

Architecture &
Design Scotland

Ailtearachd is Dealbhadh na h-Alba

Annual Report and Accounts

for the Year Ended 31 March 2021



Architecture & Design Scotland

Company Limited by Guarantee

Company Registration Number SC267870

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021**

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

PERFORMANCE REPORT

YEAR ENDED 31 MARCH 2021

OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors

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

Company Secretary

J MacDonald

Business Address

9 Bakehouse Close
146 Canongate
Edinburgh
EH8 8DD

Registered Office

9 Bakehouse Close
146 Canongate
Edinburgh
EH8 8DD

Auditor

Audit Scotland
4th Floor, South Suite
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

**ARCHITECTURE AND DESIGN SCOTLAND
COMPANY LIMITED BY GUARANTEE
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2021**

PERFORMANCE REPORT

Chair and CEO's Foreword



Ann Allen
Chair



Jim MacDonald
Chief Executive

Architecture and Design Scotland (A&DS) is Scotland's design champion. At the start of 2020 we were looking forward to our usual busy programme of workshops, engagements and events, all while preparing our corporate strategy for the coming decade. We were planning the contribution to the 17th International Architecture Exhibition in Venice, and closer to home, the launch of our findings from a pilot programme on Place Planning for Decarbonisation. We all know what happened next...

As an organisation we count ourselves lucky as our Leadership Team had already put in place systems to enable remote working. Our Board meetings moved on-line which allowed us to continue our journey to finalise our strategy which was launched in March 2021. We continued our virtual journey to engage with our partners to learn how we could continue to support our places. Through our team we were able to reach out to the whole of the country and engage with communities across Scotland. The response we have had confirms our commitment to the Place Principle and all the benefits this will bring to people on the ground.

None of this would have been possible without the dedication and commitment of our staff and Board throughout an extraordinarily challenging year. Childcare, home-schooling, caring responsibilities as well as the general uncertainty and worry that we have all felt have tested us like never before.

However, I have been inspired to witness how our staff and the wider A&DS family have risen to these challenges and helped each other. How they've learned new skills, and adapted others. How they've reached out to our partners and found a way to keep supporting them. Above all, how they've supported each other and kept the organisation moving forward.

I am looking forward to continuing our now familiar hybrid working journey into 2021 and beyond as we start to focus on meeting our outcomes in our new three-year corporate plan.

Ann Allen

Ann Allen
Chair

16 December 2021

Jim MacDonald

Jim MacDonald
Chief Executive

16 December 2021

**ARCHITECTURE AND DESIGN SCOTLAND
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PERFORMANCE REPORT
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Overview

Our Performance Report for 2020/21 was measured against our Corporate Business Plan and our three-year strategy.

About Architecture and Design Scotland (A&DS)

Our purpose is to promote the value good architecture and sustainable design adds to everyone's lives. Our role is to help people – whether by enabling them to get more involved in shaping the places they live in or improving the design of the buildings they use. Well-designed buildings and places make the very best use of our resources and create places that help people and communities to flourish.

Through our work we help to implement the policies of the Scottish Government, and while we have involvement across a number of policy areas, our principal policy focus is on implementing Creating Places, Scotland's Policy for Architecture and Place.

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 37 to 40.

Statutory Background

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

Our Vision

A Scotland whose places are healthy, sustainable and thriving, where everyone works together to shape their future.

Organisational Structure

The Chief Executive and Leadership Team support a team of 22 employees based in Edinburgh and Glasgow, 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 A&DS sets the strategic focus areas for the organisation in collaboration with the Chief Executive.

Our Corporate Strategy 2017-2021 came to an end on 31 March 2021. We reviewed the implementation of this using both qualitative and quantitative information gathered over the last 4 years, including the series of annual reviews.

Central to this was establishing a clear link between individual pieces of work and what we as an organisation were trying to achieve.

Across the projects undertaken between 2017-21, we established both project outcomes and the evaluation measures within this time to understand the extent to which these were achieved.

We undertook evaluation in various forms and collected feedback from those we interacted with through the strategy period.

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In evaluating our last four years we also found that most of our work did not fit in with our yearly reporting cycle and that the type of work we undertake takes time for the influence of our work to take shape on the ground or manifest itself in the change of practice of others.

Our 2017-21 Corporate Strategy reflected the progress made compared to previous corporate strategies and business plans which shows a clear shift in the focus of our work toward our outcomes, something that we can build on through our new 10-year strategy adopted in 2021.

Performance Analysis

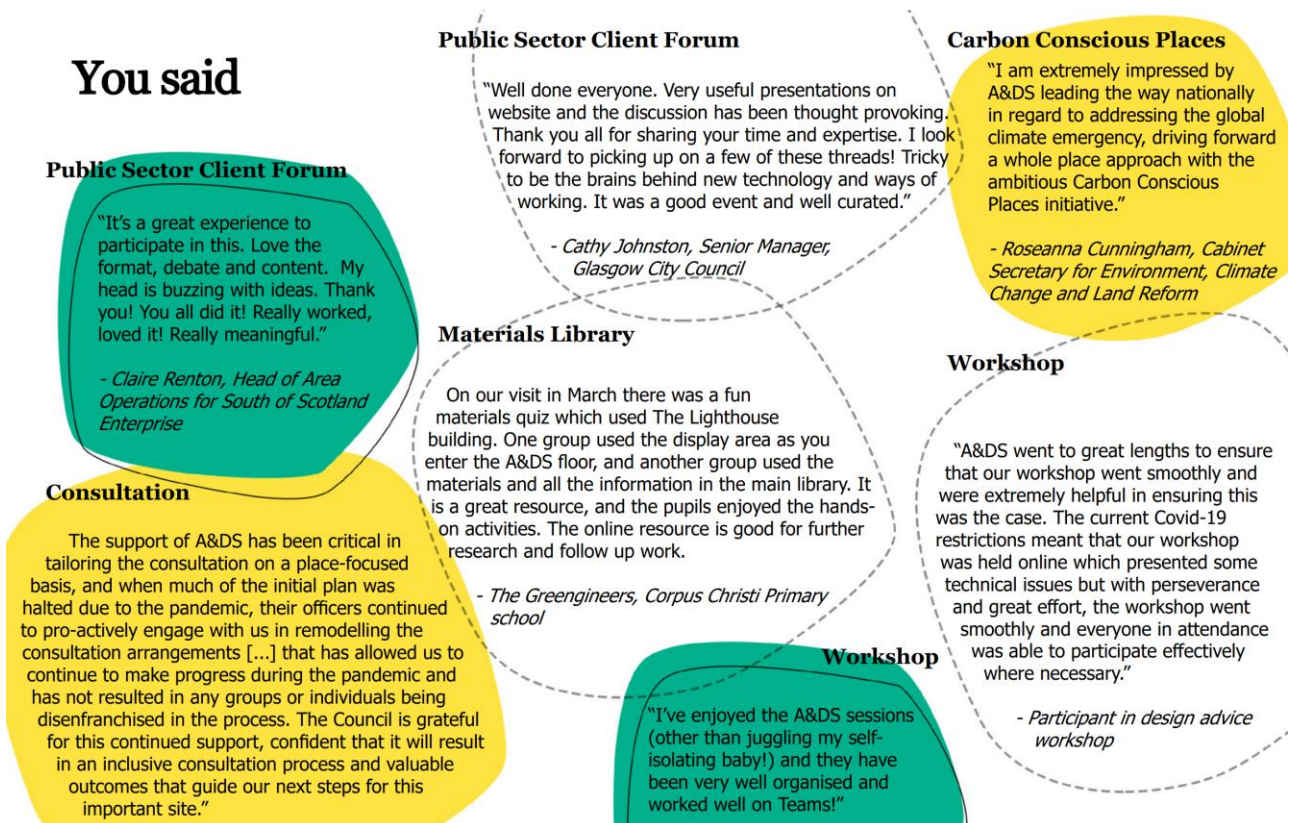
The Board formally asked the Audit Committee to monitor the business performance of the organisation and the Audit Committee's Terms of Reference were formally updated to reflect this in June 2019.

In summary, the overall performance appraisal for 2020/21 shows that performance was met for the majority of projects. Where performance was below expectation, steps were put in place for each project.

There were 21 projects on the Business Plan in 2020/21 and their performance is scrutinised via milestone monitoring using the Red-Amber-Green (RAG) traffic light system. Out of the 21 projects at the year end, no projects had a red status, five were amber status and 10 were on track and two projects were closed. Four projects were on hold due to Covid-19 related issues.

Strategic Objectives

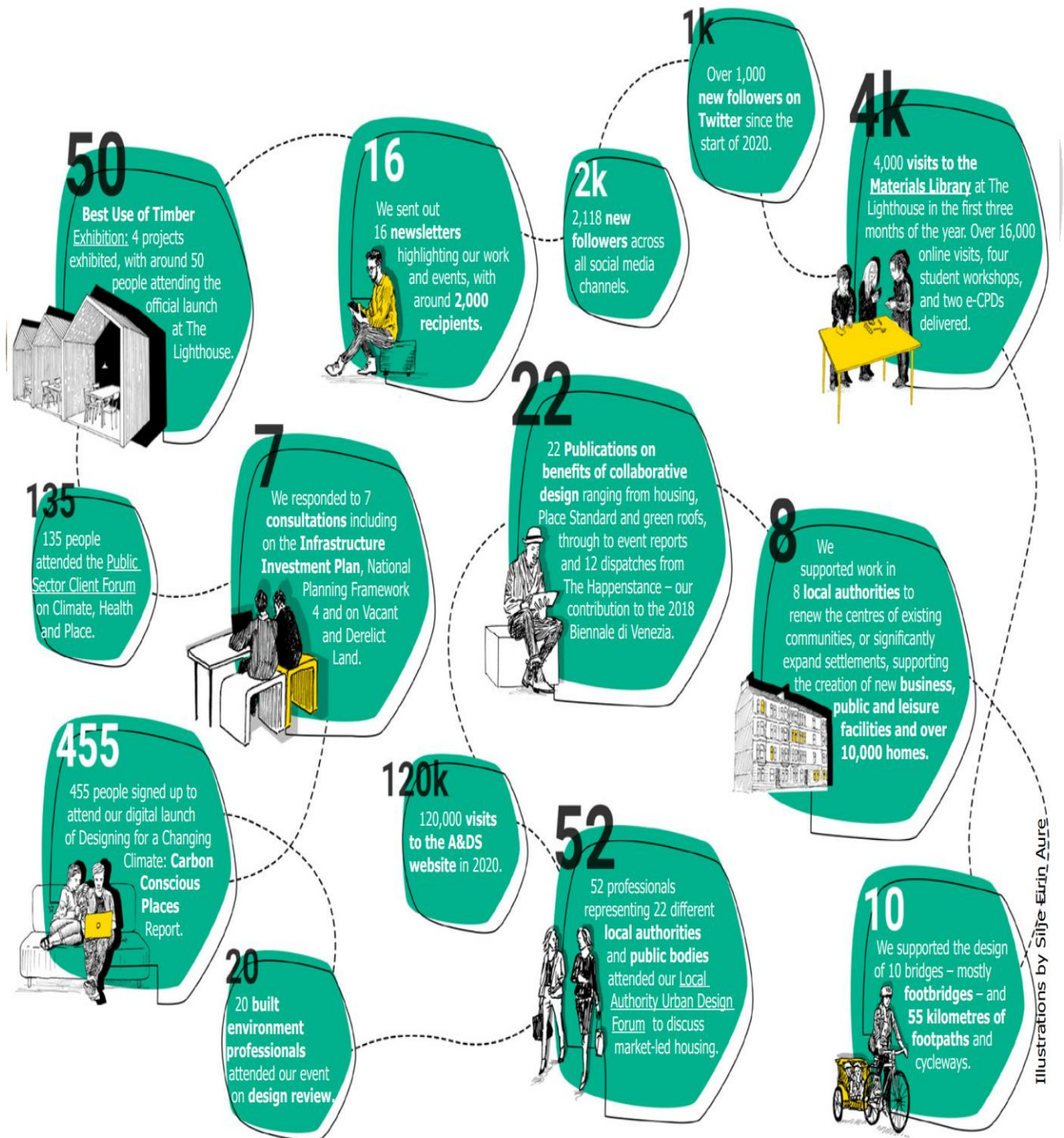
What our stakeholders have to say about our work:



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**PERFORMANCE REPORT
YEAR ENDED 31 MARCH 2021**

Measures of our Success – in numbers



Illustrations by Silje-Eirin Aure

You can find more information about our work at www.ads.org.uk.

And to view our activities in-year go to [Annual Review 2020 \(ads.org.uk\)](http://Annual Review 2020 (ads.org.uk))

**ARCHITECTURE AND DESIGN SCOTLAND
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Supporting health infrastructure with design advice

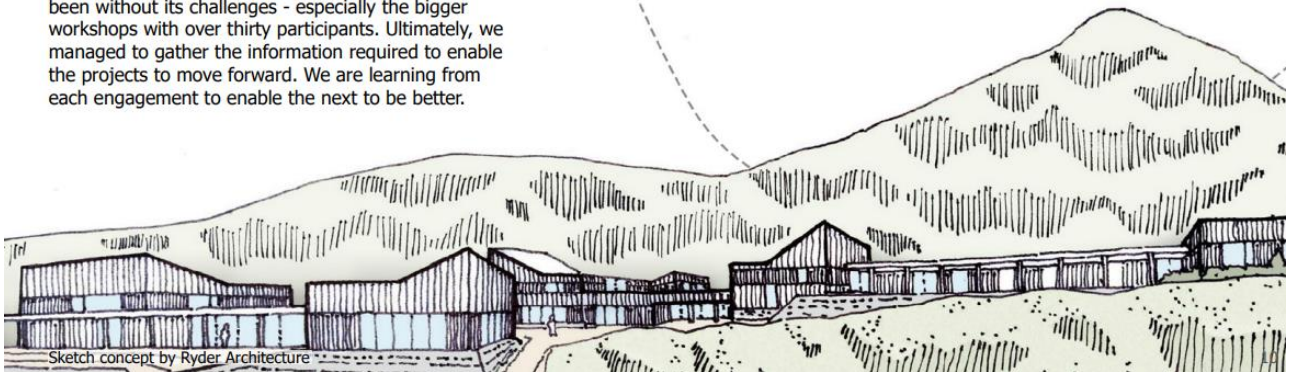
Despite the obvious challenges faced by NHS Scotland this year, our work in Design Advice Health has been as busy as ever, especially supporting a range of infrastructure projects which were progressed to boost the post-covid recovery.

2020 marked ten years since the introduction of the NHS Scotland Design Assessment Process (NDAP). This process – which we support in conjunction with Health Facilities Scotland – helps Health Boards describe a clear path between the Business Objectives for a project and the necessary qualities of the building development to deliver on these.

The move to digital engagements only has not been without its challenges - especially the bigger workshops with over thirty participants. Ultimately, we managed to gather the information required to enable the projects to move forward. We are learning from each engagement to enable the next to be better.

The year has also marked a shift in the nature of projects; from the Caithness Service Redesign projects and Glasgow South Ambulance Station which are looking to work very differently with their local communities, to the Barra and Vatersay Community Campus which will see the integration of health, social care, learning and community services and facilities on Barra and Vatersay on a single combined campus in Castlebay.

We look forward to continuing our work across the health estate of Scotland in 2021 and hopefully even being able to see people in person!



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Supporting the learning estate in the “new normal”

A key part of our work in the learning estate involves engaging directly with learners and teachers to help improve places for learning and teaching. 2020 has been a challenging year for all and understandably our direct work in schools was affected. When we couldn't meet face to face, our team needed to look at different ways and opportunities to continue our work with the learning estate.

Our focus has been on understanding the levels of complexity that are involved in teaching and learning during this time. From exploring the barriers and opportunities in blended learning, designs for social and educational distancing and the pressure points on circulation and social areas, our team has been involved in various online seminars.

We have also looked for opportunities to expand our methodology across other educational settings. One development has been to work, with student teachers at the University of Edinburgh so that they can embed spatial thinking into their learning environments. The year ended with a commission of a design proposal for a new outdoor learning environment in Aberdeenshire. We have also developed a greater range of engagements through digital channels.

While the nature of our learning spaces changed in 2020, our engagement and offer of support has continued, and our services will be there to continue to support learners and educators in an everchanging environment as we move in 2021.



Illustrations by Silje Eirin Aure

Financial Overview

The results for the year to 31 March 2021 are contained in the attached Accounts, prepared in accordance with the 2020/21 Government Financial Reporting Manual (FRoM) and in the form directed by the Scottish Ministers, taking cognisance of the Scottish Public Finance Manual.

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

A&DS received Grant in Aid from Scottish Government of £1,930,000 in the year to 31 March 2021. This grant in aid is spent on people costs, overheads, and projects. In place of the Scotland + Venice project, a new project called What If? Scotland was developed.

After adjustments for the release of income deferred from prior periods and the deferral of income relating to future periods, the Grant in Aid transfer was £1,806,000 (2019/20: £1,973,000) and other income was £55,000 (2019/20: £47,000). Our expenditure on people costs was £1,401,000 (2019/20: £1,331,000) and £372,000 on operating costs (2019/20: £579,000).

Since the company commenced trading it has accumulated reserves of £339,000 as at 31 March 2021 (31 March 2020: £252,000).

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This represents the timing of work performed by A&DS which cuts over multiple financial years. Scottish Government are fully aware and supportive.

The Directors are satisfied with the results for the year.

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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 SG 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.

Environmental Matters

We continue to work to support the Scottish Government in its environmental objectives by developing new methods of delivering our services which embrace the use of technology and as a result will help to reduce our carbon footprint.



Planning commenced during Quarter 4 of 2020/21 to ensure A&DS became a Carbon Literate Employer during 2021.

The training sessions explored the science and impacts of climate change; unpacked the goal of net-zero greenhouse gas emissions and highlighted practical actions that individuals and the organisation should take to reduce emissions and adapt. A&DS staff reviewed their organisational footprint and discussed ways to use their influence to reduce emissions in the sector and help design a lower carbon Scotland.

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Independently accredited by the award-winning [Carbon Literacy Project](#), the course ran over a series of four weeks in June 2021, combining a weekly live online session with self-study tasks and study group activities. As a result of the training, A&DS is now a Carbon Literate Employer.

We feel A&DS is ideally placed to influence carbon reduction in Scotland directly through our own organisational emission reduction commitments, but also indirectly through our work with a variety of partners including local authorities, communities, construction professionals, architects, builders, homeowners and students.

Further information on how we are reducing our carbon footprint is available within the Sustainability Report on pages 14 to 17.

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Social and Community Relations

Before Covid-19 A&DS regularly hosted other agency and community events in our premises free of charge. We have also shared our existing outdoor space with a local primary school within the area as an additional area for outdoor learning. Due to Covid-19 restrictions indoor and outdoor use of Bakehouse Close spaces is on hold.

Freedom of Information

The Freedom of Information (Scotland) Act, which came into full force in January 2005, means members of the public can make a request to see information held by A&DS. In 2020/21 we received and responded to 4 Freedom of Information requests.

Data Loss

There were no incidents reported to the Information Commissioner in the year 2020/21.

Future Developments

On 1 April 2021 we launched our new 10-year strategy, ([Corporate Strategy 2021-2031 \(ads.org.uk\)](#) three-year Corporate Plan which includes a workplan for 2021 to 2024 ([Corporate Plan 2021-2024 \(ads.org.uk\)](#)). This is an ambitious Strategy which sees A&DS play an important role in making sure our buildings and places support and enhance the lives of Scotland's people. This ten-year strategy will help guide Scotland's design and placemaking ambitions over the next decade, ensuring a resilient and sustainable future for all our people.

The climate emergency is our greatest challenge and touches every aspect of our lives. Fortunately, places created or adapted to tackle climate change are also better places for people. For example, energy-efficient homes also help combat poverty and illness, flood alleviation schemes can create accessible outdoor spaces, and changes in how and where people work can support local economies.

This strategy shows how recovery and change can be supported by the way we design and use Scotland's places. At A&DS, we know how design can improve people's lives and create a better and more sustainable future for Scotland. We also know how design can help realise the country's ambitions, captured in initiatives such as Housing to 2040, 20 Minute Neighbourhoods, Community Wealth Building, Town Centre Regeneration and Community-Led Regeneration.

In this context the design of our places is central to realising the National Outcomes in the Scottish Government's National Performance Framework. We also know from experience that a place is better when the people who live there work together to shape it. The Place Principle, adopted by the Scottish Government in 2019, asks agencies in a place to collaborate with the people who live there to create a shared vision for its future.

A core aim of our strategy is to create the conditions that will ensure the Place Principle becomes the 'new normal' when planning future investment in our public services and assets. Our role will be to provide leadership on the spatial aspects of the Place Principle to stimulate a step-change in how Scotland's places are planned, designed, delivered and sustained. We will work with our partners to demonstrate what a joined-up approach looks like and the benefits it brings. We will use our experience and professional skills to inspire and support all those involved in creating, adapting and sustaining Scotland's places. Ultimately, our strategy is to use our remit and expertise to tackle the big challenges we all face. Above all, A&DS is about bringing people together to create better places for everyone, and I very much look forward to working with you to make this a reality.

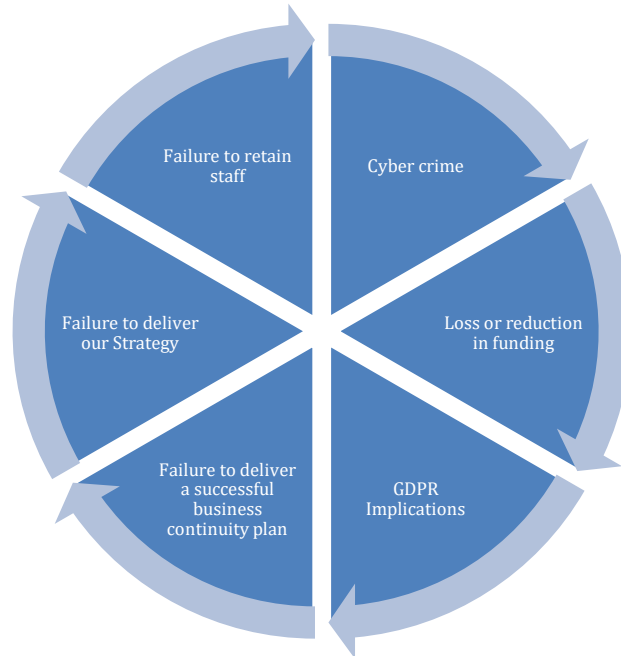
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Risk and Uncertainty

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

The key strategic risks identified for A&DS in-year are noted below:



The key risks remained the same for this final year of the current strategy with one addition – General Data Protection Regulations (GDPR) - this is an extensive risk to monitor, and we continue to follow best practice to mitigate against loss of data.

The Leadership Team (LT) has identified an emerging risk that there may be a loss of staff confidence in the organisation due to increased sickness absence and reduced motivation leading to downturn in performance.

Mitigations were put in place to manage risks which are monitored monthly by the LT and updated accordingly in year as appropriate or necessary. Mitigations include active controls such as:

- Staff and Board training on cyber-crime awareness;
- Implementation of monthly work planning group;
- Actively ensure close relationships with Sponsor Team and regular communications;
- Ensure A&DS is an attractive place to work e.g. flexible working;
- Active budgets prepared and monitored regularly;
- Senior Information Risk Owner training in data management;
- Use of Microsoft 365 platforms to allow employees to work remotely.

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

The current Business Continuity Plan remained in place during 2020/21 and continues to provide clear guidance and successful mitigation of issues.

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Going Concern

As at 31 March 2021, A&DS's balance sheet had net assets of £339,000 (31 March 2020: £252,000). 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 2021, 94% of authorised purchase invoices were paid within ten days (31 March 2020 – 94%).

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.

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Sustainability Report

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

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

In November 2019 the Board agreed a direction of travel to enable A&DS to begin to understand our carbon footprint, increase our own resilience to the impacts of climate change and contribute to national emissions reductions. The enforced closure of the office premises due to Covid-19 has ensured a reduction in the consumption of energy, no footprint for travel, both for work and commuting, and reduced office running costs such as paper consumption.

We will ensure we continue the journey as and when our employees return to office-based working.

Summary of Performance 2020/21

During the last twelve months we have continued to use the systems set up in 2012/13 to collect information which will allow us to measure and benchmark current performance in terms of energy usage and business travel. This will assist us in setting targets and monitoring greenhouse gas emissions and costs over the forthcoming years.

Office Supplies and Publications

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

Travel - Business Travel and Commuting

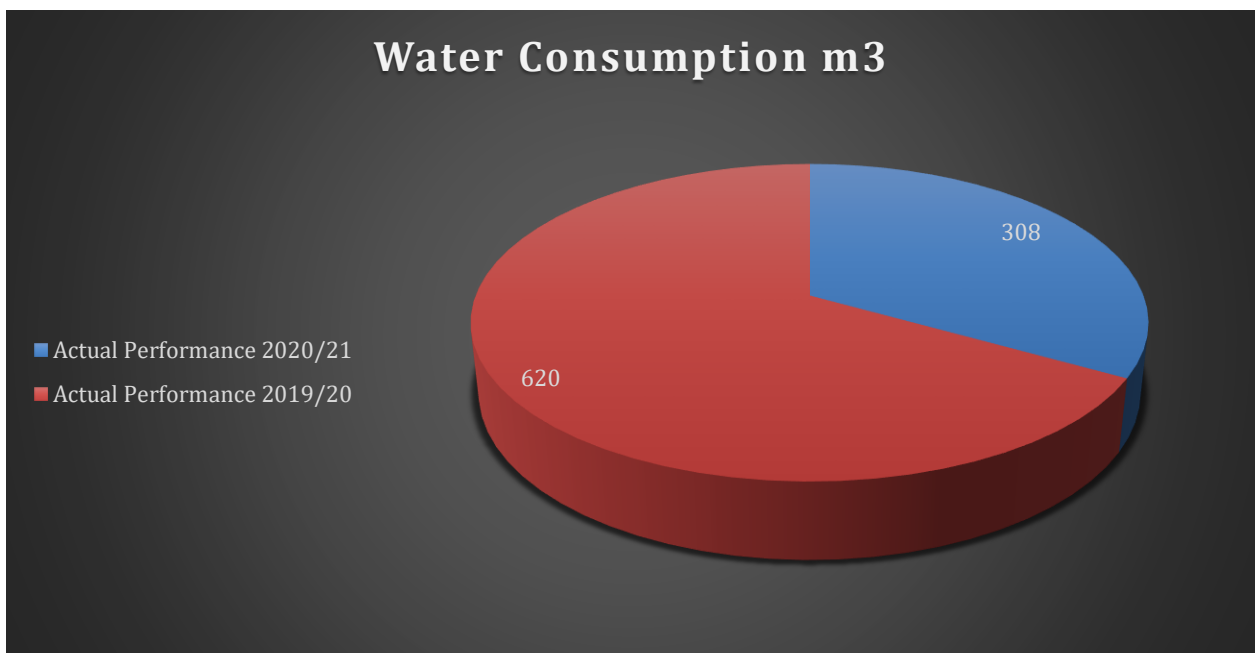
There was very little business travel in the year 1 April 2020 to 31 March 2021 due to Covid-19 restrictions in force. In general, all employees are encouraged to reduce the carbon footprint by using active travel routes and we offer incentives such as our Bike to Work Scheme loans and season ticket loans. Flexible working hours allow staff to fit travel around train and bus times.

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Sustainability Performance

Due to the impact of Covid-19, all office related costs were significantly lower due to office being unoccupied for the period of the Annual Report and Accounts.

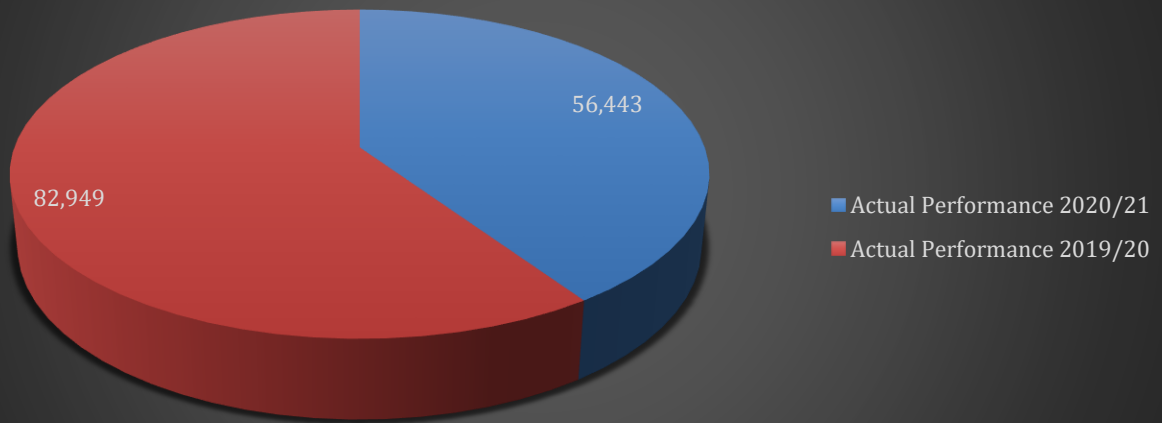


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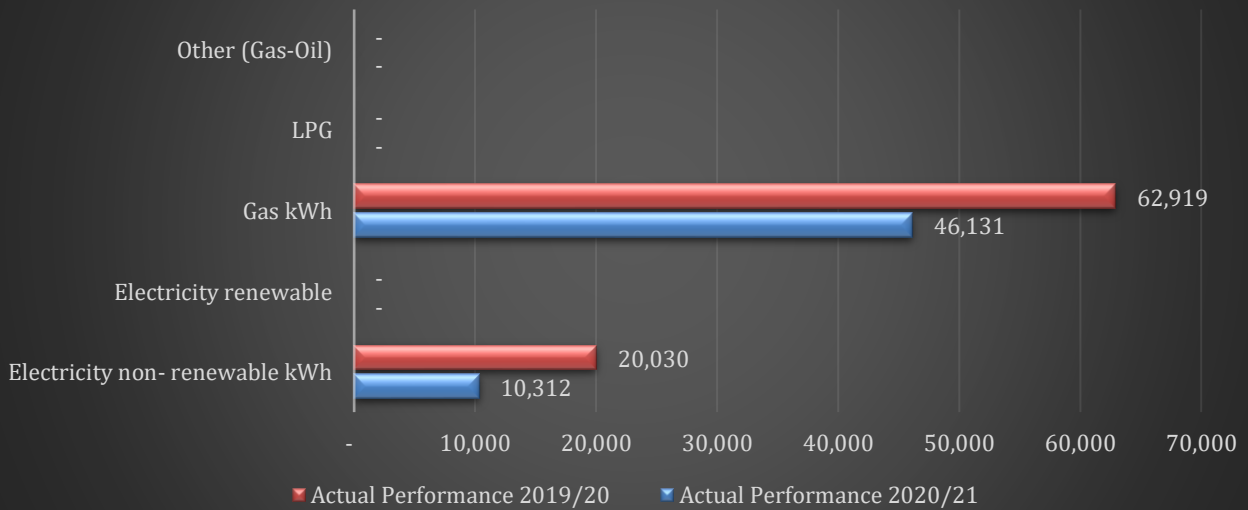
PERFORMANCE REPORT

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Total energy consumption kWh



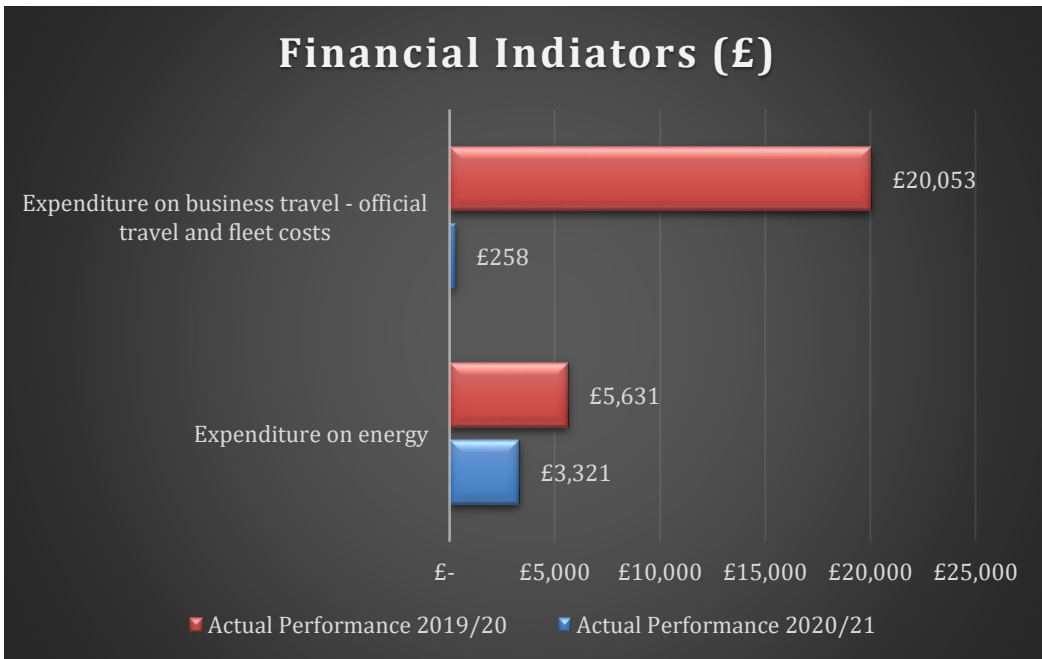
Energy Consumption



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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. During this financial year there was no outlay on recycling due to the office closure.

Water

The cost of water consumption in our Edinburgh office premises is split between ourselves and the other tenant sharing the office building. This figure has dropped significantly in this period due to staff working from home.

Business Travel

The expenditure on travel is largely affected by where our project work is located. During this financial year expenditure on travel was significantly reduced due to Covid-19 restrictions on travel.

Sustainable Procurement

A&DS uses Scottish Government procurement framework contracts. The Scottish Government framework is committed to sustainable procurement and the sustainability strategy. A&DS pays climate change levies to EDF Energy for electricity and to Total Gas & Power for gas.

Strategic Priorities - Next Year and Beyond

Since March 2021, we have been working with our teams to agree a programme of work that aligns with the outcomes of the Corporate Plan for 2021/24. You can view our Corporate Plan for 2021/23 at [Corporate Plan 2021-2024 \(ads.org.uk\)](https://www.ads.org.uk). The result of this process confirms planned activities across all areas of work for 2021/22, describes how these support the outcomes agreed and sets out how we will measure if these outcomes are being achieved.

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The strategic priorities for 2021/22 will be to consolidate our methods and channels for building a common understanding of a whole-place collaborative approach and its benefits amongst those we work with – to read about the place based approach – see our website ([Introducing A Place Based Approach to Housing – A&DS \(ads.org.uk\)](#)). At Architecture & Design Scotland, we believe the answer lies in taking a place-based approach as set out in the Place Principle. This looks across buildings, infrastructure and services to get the best benefits for a place across its lifetime. We will support specific places of different scales, and engage in strategic messaging and conversations with networks, stakeholders, and audiences. Importantly we will connect the two together through communicating learning between our place-based work and wider audiences.

This will all be supported by implementing new, streamlined systems of information management and reporting, alongside support to our workforce to implement new team structures and expanding skills through targeted training.

Based on our strategic priorities, the Corporate Plan ([Corporate Plan 2021-2024 \(ads.org.uk\)](#)) brings together the scope of our first strategic horizon with how we believe our work will make change happen:

Champion the benefits of systems based on place collaboration/work with people who are open to lasting change/support change on the ground and take learning from it.

- We will provide support to organisations and partners in specific place engagements. Depending on the scale of place (from individual building and site to regional strategies) the work will be led by the Place-based Investment team or the Place Scale Strategies team. A list of actual engagements and/or support partnerships and the stage they are at will be updated continuously and reported quarterly. Some of these are already in progress and some have just started, some may be concluded within the year, and some may run and be monitored over several years to improve our understanding of impact.

Share what we learn from specific projects with others across Scotland/Champion the benefits of the Place Principle to a wide audience, including policy makers.

- We will work to increase our influence beyond specific engagements by making learning and evidence from these available to audiences to help us achieve our aim, through shareable content, events, training, and peer-to-peer learning. The delivery of this work will be led by our Learning & Communications team and Networks & Events team, relying on input from the place-based teams. Details of stakeholder engagement and communication delivery will be updated continuously and reported quarterly.

Covid-19 Statement

In March 2020, the impact of Covid-19 and the lockdown measures imposed by Scottish Government, meant that A&DS closed both its offices from Thursday 19 March 2020 and the offices remained closed until 30 August 2021. At the time of preparing this report, Scottish Government advice is still to work from home where you can – and therefore our offices opened on a limited capacity basis for those colleagues who are struggling to work from home.

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It has been an extraordinarily challenging year. Childcare, home-schooling, caring responsibilities as well as the general uncertainty and worry that we have all felt have tested us like never before. However, it has been inspirational to witness how our staff and the wider A&DS family have met these challenges head on and helped each other. How they've learned new skills, and adapted others. How they've reached out to our partners and found a way to keep supporting them. Above all, how they've supported each other and kept the organisation moving forward.

The welfare of our staff is paramount, and we will continue to work closely with Scottish Government to assess when the time is right to reopen our office premises. We will continue to ensure that through our flexible working policy and other provisions available via Scottish Government, that we balance business delivery with staff welfare, wellbeing and keeping our staff informed and connected.

The significance of place – our buildings, infrastructure and spaces, and the way we use them to live our lives – has been highlighted like never before by the Covid-19 pandemic. It challenged so much which we had taken for granted and exposed vulnerabilities across our communities. Its' impact on our lives – and how we experience the places we live in – has been profound. It was against this backdrop that we prepared our strategy for the next ten years. We have a strategy that responds to the big challenges of our time – the climate emergency, housing need, poverty, inequality and of course, our recovery from the pandemic.

We are now thinking about how we can deliver our work using a hybrid approach – delivering our on the groundwork in person whilst sitting comfortably alongside our digital reach. During Covid-19 we adapted and developed our work online and we have found we are able to connect a much wider, and more diverse audience – and therefore our Digital Strategy will continue to be developed whilst we remain in the recovery phase of Covid-19 and beyond.

Jim MacDonald

J MacDonald
Chief Executive/Accountable Officer

16 December 2021

**ARCHITECTURE AND DESIGN SCOTLAND
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**ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2021**

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 2021.

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, A&DS has chosen to include the Review of Business Performance in the Strategic 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

A&DS 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. A&DS 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 A&DS.

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

The Audit Committee has responsibility for risk and governance, with the responsibility for performance added in 2019. 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 A&DS is the Cabinet Secretary for the Constitution, External Affairs and Culture as at 31 March 2021 was Fiona Hyslop, MSP. Ms Hyslop was replaced as Cabinet Secretary for Constitution, External Affairs and Culture by Angus Robertson MSP, in June 2021.

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**ACCOUNTABILITY REPORT
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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)
S Evans (Deputy Chair)
G Hill
K Macari
C Parkinson
L Wilson
A Bonney
D Narayanan
B Ross
A Scott

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 eight times during the year. Audit Committee, chaired by Sue Evans, met four times during the year. Attendance of these meetings was as follows:

Board Member	Board Meetings (8)	Audit Meetings (4)
A Allen***	8	2
S Evans	8	4
G Hill*	8	2
K Macari	8	4
C Parkinson	8	n/a
L Wilson	8	4
A Bonney	8	4
D Narayanan	7	n/a
B Ross**	6	1
A Scott	8	n/a

*Graham Hill resigned from the Audit Committee on 11 February 2021 due to work commitments.

**Bruce Ross joined Audit Committee with effect from 11 February 2021. This was approved by the Board on 11 February 2021.

*** Ann Allen attends Audit Committee on an observer basis only.

Conflicts of Interest Procedures

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

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Leadership Team

The Leadership Team comprises the Chief Executive, Director of Outreach, Director of Design and the Corporate Infrastructure Manager. The Communications Manager joined the Leadership Team on 30 August 2021.

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; and
- 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 10-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 non-executive Director and is comprised of a minimum of four, and a maximum of five, non-executive Directors of A&DS. To ensure the meeting is quorate, a minimum of three committee members is required to be present at a meeting.

The committee meets quarterly and works to 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, our internal auditors completed their first year within their contract in 2020/21. Their contract is in place until 31 March 2023.

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.

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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 2009), 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 2021.

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

16 December 2021

Aun Allen

A Allen
Chair

16 December 2021

**ARCHITECTURE AND DESIGN SCOTLAND
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**ACCOUNTABILITY REPORT
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Statement of 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 EU 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 EU and the Accounts Direction applicable to the year issued by the Scottish Ministers; and
- Prepare the Accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 52.

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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 accounting period 2020/21 and additionally the period up to the date of signature. It sets out Architecture and Design Scotland's governance procedures and how it implements these. The statement is informed by work undertaken throughout the period relating to performance and risk management and, on this basis, provides useful information relating to the organisation's approach to risk and its responses to identified and emerging risks.

Scope

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

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

In particular, the statement:

- Sets out the governance framework of Architecture and Design Scotland;
- Explains the operation of the framework during the period in question;
- Provides an assessment of our corporate governance and its compliance with generally accepted best practice principles and relevant guidance;
- Offers an assessment of our risk management arrangements; and
- Details any significant lapses of data security.

Preparation

The preparation of the statement has been informed by the work of our Audit Committee on the corporate performance management and staff performance reviews and follow up items from the previous year; the Head of Internal Audit's Annual Opinion stated that we have reasonable and effective risk management, control and governance processes are in place.

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 2021 the Board was made up of a Chair, Deputy Chair and eight 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; and
- 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;
- Sign a Statement of Accountable Officer's Responsibilities, for inclusion in the Annual Report and Accounts;
- Prepare a Governance Statement regarding Architecture and Design Scotland's system of internal control, for inclusion in the Annual Report and Accounts;
- 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.

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 9 days of internal audit on the following topics:

- Performance Pack refresh;
- Review new 10-year strategy.

All recommendations were considered by the Leadership Team and implemented where appropriate by the organisation to improve systems and processes.

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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 Operation of the Framework

During the period in question (April 2020 to March 2021) the Board met nine times, of these eight were formal meetings where papers were presented and decisions reached, and one meeting was a strategy workshop. The Audit Committee met four times.

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

- Approved the Annual Report and Accounts for 2019/20;
- Reviewed the 2020/21 Business Plan;
- Approved the Business Plan for 2021/22;
- Approved the budget for 2021/22;
- Reviewed sickness absence figures;
- Approved the internal audit plan;
- Reviewed Strategic and Corporate Risks;
- Reviewed GDPR requirements;
- Reviewed Corporate Strategy 2017-21;
- Approved Corporate Strategy 2021-31;
- Approved Corporate Plan 2021-24.

The Leadership Team met 21 times during the same period.

Role of Audit Committee

Audit Committee's responsibilities include:

- Report in writing to the Board after each Audit meeting;
- 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 or external audit services or for purchase of non-audit services from contractors who provide audit services; and
- 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; and
- 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. 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
16 December 2021

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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 A&DS 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, two Board Members were appointed for their second terms in April 2018, three were appointed in June 2018 and the remaining four in April 2019. All appointments are for a period of four years. 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 A&DS using a system of annual appraisal. Any salary increase must be agreed by Scottish Ministers. This post is pensionable under Civil Service pension arrangements.

Service Contracts

All appointments to A&DS are based upon merit and on the basis of fair and open competition. Permanent members of staff 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 2020/21.

Remuneration and Appointments

Due to the company's NDPB status, the remuneration policy is aligned to SG 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.

A&DS 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.

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Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Ages. From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase Legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have 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 pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of **classic**, **classic plus**, **premium**, **nuvos** and **alpha**.

Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase Legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**.

(The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.)

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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.

Compensation for Loss of Office

No employees left under compulsory early retirement terms in the year 2020/21 (2019/20: Nil).

Fair Pay Disclosure

The following sections of this report are presented for audit - remuneration, pension, salary and allowance, benefits in kind, cash equivalent transfer values and compensation for loss of office and pension payment.

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Remuneration of the Chair and non-executive Directors for the year to 31 March 2021 was as follows:

Name	2020/21		2019/20	
	Salary Band	Total	Salary Band	Total
	£'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	5-10	5-10
S Evans	0-5	0-5	0-5	0-5
G Hill	0-5	0-5	0-5	0-5
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

Remuneration of the Chief Executive and Leadership Team for the year to 31 March 2021 was as follows:

Name	2020/21			2019/20		
	Salary Band	Pension Benefit	Total	Salary Band	Pension Benefit	Total
	£'000	£'000	£'000	£'000	£'000	£'000
	In bands of £5k	In bands of £5k	In bands of £5k	In bands of £5k	In bands of £5k	In bands of £5k
Jim MacDonald (CEO)	75-80	40-45	120-125	75-80	30-35	105-110
Heather Chapple	60-65	25-30	85-90	55-60	25-30	85-90
Lynne Lineen *	40-45	15-20	60-65	25-30	10-15	40-45
Sue Reynolds	35-40	15-20	50-55	35-40	10-15	45-50
Diarmaid Lawlor **	n/a	n/a	n/a	45-50	10-15	55-60

* Part time – was 0.5 FTE to 30/06/2020 then 0.8 FTE with effect from 01/07/2020.

** Left January 2020 – FTE equates to salary band 55-60.

Note:

1. Salary is gross salary only.
2. Performance related pay: The Chief Executive received an increase of £2,296 in pay during the 2020/21 year which was not performance related.
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 2020/21.
4. There are no bonus payments, car allowances or other benefits paid.
5. There are no allowances.
6. The total emoluments, including pension benefit of all Board Members and the Chief Executive for the year to 31 March 2021 were £150,894 (2019/20: £145,662).

Remuneration Relationships

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid Director in their organisation and the median remuneration of the organisation's workforce.

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

**ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2021**

The banded remuneration of the highest paid employee (Chief Executive) in the financial year 2020/21 was £75,000 - £80,000 (2019/20: £75,000 - £80,000). This was 2.21 times (2019/20: 2.27 times) the median remuneration of the workforce, which was £35,110 (2019/20: £34,087).

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

Range of Staff Remuneration	2020/21 In bands of £5K	2019/20 In bands of £5K
Minimum	10-15	10-15
Maximum	75-80	75-80

Note:

1. Salary is gross salary only.
2. Performance related pay: none in 2020/21.
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 2020/21.
4. There are no allowances.

Pension Benefits

Pension Benefits of the Leadership Team for the year to 31 March 2021 was as follows:

	Accrued Pension at pension age as at 31 March 2021	Increase in pension net of inflation at pension age	Cash Equivalent Transfer Value		
			At 31 March 2021	At 31 March 2020	Real increase/ (decrease) in CETV
	£'000	£'000	£'000	£'000	£'000
	In bands of £5k	In bands of £2.5k			
Jim MacDonald	35-40	2.5-5	689	631	32
Heather Chapple	15-20	0-2.5	258	229	17
Lynne Lineen (part time as per above)	5-10	0-2.5	100	82	12
Sue Reynolds	5-10	0-2.5	163	145*	12

*This figure was 36 in last year's accounts but updated in Disclosure documentation due to a lump sum transferred into the pension.

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

At the direction of Government Actuaries, a market adjustment factor has not been applied in calculating the cash equivalent transfer values at 31 March 2021, consequently affecting the representation of the real increase or decrease in CETV.

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

**ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2021**

Staff Report

Employees

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

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

The gender balance of employees at 31 March 2021 is as follows:

	Male Employees 2020/21 No	Female Employees 2020/21 No	Male Employees 2019/20 No	Female Employees 2019/20 No
Non-Executive Directors (excluding Leadership Team)	3	7	3	7
Leadership Team	1	3	1	3
Employees	8	14	9	14

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. A&DS 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 2016. 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 2020/21, employer's contributions of £253,312 (2019/20: £244,562) were payable to the PCSPS at one of four rates in the range 26.6% (2019/20: 26.6%) to 30.3% (2019/20: 30.3%) of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions usually every four years following a full scheme valuation.

Average Number of Persons Employed

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

	2021 No	2020 No
Directors (10 employed for 2 days per month, 1 for 4 days per month)	10	10
Permanent employees	24	25
Other staff (short term contract)	2	2
Total persons employed	36	37

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

**ACCOUNTABILITY REPORT
YEAR ENDED 31 MARCH 2021**

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.

Sickness Absence

In the year to 31 March 2021 1.65% (2019/20: 2.06%) of working time was lost due to staff sickness absence. These figures exclude any long-term absences.

Employee Involvement and Communication

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

We have members of staff who are Trade Union members.

We are in the process of developing a wellbeing and employee engagement strategy within A&DS.

Diversity and Equality

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

Parliamentary Accountability

A&DS 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 and Architecture Department) within Scottish Government.

Audit Scotland appoint external auditors to A&DS and has taken on the role as our external auditor from 1 April 2017 for a period of five years. Due to COVID-19 this has been extended by one year.

Signed by order of the Directors



J MacDonald
Chief Executive/Accountable Officer

16 December 2021

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 2021 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 Taxpayer's Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2020/21 Government Financial Reporting Manual (the 2020/21 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the directions made under the Public Finance and Accountability (Scotland) Act 2000 by the Scottish Ministers of the state of affairs of the company as at 31 March 2021 and of the surplus for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 FReM; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and directions made under the Public Finance and Accountability (Scotland) Act 2000 by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 26 January 2018. The period of total uninterrupted appointment is 4 years. 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 Architecture and Design Scotland'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.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the directors and Accountable Officer for the financial statements

As explained more fully in the Statement of the Directors' and Accountable Officer Responsibilities, the directors and Accountable Officer 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 directors and Accountable Officer 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 is responsible for assessing Architecture and Design Scotland'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 deemed inappropriate.

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 economic 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:

- obtaining an understanding of the applicable legal and regulatory framework and how Architecture and Design Scotland is complying with that framework;
- identifying which laws and regulations are significant in the context of Architecture and Design Scotland
- assessing 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.

Report 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 directors and Accountable Officer are responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities to detect material misstatements in the financial statements in respect of irregularities, 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 part 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 part of the Remuneration and Staff Report has been properly prepared in accordance with the Companies Act 2006 and directions made under the Public Finance and Accountability (Scotland) Act 2000 by the Scottish Ministers.

Statutory other information

The directors and the Accountable Officer are responsible for the statutory other information in the Annual Report and Accounts. The statutory other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in 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 statutory 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 statutory other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

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

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

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

Matters on which I am required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the audited part 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 120 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.

Mark Ferris

Mark Ferris
Senior Manager
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

16 December 2021

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

**ANNUAL ACCOUNTS
YEAR ENDED 31 MARCH 2021**

ANNUAL ACCOUNTS

Statement of Comprehensive Net Expenditure

		2020/21	2019/20
		£	£
	Notes		
Income			
Other operating income	2	(55,206)	(46,542)
		(55,206)	(46,542)
Expenditure			
Staff costs	3	1,401,435	1,331,280
Other expenditure	4	372,450	578,781
		1,773,885	1,910,061
Net expenditure		1,718,679	1,863,519

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

**ANNUAL ACCOUNTS
YEAR ENDED 31 MARCH 2021**

Statement of Financial Position

		31 March 2021 £	31 March 2020 £
	Notes		
Non-current assets			
Trade and other receivables	5	6,373	29,271
Total non-current assets		6,373	29,271
Current assets			
Trade and other receivables	6	133,056	138,479
Cash and cash equivalents	7	579,998	359,484
Total current assets		713,054	497,963
Total Assets		719,427	527,234
Current liabilities			
Trade and other payables	8	(322,708)	(220,378)
Total current liabilities		(322,708)	(220,378)
Non-current assets less net current assets/liabilities		396,719	306,856
Non-current liabilities			
Provisions	11	(57,284)	(54,556)
Total non-current liabilities		(57,284)	(54,556)
Assets less liabilities		339,435	252,300
Represented by:			
General Reserve		339,435	252,300
		339,435	252,300

These Accounts were approved by the Directors and authorised for issue and are signed on their behalf by

Jim MacDonald

J MacDonald
Chief Executive/Accountable Officer

16 December 2021

Ann Allen

A Allen
Chair

16 December 2021

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

**ANNUAL ACCOUNTS
YEAR ENDED 31 MARCH 2021**

Statement of Cash Flows

	2020/21	2019/20
	£	£
Cash flows from operating activities		
Net expenditure	(1,718,679)	(1,863,519)
<i>Adjustments for non-cash items</i>		
Increase/(decrease) in provision	2,728	2,599
Increase in non-current assets	22,898	(28,193)
<i>Movements in working capital</i>		
(Increase)/decrease in trade receivables and other current assets	5,423	(84,424)
Increase/(decrease) in trade payables and other current liabilities	102,330	42,075
Net cash inflow from operating activities	(1,585,300)	(1,931,462)
Cash flows from investing activities		
Purchase of furniture, fittings and computer equipment	-	-
Net cash outflow from investing activities	(1,585,300)	(1,931,462)
Cash flows from financing activities		
Scottish Government funding for the year	1,805,814	1,972,595
Net increase/(decrease) in cash and cash equivalents in the year	220,514	41,133
Cash and cash equivalents as at 1 April	359,484	318,351
Cash and cash equivalents at 31 March	579,998	359,484

Analysis of changes in net funds

	Cash at bank and in hand	Cash at bank and in hand
	£	£
1 April	359,484	318,351
Cash flows	220,514	41,133
31 March	579,998	359,484

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

**ANNUAL ACCOUNTS
YEAR ENDED 31 MARCH 2021**

Statement of Changes in Taxpayers' Equity

	General reserve £
Changes in taxpayers' equity 2019/20	
Balance at 1 April 2019	143,224
Incurring deficit	(1,863,519)
Grant in Aid Transfer	1,972,595
Balance at 31 March 2020	252,300
Changes in taxpayers' equity 2020/21	
Balance at 1 April 2020	252,300
Incurring deficit	(1,718,679)
Grant in Aid Transfer	1,805,814
Balance at 31 March 2021	339,435

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

ANNUAL ACCOUNTS

YEAR ENDED 31 MARCH 2021

Notes to the Financial Statements

1. Statement of Accounting Policies

These Accounts have been prepared in accordance with the 2020/21 FReM issued by HM Treasury. The accounting policies contained in the FReM apply IFRS as adopted by the European Union and the Companies Act 2006 and as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of A&DS for the purpose of giving a true and fair view has been selected. The particular policies adopted by A&DS are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

a. Basis of Accounting

These Accounts have been prepared under the historical cost convention.

In common with similar public bodies, the future of A&DS's liabilities will be met by future grant funding to be approved annually by the Scottish Government. The approval of amounts for 2021/22 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. Accounting Standards Issued, Not Yet Adopted

A&DS disclose accounting standards not yet applied and assesses the possible impact that initial application would have on the financial statements. There is one standard not yet effective that will have an impact on A&DS's Accounts which is IFRS 16 - Leases. This standard requires all significant leases to be recognised in the Statement of Financial Position.

IFRS 16 – Leases: HM Treasury have agreed with the Financial Reporting Advisory Board (FRAB) to defer the implementation of IFRS 16 Leases until 1 April 2021. This is because of the circumstances caused by COVID-19.

Initial assessment of the new standard on leases indicates that A&DS's significant leases relate to property. We expect that there will be a requirement in future to recognise in the Statement of Financial Position, a liability for future lease payment commitments.

c. 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.

d. Taxation

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

e. Furniture, Fittings and Computer Equipment

Furniture, fittings and computer equipment are stated at cost less accumulated depreciation. The minimum level of capitalisation for a non-current asset is £5,000. Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

ANNUAL ACCOUNTS

YEAR ENDED 31 MARCH 2021

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying value of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

f. 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 Comprehensive Net Expenditure 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 30 to 36. 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

The company has no finance lease commitments.

Rentals payable in respect of operating leases are charged to the income statement on a straight-line basis over the term of the lease – these are detailed under Note 10.

m. 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.

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

ANNUAL ACCOUNTS

YEAR ENDED 31 MARCH 2021

Provision for the costs of dilapidations on the expiry of premises' leases, which are of uncertain timing or amount at the balance sheet date, are provided on the basis of the best estimate using independent professional assessments.

n. Reserves

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

2. Revenue

	2020/21	2019/20
	£	£
Other income	55,206	46,542
Total Revenue	55,206	46,542

3. Staff Costs

Staff costs comprise of:

	2020/21	2019/20
	£	£
Salaries	1,050,415	991,902
National Insurance	97,708	94,816
Pension costs	253,312	244,562
Total employment costs	1,401,435	1,331,280

Directors' emoluments and further detailed information relating to staff costs is disclosed within the Remuneration and Staff Report on pages 30 to 36.

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

ANNUAL ACCOUNTS

YEAR ENDED 31 MARCH 2021

4. Other Expenditure

	2020/21	2019/20
	£	£
Legal and professional fees	10,264	7,363
Rentals under operating leases	67,900	83,307
Other establishment expenses	36,189	51,393
Publications	473	1,354
Travel, subsistence and motor expenses	242	36,787
Advertising and sponsorship	4,154	20,849
Research costs	14,100	300
Project costs	83,432	231,616
Accountancy fees	5,252	4,882
IT and consumables	79,828	68,719
Other expenditure	70,616	72,211
Total	372,450	578,781

The External Audit fees from Audit Scotland were:

	2020/21	2019/20
	£	£
Audit services	8,450	8,240
	8,450	8,240

5. Non-current Assets

	31 March	31 March
	2021	2020
	£	£
Prepayments and accrued income	6,373	29,271
Total Non-current Assets	6,373	29,271

6. Trade and Other Receivables

	31 March	31 March
	2021	2020
	£	£
Amounts falling due within one year:		
Accrued Income	-	25,000
Prepayments	133,056	113,479
	133,056	138,479

Payment terms for trade receivables vary but are generally fourteen days from invoice date. The invoices in relation to the trade receivables noted above of £nil (31 March 2020: nil) are dated within three months of the year end date. Prepayments consists of prepaid rent, information technology, insurance and travel costs.

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

ANNUAL ACCOUNTS

YEAR ENDED 31 MARCH 2021

	31 March 2021	31 March 2020
	£	£
Intra- government receivables and other current assets:		
Central Government	-	25,000
Bodies external to government	133,056	113,479
Total receivables and other current assets	133,056	138,479

7. Cash and Cash Equivalents

	2021	2020
	£	£
Balance at 1 April	359,484	318,351
Net change in cash and cash equivalent balances	220,514	41,133
Balance at 31 March	579,998	359,484
The following balances at 31 March were held at:		
Commercial banks and cash in hand	579,998	359,484
Balance at 31 March	579,998	359,484

The increase in the cash balance at 31 March 2021 resulted from the deferred income which will be spent in 2021/22.

8. Trade Payables and Other Current Liabilities

	31 March 2021	31 March 2020
	£	£
Amounts falling due within one year:		
Trade payables	387	20,732
Accruals	64,610	64,665
Deferred income	257,711	134,981
	322,708	220,378
Intra-government trade payables and other liabilities:	£	£
Central Government	243,167	129,981
Bodies external to government	79,541	90,397
Total trade payables and other current liabilities	322,708	220,378

9. Capital Commitments

The company had £nil material capital commitments at 31 March 2021 (31 March 2020: £nil).

10. Commitments Under Leases

Operating Leases

The Edinburgh premises which the company operates from is occupied under an operating lease which expires on 30 April 2024.

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

ANNUAL ACCOUNTS

YEAR ENDED 31 MARCH 2021

The Glasgow premises which the company operated from was occupied under a Management Agreement which expired on 30 April 2021. The company no longer leases the Lighthouse and is trialling alternative office accommodation on a temporary basis. This will be reviewed during 2021/22.

The total of future minimum lease payments following the year of these Accounts is given in the table below, analysed according to the period in which the lease expires.

	31 March 2021 £	31 March 2020 £
Obligations under operating leases comprise:		
Buildings:		
Expiry less than or equal to 1 year (The Lighthouse, Glasgow)	-	15,841
Expiry after 1 year but not more than 5 years (Bakehouse Close, Edinburgh)	108,000	162,000
	108,000	177,841

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

11. Provisions for Liabilities and Charges

	At 1 April 2020 £	Increase in year £	Transferred to Current Liabilities £	Utilised £	At 31 March 2021 £
Dilapidations	54,556	2,728	-	-	57,284
Total	54,556	2,728	-	-	57,284

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.

12. Financial Instruments

The company's activities and the way government bodies are funded means that A&DS 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 2021 there were no contingent liabilities.

14. Related Party Transactions

During the year, Grant in Aid of £1,930,000 (2019/20: £1,972,595) was granted by the Scottish Ministers to A&DS. The Scottish Ministers are the sole member of the company.

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

There were no other related party transactions during the year.

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

**ANNUAL ACCOUNTS
YEAR ENDED 31 MARCH 2021**

15. Events After the Reporting Period

There have been no significant events after 31 March 2021 that require adjustment to, or disclosure in the Accounts.

16. Segmental Reporting

A&DS is considered to have just one operating segment and therefore no segmental information is produced.

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

ANNUAL ACCOUNTS

YEAR ENDED 31 MARCH 2021

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 (FRoM) 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 'Iain A. Brown', written over a horizontal line.

A member of the staff of the Scottish Ministers

Dated 20 September 2006