements used in applying accounting policies.

2. Revenue

	2023/24	2022/23
	£	£
Other income	101,207	122,666
Total Revenue	101,207	122,666

3. Staff Costs

Staff costs comprise of

	2023/24	2022/23
	£	£
Salaries	1,247,747	1,178,149
National Insurance	129,507	124,008
Pension costs	328,621	304,860
Total employment costs	1,705,875	1,607,017

Directors' emoluments and further detailed information relating to staff costs is disclosed within the Remuneration and Staff Report on pages 37 to 44.

**ARCHITECTURE AND DESIGN SCOTLAND
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4. Other Expenditure

	2023/24	2022/23
	£	£
Legal and professional fees	20,330	11,120
Other establishment expenses	64,641	67,110
Publications	5,720	2,735
Travel, subsistence and motor expenses	35,593	23,087
Advertising and sponsorship	365	868
Research costs	-	1,000
Project costs	231,740	228,546
Accountancy fees	2,484	7,626
IT and consumables	109,517	142,200
Right-of-use assets depreciation	56,400	56,459
Release of dilapidation provision	(14,064)	-
Other expenditure	105,140	69,426
Total	617,866	610,177

The External Audit fees from Audit Scotland within other expenditure were

	2023/24	2022/23
	£	£
Audit services	11,920	11,240
	11,920	11,240

5. Non-Current Assets

	31 March 2024	31 March 2023
	£	£
Prepayments and accrued income	-	4,190
Total Non-current Assets	-	4,190

**ARCHITECTURE AND DESIGN SCOTLAND
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6. Trade and Other Receivables

	31 March 2024 £	31 March 2023 £
Amounts falling due within one year:		
Prepayments	51,307	219,667
	51,307	219,667

Payment terms for trade receivables vary but are generally 14 days from invoice date. The invoices in relation to the trade receivables noted above of £nil (31 March 2023: £nil) are dated within three months of the year end date. Prepayments consists of prepaid rent, information technology, insurance and travel costs.

	31 March 2024 £	31 March 2023 £
Intra- government receivables and other current assets:		
Bodies external to government	51,307	219,667
Total receivables and other current assets	51,307	219,667

7. Cash and Cash Equivalents

	2024 £	2023 £
Balance at 1 April	326,533	434,107
Net change in cash and cash equivalent balances	26,561	(107,574)
Balance at 31 March	353,094	326,533
The following balances at 31 March were held at:		
Commercial banks and cash in hand	353,094	326,533
Balance at 31 March	353,094	326,533

8. Trade Payables and Other Current Liabilities

	31 March 2024 £	31 March 2023 £
Amounts falling due within one year:		
Trade payables	5,031	3,994
Accruals	163,472	194,334
Deferred income	-	9,246
Other creditors	-	13,000
	168,503	220,574
Intra-government trade payables and other liabilities:		
Central Government	-	-
Bodies external to government	168,503	220,574
Total trade payables and other current liabilities	168,503	220,574

**ARCHITECTURE AND DESIGN SCOTLAND
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The dilapidations provision is analysed at Note 11 – Provisions for Liabilities and Charges.

9. Capital Commitments

The company had £nil material capital commitments at 31 March 2024 (31 March 2023: £nil).

10. Leases

Right-of-Use Assets

Architecture and Design Scotland recognises a right-of-use asset upon lease commencement. The right-of-use asset is initially measured at cost, being the initial amount of the lease liability adjusted for any lease payments made before the commencement date, less incentives received.

At transition to IFRS 16 on 1 April 2022 the right-of-use assets have been measured at an equal amount to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date over the term (which is equal to, or shorter than, the asset's useful life). The right-of-use asset will be periodically reviewed for impairment losses and adjustments on remeasurement of the lease liability.

In 2023/24 there was one right-of-use asset with depreciation charged to the SoCNE on a straight line basis over the term of the lease.

The Edinburgh premises which the company operates from is occupied under a lease which will expire on 30 April 2024. This lease was fully prepaid at 31 March 2024.

	2023/24 £	2022/23 £
Cost		
At 1 April	117,559	-
Recognition of right-to-use asset on initial application of IFRS 16	-	112,438
Additions	-	5,121
Disposals	-	-
At 31 March	117,559	117,559
Depreciation		
At 1 April	56,459	-
Charge for the year	56,400	56,459
Depreciation on Disposals	-	-
At 31 March	112,859	56,459
Net Book Value at 31 March	4,700	61,100

**ARCHITECTURE AND DESIGN SCOTLAND
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Obligations Under Leases

On transition to IFRS 16 lease liabilities have been measured at cost of the remaining lease payments at 1 April 2022. Upon commencement of new leases the liability is measured at cost of unpaid lease payments. A judgement not to use the present value approach has been made as currently the difference is not material. Periodic reviews of this approach will be undertaken and any re-measurement adjustments will be made as required.

	Lease Liability 2023/24 £	Lease Liability 2022/23 £
Cost		
At 1 April	-	-
Recognition of lease liability on initial application of IFRS 16	-	112,438
Prepayment adjustment	-	(54,000)
Revised lease liability	-	58,438
Prepayment in year	-	(58,438)
At 31 March	-	-

11. Provisions for Liabilities and Charges

	At 1 April 2023 £	Release in year £	Transferred to Current Liabilities £	Utilised £	At 31 March 2024 £
Dilapidations	65,269	(14,064)	-	(3,720)	47,485
Total	65,269	(14,064)	-	(3,720)	47,485

The dilapidations provision relates to the costs, over the period of the lease, to return leased premises to their original condition, per the lease agreement and other legal costs.

As the dilapidations is now payable within 12 months, it is shown as a current liability on the Statement of Financial Position.

12. Financial Instruments

The company's activities and the way government bodies are funded means that Architecture and Design Scotland 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.

13. Contingent Liabilities

At 31 March 2024 there were no contingent liabilities (2022/23: nil).

14. Related Party Transactions

During the year, Grant in Aid of £2,090,000 (2022/23: £2,090,000) was granted by the Scottish Ministers to Architecture and Design Scotland. The Scottish Ministers are the sole member of the company.

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The Scottish Government has effective control over the general operations of Architecture and Design Scotland. It is responsible for providing the statutory framework within which Architecture and Design Scotland operates and provides the majority of its funding in the form of grants.

All related party transactions are conducted on an arm's length basis.

There were no other related party transactions during the year.

15. Events After the Reporting Period

There have been no significant events after 31 March 2024 that require adjustment to, or disclosure in the Accounts.

16. Segmental Reporting

Architecture and Design Scotland is considered to have just one operating segment and therefore no segmental information is produced.

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE**

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Direction by the Scottish Ministers



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 (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts.

A handwritten signature in black ink, appearing to read 'G. A. Brown'.

A member of the staff of the Scottish Ministers

Dated 20 September 2006