



---

Audited Annual Accounts  
2024/25

## CONTENTS

Management Commentary.....	1
Statement of Responsibilities .....	11
Annual Governance Statement.....	12
Remuneration Report .....	14
Independent auditor's report .....	17
Comprehensive Income and Expenditure Statement .....	21
Movement in Reserves Statement.....	22
Balance Sheet .....	23
Note 1: Prior Year Restatement .....	24
Note 2: Expenditure and Funding Analysis .....	25
Note 3: Accounting Standards Issued not Adopted .....	26
Note 4: Transfers to / from Earmarked Reserves.....	26
Note 5: Unusable Reserves .....	27
Note 6: Adjustments between Accounting Basis and Funding Basis under Regulations .....	29
Note 7: Intangible Assets .....	31
Note 8: Plant and Equipment.....	31
Note 9: Lease Liabilities .....	31
Note 10: External audit costs .....	32
Note 11: Debtors .....	32
Note 12: Creditors .....	32
Note 13: Events after the balance sheet date.....	32
Note 14: Related parties .....	32
Note 15: Retirement Benefits .....	35
Note 16: Contingent Liabilities.....	39
Note 17: Summary of Significant Accounting Policies.....	40
Note 18: Critical Judgements in Applying Accounting Policies .....	45
Note 19: Assumptions made about the future .....	45

## Management Commentary

The purpose of the Management Commentary is to present an overview of Scotland Excel's financial performance during the year 2024/25 and to help readers understand its financial position at 31 March 2025. In addition, it outlines the main risks and uncertainties facing the organisation for the financial year 2025/26 and beyond.

## Structure

Scotland Excel is a Joint Committee constituted by Scottish local authorities and formed under Section 57 of the Local Government (Scotland) Act, 1973 for the purpose of regulating the joint discharge of the functions by the Constituent Authorities. Scotland Excel is governed by three groups of stakeholders drawn from our member organisations:

The **Joint Committee** is made up of one or more Elected Members (Councillors) from each of Scotland's 32 local authorities. It meets twice a year and is responsible for the strategic direction of the organisation and for approving the annual budget and business plan.

The **Executive Sub-Committee** is a sub-group of Elected Members from the Joint Committee who meet regularly to approve contract awards and other business decisions.

The **Management Group** consists of six local authority Chief Executives ensuring delivery of Scotland Excel's overall business plan objectives and providing strategic direction across a range of operational areas.

Internally, the organisation has Executive and Senior Management Teams that run the day-to-day business of Scotland Excel. There is also an Employee Forum that facilitates employee engagement, as well as leading the organisational Health and Well-being programme and organising charity and social events.

## Strategic Aims

The Scotland Excel Corporate Strategy 2023-2028, approved by the Joint Committee in December 2022, sets out our ambitions over the coming years, providing even greater support to councils and other public and third sector stakeholders.

The Strategy looks forward over a period of five years to support a longer-term view of our goals and objectives, to enable us to plan accordingly.

The Strategy can be found at the following link:

<https://home.scotland-excel.org.uk/media/uvrm2flx/corporate-strategy-2023-28-final.pdf>



The current Scotland Excel Strategy Map identified within the 2023-28 Corporate Strategy is detailed below.

### Vision

To provide collaborative, innovative and transformative solutions that support social, economic and environmental wellbeing.

### Mission

We will make the most of our expertise and experience by leading and collaborating on solutions that support local and national aims for fairer, wealthier and greener communities.

### Corporate Goals

Through our experience, expertise, innovation and collaboration, we will create and deliver solutions which provide value to our members across key strategic areas:

- Journey towards a net zero Scotland by 2045.
- Drive for efficiency to support the financial sustainability of local public service.
- Community wellbeing with equal access to services, economic development and fair work jobs.
- Resilient supply chains that maximise opportunities for Scottish businesses and the third sector.
- Advancement of skills to deliver Scotland's economic transformation.

### Procurement & Commissioning

We will continue to develop and manage procurement solutions which provide an effective route to market for our members. Our frameworks will continue to deliver additional social, economic and environmental value for communities.

We will:

- Support our members with their drive for financial sustainability by helping them to maximise savings, efficiencies and benefits from our frameworks.
- Implement our new sustainable procurement and net zero strategies to support our members' net zero journey.
- Develop and deliver new and next generation contracts for key strategic areas including construction, digital and care.
- Respond to new policy and legislation that may impact the value delivered by our frameworks.

### Services

We will continue to provide services for our members to help them strengthen their procurement capability, including through the Scotland Excel Academy.

We will:

- Develop proposals for growing our membership and expanding the market for our services.
- Identify and evaluate new service opportunities that provide value to our members.
- Explore alternative business models to support growth and reduce reliance on membership fees.
- Develop and implement new qualification and procurement training programmes based on member requirements.
- Champion public procurement talent through employment and training initiatives.

### Partnerships

We will continue to work with the Scottish Government and other national public sector organisations to influence and support policies and programmes that deliver benefits for our members.

We will:

- Develop a partnership strategy to plan and prioritise engagement activity which maximises the value of our relationships.
- We will strengthen our relationships with other local government bodies to provide a unified connection between policy, finance and procurement.
- Develop mutually beneficial relationships with care and other third sector organisations.
- Explore opportunities to provide additional value for members through working in partnership with UK organisations.

### Strategic Enablers: Corporate, Finance & ICT

We will continue to develop robust and cost-effective corporate, finance and ICT services which support all business operations and underpin the delivery of our five-year strategy.

We will:

- Explore the opportunities, benefits and risks of alternative business models.
- Enhance our income forecasting and rebate monitoring tools.
- Explore office and facilities solutions appropriate for hybrid and remote working.
- Develop and implement a new business intelligence strategy and plan.
- Develop and deliver a new five-year ICT strategy and plan to enhance business efficiency.
- Explore methods to reduce the carbon footprint of our business operations.

### Strategic Enablers: Organisational Development

We will continue to implement our People Strategy and the recommendations of our Gold Standard Investors in People report to ensure that our staff fulfill their potential. A culture of performance management will support career development and underpin the delivery of effective and efficient services.

We will:

- Implement an employee journey that supports the recruitment and retention of talented staff.
- Undertake succession planning to support career development and create a steady pipeline of talent at all levels.
- Equip staff with the skills required to provide value to our customers, now and in the future.
- Support the wellbeing of our staff through flexible working, physical and mental health resources, and staff engagement platforms.

### Strategic Enablers: Engagement & Communication

We will continue to develop and deliver engagement and communications plans which increase Scotland Excel's influence and ensure our members obtain maximum value from our services.

We will:

- Increase engagement with elected members and other senior stakeholders.
- Improve customer experience and increase satisfaction.
- Engage with partners and stakeholders on net zero strategies and other key policy areas.
- Provide advocacy and representation for our members within key national policy groups and programmes.

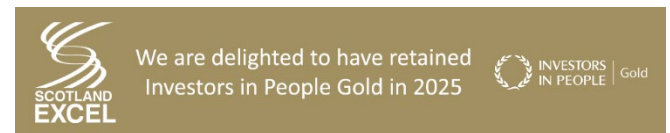
## Performance

### Review of the Year

During 2024/25, Scotland Excel continued to deliver against target outcomes detailed within the organisation's "Our Corporate Strategy" document for 2023-28. For financial year 2024/25, Scotland Excel concluded 10 national frameworks with an overall anticipated annual value of almost c£719m bringing the estimated total value of the contract portfolio managed and administered by Scotland Excel to c£2.1bn. The graph below shows the rise in estimated value of the managed contract portfolio administered by Scotland Excel over the past 7 years.



During 2024/25, Scotland Excel carried out a comprehensive Workforce Development Plan to ensure that the Scotland Excel workforce and structure continues to meet the growing and diversifying demands of its stakeholders, within an ever-changing and challenging environment. In March 2025, Scotland Excel successfully retained its Investors in People (IiP) Gold Award, having initially gaining accreditation in May 2022.

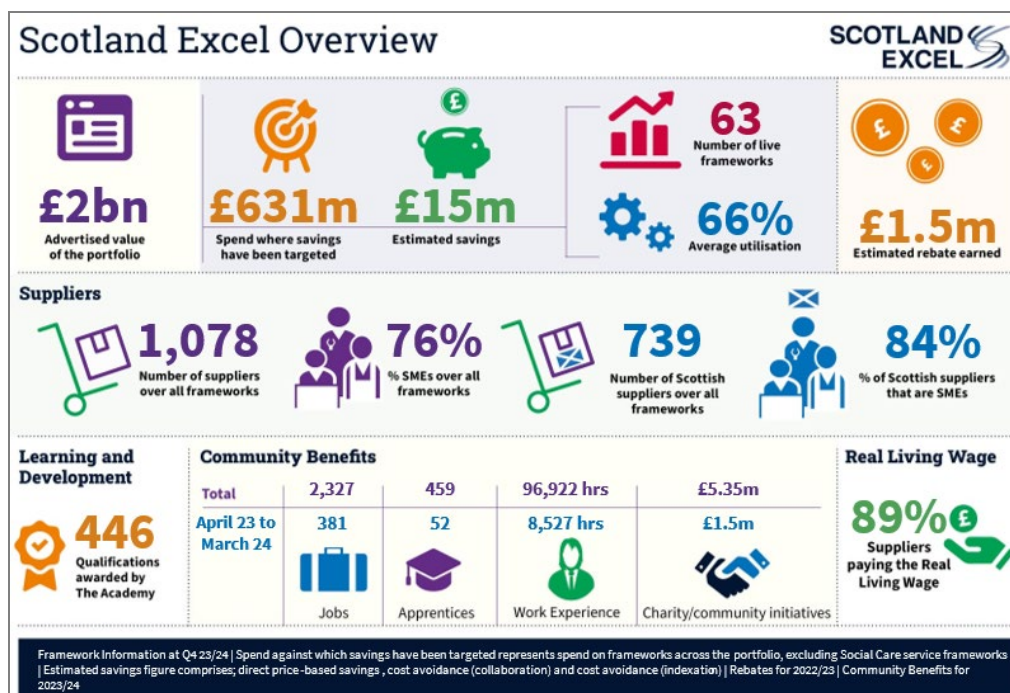


The graph below tracks Scotland Excel staffing numbers over the past 7 years.



### Key Performance Indicators

The following infographic provides an overview of Key Performance Indicators (KPIs) as at 31 March 2024. KPI information for 2024/25 is not available at time of writing.





## Contract Rebates

The use of volume Contract Rebates within appropriate contracts was approved by Scotland Excel at its June 2018 Joint Committee. As part of the internal contract governance process, the applicability of the inclusion of rebates is now standard practice within the organisation.

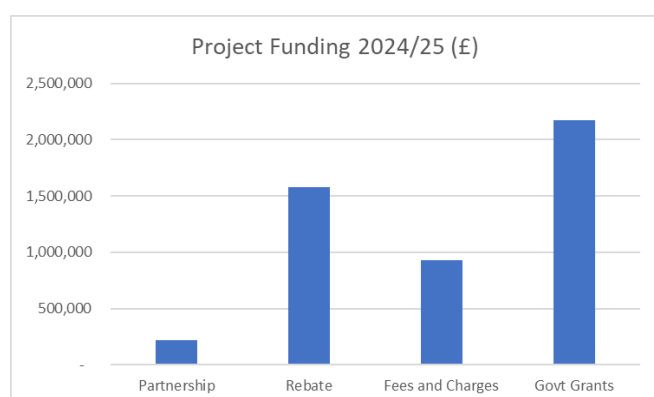
Income from Contract Rebates was budgeted within the core operating budget to deliver a contribution of £1.048m to core operating costs in financial year 2024/25. This figure was exceeded, with a total contribution for 2024/25 totalling £1.303m.

The number of Scotland Excel frameworks with built-in rebates increased during financial year 2024/25 and will continue to increase during 2025/26. The contribution from Contract Rebates to core operating costs during 2025/26 is budgeted to achieve £1.813m.

## Consultancy

During 2024/2025, Scotland Excel has worked closely with a range of public, third and Government sector organisations, delivering procurement-related projects and consultancy services. Projects are resourced through a range of funding models, including Scottish Government grant funding, partnership funding across a group of local authority partners, contractual rebate, and specific project fees for individual projects/services.

Sources and levels of Project funding for 2024/25 are shown in the chart below.



In total, 14 projects were delivered by Scotland Excel during 2024/25, generating a turnover in excess of £4.645m and achieving a contribution to core running costs of £0.295m. The increase in consultancy income during 2024/25 was primarily due to Scotland Excel administering the Residential Rehabilitation Additional Placement Fund on behalf of the Scottish Government.

The Flexible Procurement project continued to develop during 2024/25, generating an annual turnover of c£390k. This project team is available for members to purchase specific procurement activity they wish to be carried out by Scotland Excel. Members who requested additional procurement services from the Flexible Procurement Team during 2024/25 included a number of local authorities, Crown Estate Scotland, City Property Glasgow Investments LLP, the Care Inspectorate, and Forestry and Land Scotland.

## Learning and Development

The Scotland Excel Academy, Virtual Learning Environment (VLE) has 3,017 registered learners who access accredited and unaccredited programmes, workshops, video content, eLearning modules and discussion forums. Learners have secure access to accredited programmes and public access to free learning and development materials.

Responding to the sector's financial challenges, the Academy is transitioning development programmes to lower price point Scottish Qualifications Authority (SQA) accredited programmes and is scaling up the delivery of free development programmes. During financial year 2024/25, the Academy completed five accredited cohorts – one in Leadership and Management, two in Strategic Leadership and Management, and two in Project Management.

The Academy also delivers the Scottish Government Procurement and Commercial Training Framework (SG PCTF), engaging 334 learners across 28 workshops in 2024/25. In addition, the Academy awarded four people Chartered Manager (CMgr) in 2024/25, this is

the highest award in the leadership and management profession.

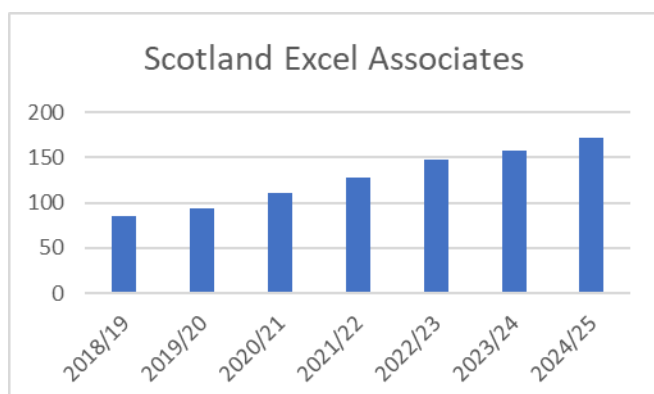
In addition to fee paying development programmes, the Academy delivered free learning and development workshops to members and partners spanning procurement, leadership & management, project management, business analysis, innovation, and change management. The Academy engaged 407 learners in seven free commercial improvement workshops during 2024/25.

Working with the Scottish Government Procurement and Property Directorate (SPPD), the Academy has created three procurement eLearning modules. Access to these is provided at no cost to our national procurement community, with the modules hosted on the Academy's VLE and the Scottish Government's VLE.

## Associate Membership Expansion

Scotland Excel continues to build its portfolio of Associate Members, which currently number 172 in total. Associate Members include 29 Arm's Length External Organisations (ALEOs) who gain associate membership through their host local authority. A further 143 Associate Members are drawn from a range of sectors including Social Housing, NHS, Universities and Colleges, Third Sector and also include a number of Scottish Government Bodies.

Scotland Excel Associate Members have access to the full range of contracts and frameworks administered by Scotland Excel, along with access to the procurement expertise available within the organisation. The graph below details the growth in Associate membership for Scotland Excel over the past seven years.



The budgeted income target from Associates for 2024/25 was £0.240m. This figure has been achieved with the actual contribution to Core from Associate members totalling £0.263m in 2024/25.

## New Build Housing

During 2024/25, 19 new build projects were procured through the Scotland Excel New Build framework. In addition to covering all framework costs, the rebate generated from the framework also contributed £50k to core operating costs, in line with budget expectations.

The next generation of the New Build framework was launched during 2024/25 and will be reported on during 2025/26.

## Primary Financial Statements

The annual accounts are prepared in accordance with the International Accounting Standards Board Framework for the Preparation and Presentation of Financial Statements as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). Under Section 106 of the Local Government (Scotland) Act 1973, joint committees are classed as local authorities.

The annual accounts summarise the Joint Committee's transactions for the year and its position at 31 March 2025. The Primary Financial Statements include the Comprehensive Income and Expenditure Statement (CIES), the Movement in Reserves Statement (MIRS) and the Balance Sheet. These statements are accompanied by Notes to the Accounts, which provide more details on the figures shown in the statements and set out the Accounting Policies adopted by the Joint Committee.

The Joint Committee does not have a bank account. Apart from petty cash, all transactions are accounted for through Renfrewshire Council as the administering authority. There is £0 cash balance at 31 March 2025 due to the closure of petty cash facilities previously held by officers.

## Financial Performance

Excluding Project expenditure and income, the Joint Committee returned a net underspend in 2024/25 of £619k against a planned contribution to reserves (surplus) of £147k, resulting in an in-year favourable variance of £472k.

There were underspends in the year within Employee Costs of £29k, mainly due to recruitment delays, and in Support Costs of £57k, resulting from savings accrued from a competitive tender process for Professional Indemnity Insurance renewal costs for 2024/25. Transport Costs were underspent by £15k, due to less travel to meetings, training and conferences. The net result was a budget underspend in gross expenditure for 2024/25 of £121k.

Income from requisitions was fully recovered in the year and there was a higher level of investment interest received in-year than budgeted (£73k). Income from Projects significantly over-recovered in Core (£255k) arising mainly from rebate income that was attributable to 2023/24. This has resulted in a Prior Year restatement, which is detailed in page 24. It was transferred in-year from Projects to Core.

Scotland Excel's Projects ended the year at 31 March 2025 with a surplus of income over expenditure of

£298k. This balance is committed for future Project spend, as outlined in Note 4: Transfers to / from Earmarked Reserves on page 26.

The Comprehensive Income and Expenditure (CIES) on page 21 summarises the total costs of providing services and the income available to fund those services.

The difference between Employee Costs in the figure below and the figure reported in the CIES is due to accounting adjustments for pension costs of £524k and accrued employee benefits (£14k).

The difference between the Other Income figure below and the figure reported in the CIES is net interest receivable of £73k and Government Grants of £203k.

The CIES also records capital charges and capital grants that affect the accounting deficit. These reporting differences are presented in Note 2: Expenditure and Funding Analysis on page 25.

	Core Budget £	Actual £	Variance £	Projects Actual £	Total Actual £
Employee Costs	4,558,561	4,529,356	29,205	1,688,512	6,217,868
Property Costs	216,500	216,500	0	0	216,500
Transport Costs	20,000	5,260	14,740	546	5,806
Supplies and Services	291,401	274,747	16,654	345,353	620,100
Transfer Payments	22,661	19,500	3,161	5,942	25,442
Support Costs	329,290	272,237	57,053	47,880	320,116
<b>Total Expenditure</b>	<b>5,438,413</b>	<b>5,317,599</b>	<b>120,813</b>	<b>2,088,232</b>	<b>7,405,832</b>
Requisitions from Member Authorities	(3,999,009)	(3,999,009)	0	0	(3,999,009)
Income from Projects	(298,000)	(553,348)	255,348	(1,924,995)	(2,478,343)
Other Income	(1,288,416)	(1,383,972)	95,556	(461,256)	(1,845,228)
<b>Total Income</b>	<b>(5,585,425)</b>	<b>(5,936,329)</b>	<b>350,904</b>	<b>(2,386,251)</b>	<b>(8,322,580)</b>
<b>Contribution to Reserves</b>	<b>(147,012)</b>	<b>(618,727)</b>	<b>471,715</b>	<b>(298,019)</b>	<b>(916,746)</b>



## The Balance Sheet at 31 March 2025

The Balance Sheet sets out the total net worth of Scotland Excel at a snapshot in time. When comparing the net worth at 31 March 2025 to that of the prior year, an overall increase of £1.554m can be seen. This is primarily driven by an increase in current and long-term assets.

Non-current assets held by the Joint Committee include IT equipment and software, and the property rental of Renfrewshire House office space. Details can be found in Note 7: Intangible Assets, Note 8: Plant and Equipment, and Note 9: Right of Use Assets on page 31.

### Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed at Note 15: Retirement Benefits on page 35.

The appointed actuaries have confirmed a net asset of £11.337m (£7.835m in 2023/24), an improvement of £3.502m, in their assessment of the position of the pension fund. Some of this can be attributed to the LGPS Fund investment performance returns being higher than assumed. However, there is a cap on the value of a pension asset that can be reported for accounting purposes. For 2024/25, this adjusts the value of the pension asset shown in the balance sheet to nil. There is an unfunded pension liability of £394k that is not part of the asset cap calculation (£450k 2023/24 restated). For information on the 2023/24 restatement, please see Note 1: Prior Year Restatement on page 24.

A potential change to pension rules is outlined in Note 16: Contingent Liabilities on page 39 ; however, this has not been reflected in the pension liability reported in the Balance Sheet.

## Reserves

Scotland Excel holds a Revenue Reserve balance that comprises an uncommitted element to mitigate the impact of future cost pressures, along with balances specifically earmarked for the future delivery of Projects. Further detail on these balances can be found in Note 4: Transfers to / from Earmarked Reserves on page 26. The closing balance of Usable Reserves at 31 March 2024 has been restated as explained in Note 1: Prior Year Restatement on page 24. The closing balance of Usable Reserves at 31 March 2025 was £3.846m.

## Principal Risks and Uncertainty

Scotland Excel maintains a Strategic Risk Register to assess risk that could adversely impact on the delivery of organisational objectives, and identifies actions currently undertaken to control and mitigate the likelihood and impact of these risks. The Strategic Risk Register is reviewed quarterly by the organisation's Senior Management Team and is presented regularly to the Scotland Excel Executive Sub-Committee and bi-annually to the Joint Committee.

For the first 3 quarters of 2024/25, there were twelve risks identified within the Scotland Excel Strategic Risk Register (Table 1).

**Table 1: Residual Risk Movement Over the Last 4 Periods**

Risk Ref.	Risk Title	Period				Trend (4Qs)
		Q4 23/24	Q1 24/25	Q2 24/25	Q3 24/25	
SXL001 – 24/25	Organisational Sustainability	15	15	15	15	↔
SXL002 – 24/25	Managing Growth and Diversity	16	12	12	12	↔
SXL003 – 24/25	Political, Legislative and Policy Change	20	20	16	16	↔
SXL004 – 24/25	Reputational Risk	16	16	16	16	↑
SXL005 – 24/25	Supply Chain Resilience	20	16	12	12	↓
SXL006 – 24/25	Staff Recruitment and Retention	9	12	12	12	↓
SXL007 – 24/25	Corporate Social Responsibility	16	9	6	6	↓
SXL008 – 24/25	Meeting Member and Stakeholder Expectations	16	16	12	12	↔
SXL009 – 24/25	Environmental Impact and Climate Change	12	16	16	16	↑
SXL010 – 24/25	National Emergency Including Pandemic	12	8	8	8	↓
SXL011 – 24/25	Redesign of Scottish Public Services	12	12	12	12	↓
SXL012 – 24/25	ICT and Cyber Security	16	16	16	16	↔

A new Risk Strategy 2025 - 2028 was approved by the Joint Committee of Scotland Excel in December 2024. The revised strategy seeks to enhance Scotland Excel's existing robust risk management methodology by formalising and creating more structured strategic risk management processes. As a result, a new Strategic Risk Register (Table 2) was presented to the Executive Sub-Committee in May 2025.

Table 2

Risk Driver	Risk Name	RL	RI	RE	Tolerance	Within Tolerance?
Compliance	Political and Policy Change	3	4	12	8	No
	Legal and Regulatory Compliance	3	2	6	8	Yes
Environmental and Social	Environmental Impact and Climate Change	3	4	12	12	Yes
	Social Responsibility	2	3	6	12	Yes
Financial	Membership Model	3	5	15	16	Yes
	Income and Budget Management	2	4	8	16	Yes
Personnel	Staff Recruitment	3	2	6	12	Yes
	Staff Retention and Performance	3	2	6	12	Yes
Reputation	Delivering for Members	4	4	16	8	No
	Managing Stakeholder Relationships	2	4	8	8	Yes
Service and Operational	ICT and Cyber Security	4	4	16	12	No
	Service Delivery Disruption	4	3	12	12	Yes
Transformational	Redesign of Scottish Public Services	3	4	12	16	Yes
	Managing Growth and Diversity	3	3	9	16	Yes

Factors taken into consideration by Scotland Excel when reviewing the risk register over the past year include the impact of global conflicts on framework supplier chains; increasing recruitment challenges within the procurement sector; continuing financial uncertainty across local government; the increasing incidence of cyber-crime and growing importance of cyber security; the ongoing redesign of Scottish public services and the increasing importance of corporate social responsibility including environmental considerations within our contract strategies.

## Outlook and Future Plans

While 2024/25 presented a range of challenges for Scotland Excel, the organisation has performed well during the year both financially and operationally. As the Scottish local government sector experiences on-going economic and financial uncertainty, operations within Scotland Excel continue to be delivered to a high standard. Income streams during 2024/25 continued to develop and perform above expectations. While the sector adapts to operating within an increasingly uncertain environment, Scotland Excel has continued to work with its partners to ensure that ongoing service delivery requirements for public services are met and exceeded, and that best value is achieved.

The Joint Committee approved its budget for 2025/26 on 6 December 2024, which comprised £6.951m Core expenditure and £1.495m Project expenditure. Core requisitions were frozen again at 2023/24 levels, enabled by improvement across other income streams, which are forecast to make up 41% of operating costs for 2025/26.

## Conclusion

We would wish to take this opportunity to acknowledge the team effort required to produce the accounts and to record our thanks to all the staff involved for their continued hard work and support. Further information on the Annual Accounts can be obtained either by writing to: Scotland Excel, Renfrewshire House, Cotton Street, Paisley, PA1 1AR, by emailing us on: [contactus@scotland-excel.org.uk](mailto:contactus@scotland-excel.org.uk), or by telephoning 0141 488 8230.



**Councillor John Shaw**

Convener

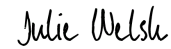
22 December 2025



**Alastair MacArthur**

Treasurer

19 December 2025



**Julie Welsh**

Chief Executive

19 December 2025

# Statement of Responsibilities for the Annual Accounts

## The Joint Committee's Responsibilities

The Joint Committee is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Joint Committee has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). The designated officer is Renfrewshire Council's Director of Finance and Resources, who is also the Treasurer of Scotland Excel;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure that the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003);
- approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Executive Sub-Committee at its meeting on 19 September 2025.

Signed on behalf of Scotland Excel.



**Councillor John Shaw**

Convener

22 December 2025

## The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Joint Committee's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the local authority Accounting Code (in so far as it is compatible with legislation);

The Treasurer has also:

- kept adequate accounting records that were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of Scotland Excel at the reporting date and its transactions for the year ended 31 March 2025.



**Alastair MacArthur**

Treasurer

19 December 2025



# Annual Governance Statement

## Scope of Responsibility

Scotland Excel's Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Joint Committee also has a statutory duty to secure best value under the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Joint Committee's elected members and senior officers are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

## The Joint Committee's Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Joint Committee is directed and controlled. It also describes the way it engages with, and accounts to its stakeholders.

The Joint Committee has also put in place a system of internal control designed to manage risk to a reasonable level. Internal control cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee's policies aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The main features of our governance arrangements are summarised as follows:

- Clearly defined Procedural Standing Orders, Scheme of Delegation, Financial Regulations and Standing Orders Relating to Contracts;

- Comprehensive business planning arrangements, setting key targets and action plans designed to achieve our corporate objectives;
- Application of the Chartered Institute of Procurement and Supply, Code of Professional Ethics;
- Regular performance reporting to the Executive Sub Committee and public performance reporting through the Annual Report;
- A range of policies to regulate employee related matters, including the employee code of conduct, and disciplinary procedures;
- Arrangements to manage risk, including the Corporate Risk Register and business continuity plans;
- Clear customer complaints procedures;
- Comprehensive policies and procedures for information security;
- Arrangements supported by a range of policies and guidelines in compliance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

Within the overall control arrangements, the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded and material errors are detected and corrected. The system is based on a framework of management information, financial regulations, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability.

The system includes:

- Financial management is supported by comprehensive financial regulations and codes;
- Comprehensive budgeting systems, and detailed guidance for budget holders;
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;

- Setting targets to measure financial and other performance;
- The preparation of regular financial reports that indicate actual expenditure against the forecasts;
- The Chief Finance Officer is the Treasurer who complies with the CIPFA Statement on the Role of The CFO in Public Services.

With Renfrewshire Council being the lead authority, all financial transactions of the Joint Committee are processed through the financial systems of the Council and are subject to the same controls and scrutiny as those of Renfrewshire Council. This includes regular reviews by Renfrewshire Council's Chief Auditor.

## Review of Effectiveness

Members and officers of the Joint Committee are committed to the concept of sound governance and the effective delivery of services and take into account comments made by internal and external auditors.

The effectiveness of the governance framework is reviewed annually by the Chief Executive, including the use of a self-assessment tool covering five key areas of governance:

- Service Planning and Performance Management;
- Internal Control Environment;
- Budgeting, Accounting and Financial Control;
- Risk Management and Business Continuity;
- Conflicts of Interest and whistleblowing.

This self-assessment indicated that the governance framework is being complied with in all material respects.

The Joint Committee's internal audit service is provided by the Lead Authority's Internal Auditors,

who operated during 2024/25, in accordance with the Public Sector Internal Audit Standards. The Lead Authority conforms to the requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019). Internal Audit undertakes an annual programme following an assessment of risk completed during the strategic audit planning process.

The Council's Chief Auditor provides an annual report to the Joint Committee and an independent opinion on the adequacy and effectiveness of the system of internal control. The Interim Chief Auditor's annual assurance statement concluded that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the Joint Committee's internal control systems. The review has not identified any significant governance issues to be reported on for 2024/25 and no actions arising for the 2023/24 governance statement that require to be reported on.

This governance framework has been in place throughout the year.

## Assurance

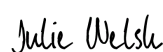
In conclusion, it is our opinion that the annual review of governance together with the work of internal audit, any comments received from external audit and certification of assurance from the Chief Executive provide sufficient evidence that the principles of good governance operated effectively and the Joint Committee complies with its governance arrangements in all material respects. Systems are in place to continually review and improve the governance and internal control environment. Future actions will be taken as necessary to maintain and further enhance the Joint Committee's governance arrangements.



**Councillor John Shaw**

Convener

22 December 2025



**Julie Welsh**

Chief Executive

19 December 2025

## Remuneration Report

All information disclosed in the tables in this Remuneration Report will be audited by the appointed auditor, Azets. The other sections of the Remuneration Report will be reviewed by Azets to ensure that they are consistent with the financial statements.

### Remuneration of elected members

The Joint Committee makes no remuneration payment to any elected member, nor does it pay any expenses, fees or allowances to elected members. Further, no recharges have been made by member authorities in relation to elected member remuneration.

### Remuneration of senior employees

2023/24 Total Salary, fees and allowances £	Name	Post Held	2024/25 Total Salary, fees and allowances £
127,513	Julie Welsh	Chief Executive	132,873
105,434	Hugh Carr	Director of Strategic Procurement	109,564
105,434	Stephen Brannagan	Director of Customer & Business Services	109,564

Salary, fees and allowances includes any other payments made to or receivable by the person in connection with the termination of their employment, or, in the case of a councillor, the total of any payment made to that person in connection with their ceasing to hold office before the end of a fixed term appointment.

The Chief Executive's salary is matched to the Renfrewshire Council Chief Officer pay scale CO21.

The above tables show the relevant amounts, before tax and other deductions, due to, or receivable by, each of the persons named for the year to 31 March 2025, whether or not those amounts were actually paid to, or received by, those persons within that period.

### Pension rights

Pension benefits for Joint Committee employees are provided through the Local Government Pension Scheme (LGPS). From 1 April 2015 benefits are based on career average pay. Pension benefits are based on the pay received for each year in the scheme, uplifted by the increase in the cost of living, as measured by the

appropriate index (or indices). The scheme's normal retirement age is linked to the state pension age for each member.

From 1 April 2009 a five-tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non-manual employees.

Tiered contribution rates on whole time pay 2024/25		Equivalent bandings for 2023/24
Up to £27,000	5.5%	Up to £25,300
£27,001 to £33,000	7.25%	£25,301 to £31,000
£33,001 to £45,300	8.5%	£31,001 to £42,500
£45,301 to £60,400	9.5%	£42,501 to £56,600
Over £60,401	12%	Over £56,601

If a person works part-time their contribution rate will be based on their part-time pay.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004.

The accrual rate guarantees a pension based on 1/49<sup>th</sup> of the pensionable pay for each year of membership, adjusted in line with the cost of living (prior to 2015 the accrual rate guaranteed a pension based on 1/60<sup>th</sup> of final pensionable salary).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government employment, not just that relating to their current post.

In 2024/25, Strathclyde Pension Fund reduced the employer's contribution rate to 6.5% (19.3% 2023/24).

Name	Post Held	Accrued Pension Benefits				Contributions made by Scotland Excel	
		As at 31 March 2025		Change from 31 March 2024			
		Pension	Lump Sum	Pension	Lump Sum	2024/25	2023/24
		£000	£000	£000	£000	£	£
Julie Welsh	Chief Executive	43	2	4	0	8,790	24,678
Hugh Carr	Director of Strategic Procurement	30	0	2	0	7,248	20,349
Stephen Brannagan	Director of Customer & Business Services	22	0	3	0	7,248	20,349

## Remuneration of Employees

The following table gives a statement of the number of employees whose remuneration, excluding pension contributions, was in excess of £50,000 during 2024/25, in bands of £5,000. Bands not shown contain nil employees.

2023/24 Number of employees	Remuneration Band	2024/25 Number of employees
12	£50,000 - £54,999	12
7	£55,000 - £59,999	10
5	£60,000 - £64,999	6
3	£65,000 - £69,999	4
1	£70,000 - £74,999	2
1	£75,000 - £79,999	0
0	£90,000 - £94,999	1
2	£105,000 - £109,999	2
1	£125,000 - £129,999	0
0	£130,000 - £134,999	1
32		38

## Exit packages

Scotland Excel only agrees exit packages where they are consistent with wider workforce planning and service delivery objectives; and where the savings accruing from an individual ceasing employment are sufficient to pay back the costs of the exit package within an acceptable period. The assessment of the payback period takes account of the total cost of the exit package.

There were no exit packages agreed in 2024/25. The three in 2023/24 were all agreed on a voluntary basis, and there were no compulsory redundancies.

2023/24	Exit Packages	2024/25	
Value		Number of employees	Value
£			£
48,611	£20,001 - £40,000	0	0
46,269	£40,001 - £60,000	0	0
94,880		0	0



**Councillor John Shaw**

Convener

22 December 2025



**Julie Welsh**

Chief Executive

19 December 2025



# Independent auditor's report to the members of Scotland Excel Executive Sub-Committee and the Accounts Commission

## Reporting on the audit of the financial statements

### Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Scotland Excel for the year ended 31 March 2025 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the 2024/25 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of Scotland Excel as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

### Basis for opinion

We conducted our 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 Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of Scotland Excel in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Scotland Excel. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern basis of accounting

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

These conclusions are not intended to, nor do they, provide assurance on the Scotland Excel's current or future financial sustainability. However, we report on Scotland Excel's arrangements for

financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

## **Risks of material misstatement**

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

## **Responsibilities of the Treasurer and Executive Sub-Committee for the financial statements**

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

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

Scotland Excel Executive Sub-Committee is responsible for overseeing the financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

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

- using our understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of Scotland Excel;
- inquiring of management and the Convener as to other laws or regulations that may be expected to have a fundamental effect on the operations of Scotland Excel;
- inquiring of management and the Convener concerning Scotland Excel's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Scotland Excel'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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Reporting on other requirements**

### **Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report**

We have audited the parts of the Remuneration Report described as audited. In our opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

### **Other information**

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

### **Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement**

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

- the information given in the Management Commentary 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 statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual 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 Delivering Good Governance in Local Government: Framework (2016).

### **Matters on which we are required to report by exception**

We are required by the Accounts Commission to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

In addition to our responsibilities for the annual accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in our Annual Audit Report.

### **Use of our report**

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

*Rebecca Lister*

Rebecca Lister, (for and on behalf of Azets Audit Services),  
Quay 2  
139 Fountainbridge  
Edinburgh  
EH3 9QG

Date: 22 December 2025

# Comprehensive Income and Expenditure Statement

This statement shows the accounting cost of providing services and managing the Joint Committee during the year. It includes, on an accruals basis, all of the Joint Committee's day-to-day expenses and related income. It also includes transactions measuring the value of non-current assets actually consumed during the year and the real projected value of retirement benefits earned by employees during the year. The statement shows the accounting cost in accordance with generally accepted accounting practices, rather than the cost according to the statutory regulations that specify the net expenditure that local authorities need to take into account. The required adjustments between accounting basis and funding basis under regulations are shown in the Movement in Reserves Statement.

2023/24 (restated)				2024/25		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£	£	£	Note	£	£	£
6,215,012	0	6,215,012	Employee Costs	6,727,411	0	6,727,411
216,500	0	216,500	Property Costs	119,500	0	119,500
537,667	0	537,667	Supplies and Services	362,141	0	362,141
250,250	0	250,250	Support Costs	320,117	0	320,117
22,735	0	22,735	Transfer Payments	25,440	0	25,440
7,832	0	7,832	Transport Costs	5,807	0	5,807
23,866	0	23,866	Capital Charges	25,974	0	25,974
0	(3,383,670)	(3,383,670)	Income from Projects	0	(2,478,344)	(2,478,344)
0	(27,380)	(27,380)	Government Grants	0	(203,296)	(203,296)
0	(816,844)	(816,844)	Other Income	0	(1,311,093)	(1,311,093)
<b>7,273,862</b>	<b>(4,227,894)</b>	<b>3,045,968</b>	<b>Cost of Services</b>	<b>7,586,390</b>	<b>(3,992,733)</b>	<b>3,593,657</b>
			<b>Financing and Investment Income and Expenditure</b>			
0	(16,081)	(16,081)	Investment interest receivable	0	(72,879)	(72,879)
0	0	0	Interest on Right of Use Assets	20,686	0	20,686
0	(2,000)	(2,000)	Pension interest cost 15	34,000	0	34,000
			<b>Taxation and Non-Specific Grant Income</b>			
0	(3,999,008)	(3,999,008)	Requisitions from Member Authorities 14	0	(3,999,009)	(3,999,009)
<b>7,273,862</b>	<b>(8,244,983)</b>	<b>(971,121)</b>	<b>Deficit on the provision of services</b>	<b>7,641,076</b>	<b>(8,064,621)</b>	<b>(423,545)</b>
			<b>Other Comprehensive Income and Expenditure</b>			
		526,000	Actuarial (Gains) or losses on pension assets and (Surplus)/ Deficit on the revaluation of non-current assets 15 9			(614,000)
		0				(516,523)
		<b>(445,121)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(1,554,068)</b>

Note that figures in brackets represent income or gains and figures without brackets represent expenditure or losses. page 24.



## Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into usable reserves (that is, those reserves that can be applied to fund expenditure) and unusable reserves. The surplus or deficit on the provision of services line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

Movement in reserves during the year	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2024		(2,929,188)	462,539	(2,466,649)
Total Comprehensive Income and Expenditure		(423,545)	(1,130,523)	(1,554,068)
Adjustments between accounting basis and funding basis under regulations	6	(493,201)	493,201	0
<b>Increase or (decrease) in year</b>		<b>(916,746)</b>	<b>(637,322)</b>	<b>(1,554,068)</b>
Balance at 31 March 2025		(3,845,934)	(174,783)	(4,020,717)

Comparative movements in 2023/24 (restated)	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2023		(1,964,262)	(57,265)	(2,021,527)
Total Comprehensive Income and Expenditure		(971,121)	526,000	(445,121)
Adjustments between accounting basis and funding basis under regulations	6	6,196	(6,196)	0
<b>Increase or (decrease) in year</b>		<b>(964,925)</b>	<b>519,804</b>	<b>(445,121)</b>
Balance at 31 March 2024		(2,929,188)	462,539	(2,466,649)

For information on the 2023/24 restatement, please see Note 1: Prior Year Restatement on page 24.

## Balance Sheet

The balance sheet shows the value as at 31 March 2025 of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category comprises usable reserves, which are those reserves that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves comprises those that the Joint Committee is not able to use to provide services. This category includes reserves that hold unrealised gains and losses in the value of assets.

As at 31 March 2024 (restated) £		Note	As at 31 March 2025 £
69,366	Intangible Assets	7	56,400
49,857	Plant and Equipment	8	36,849
0	Lease Liabilities	9	926,139
<b>119,223</b>	<b>Long-term Assets</b>		<b>1,019,388</b>
937,366	Funds held by Renfrewshire Council		3,498,414
2,402,190	Short-term Debtors and Prepayments	11	2,309,027
<b>3,339,556</b>	<b>Current Assets</b>		<b>5,807,441</b>
(542,131)	Creditors And Accruals	12	(2,158,980)
<b>(542,131)</b>	<b>Current Liabilities</b>		<b>(2,158,980)</b>
0	Long-term Creditors	12	(253,133)
(450,000)	Pension (liability)/Asset	15	(394,000)
<b>(450,000)</b>	<b>Long Term Liabilities</b>		<b>(647,133)</b>
<b>2,466,648</b>	<b>Net Assets / (Liabilities)</b>		<b>4,020,716</b>
(2,929,187)	Usable Reserves	4	(3,845,933)
462,539	Unusable Reserves	5	(174,783)
<b>(2,466,648)</b>	<b>Total Reserves</b>		<b>(4,020,716)</b>

For information on the 2023/24 restatement, please see Note 1: Prior Year Restatement on page 24.

The unaudited accounts were issued on 20 June 2025 and the audited accounts were authorised for issue on 19 September 2025.

*Alastair MacArthur*

**Alastair MacArthur**

Treasurer

19 December 2025

## Note 1: Prior Year Restatement

In closing the accounts for 2023/24, rebate income anticipated and not yet received was accrued. During 2024/25 it transpired that the level of rebate income receivable was £255k higher than that accrual. This means that the outturn position was £255k higher than reported in the audited accounts for 2023/24. There was also an omitted unfunded pension obligation of £477k, which means that the Pension Liability reported in the audited accounts for 2023/24, which also affected Employee Costs, was incorrect.

Since the Board presented the 2024/25 audited accounts in September 2025, it was identified that £587k of income contribution from Projects to Core in 2023/24 had been recorded under Supplies and Services instead of Income from Projects. As a result, Income from Projects was overstated in the 2023/24 audited accounts. This correction does not affect the reserves position. The effect on the CIES, presented on page 21 is as follows:

CIES	Originally Stated 2034/24 £	Restated 2034/24 £	Amount of Restatement £
Employee Costs	6,242,012	6,215,012	(27,000)
Supplies and Services	1,124,737	537,667	(587,070)
Income from Projects	(3,715,392)	(3,383,670)	331,722
Cost of Services	3,328,316	3,045,968	(282,348)
(Surplus)/Deficit on the Provision of Services	(688,773)	(971,121)	(282,348)
Actuarial (Gains) or losses on pension assets and liabilities	49,000	526,000	477,000
<b>Total Comprehensive Income and Expenditure</b>	<b>(639,773)</b>	<b>(445,121)</b>	<b>194,652</b>

The Code requires that a third Balance Sheet is presented for the beginning of the preceding financial year when a retrospective restatement affects opening balances. There is no impact on 2023/24 opening balances for this restatement. The effect on the 2023/24 Balance Sheet (and associated Notes) is as follows:

Balance Sheet	Originally Stated as at 31 March 2024 £	Restated as at 31 March 2024 £	Amount of Restatement £
Short-term Debtors and Prepayments	2,146,842	2,402,190	255,348
Current Assets	3,084,208	3,339,556	255,348
Pension (liability)/Asset	0	(450,000)	(450,000)
Net Assets / (Liabilities)	2,661,300	2,466,648	(194,652)
Usable Reserves	(2,673,840)	(2,929,187)	(255,347)
Unusable Reserves	12,539	462,539	450,000
Total Reserves	(2,661,300)	(2,466,648)	194,652

The following restatement was also required for the Movement in Reserves Statement. The restated prior period Movement in Reserves Statement is provided with the current year information on page 22. The Usable Reserve affected was the Small Value Procurement Project.

Usable Reserves	Originally Stated as at 31 March 2024 £	Restated as at 31 March 2024 £	Amount of Restatement £
Balance at 1 April 2023	(1,964,262)	(1,964,262)	0
Total Comprehensive Income and Expenditure	(688,773)	(971,121)	(282,348)
Adjustments between accounting basis and funding basis under regulations	(20,804)	6,196	27,000
Increase or (decrease) in year	(709,577)	(964,925)	(255,348)
Balance at 31 March 2024	(2,673,839)	(2,929,188)	(255,348)

## Note 2: Expenditure and Funding Analysis

This statement shows how annual expenditure is used and funded from resources and provides a reconciliation of the statutory adjustments between the Joint Committee's financial performance on a funding basis and the (surplus) or deficit on the provision of service in the Comprehensive Income and Expenditure Statement. For information on the 2023/24 restatement, please see Note 1: Prior Year Restatement on page 24 .

2024/25	Net Expenditure chargeable to Scotland Excel £	Adjustments for capital £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	6,217,868		524,000	(14,459)	6,727,411
Property Costs	216,500	(97,000)			119,500
Supplies and Services	620,100			(257,959)	362,141
Support Costs	320,116				320,117
Transfer Payments	25,442				25,440
Transport Costs	5,806				5,807
Capital Charges	0	25,974			25,974
Income from Projects	(2,478,343)				(2,478,344)
Government Grants	0			(203,296)	(203,296)
Other Income	(1,845,228)			534,135	(1,311,093)
<b>Cost of Services</b>	<b>3,082,261</b>	<b>(71,026)</b>	<b>524,000</b>	<b>58,421</b>	<b>3,593,657</b>
Other income and expenditure	(3,999,007)	0	34,000	(52,194)	(4,017,202)
<b>(Surplus) or deficit on the provision of service</b>	<b>(916,746)</b>	<b>(71,026)</b>	<b>558,000</b>	<b>6,227</b>	<b>(423,545)</b>

2023/24 (restated)	Net Expenditure chargeable to Scotland Excel £	Adjustments for capital £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	6,222,758		(74,000)	66,254	6,215,012
Property Costs	216,500				216,500
Supplies and Services	557,983	(20,316)			537,667
Support Costs	250,250				250,250
Transfer Payments	22,735				22,735
Transport Costs	7,832				7,832
Capital Charges	0	23,866			23,866
Income from Projects	(3,383,670)				(3,383,670)
Government Grants	0			(27,380)	(27,380)
Other Income	(860,305)			43,461	(816,844)
<b>Cost of Services</b>	<b>3,034,083</b>	<b>3,550</b>	<b>(74,000)</b>	<b>82,335</b>	<b>3,045,968</b>
Other income and expenditure	(3,999,008)	0	(2,000)	(16,081)	(4,017,089)
<b>(Surplus) or deficit on the provision of service</b>	<b>(964,925)</b>	<b>3,550</b>	<b>(76,000)</b>	<b>66,254</b>	<b>(971,121)</b>

### Note 3: Accounting Standards Issued not Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. There are no new standards that are expected to have a material impact on the accounts of Scotland Excel.

### Note 4: Transfers to / from Earmarked Reserves

This note sets out the amounts transferred to and from Revenue and Project balances to meet expenditure in 2024/25 and beyond. For information on the 2023/24 restatement, please see Note 1: Prior Year Restatement on page 24.

	Balance at 1 April 2024 (restated) £	Transfers out £	Transfers in £	Balance at 31 March 2025 £
Revenue Reserve - uncommitted balance	(324,364)	0	(618,727)	(943,091)
The Academy	(139,200)	33,649	0	(105,551)
Digital Transformation	(14,070)	751	0	(13,319)
Hosted Procurement	(231,813)	3,127	0	(228,686)
National Care Home Contract	(34,798)	34,798	0	0
New Build Project	(7,667)	81,012	0	73,345
South Lanarkshire Council	(158,962)	13,728	0	(145,234)
Small Value Procurement	(1,974,020)	0	(419,159)	(2,393,179)
Scottish Government Rehab Project	(3,701)	0	0	(3,701)
Dundee City Council	(40,591)	0	(33,041)	(73,632)
SEEMIS	0	0	0	0
Scottish Government Grants	0	2,264	0	2,264
Renfrewshire Council Project	0	0	(15,148)	(15,148)
<b>Total Usable Reserves</b>	<b>(2,929,187)</b>	<b>169,329</b>	<b>(1,086,075)</b>	<b>(3,845,933)</b>



	Balance at 31 March 2025 £	Committed £	Uncommitted Balance £	Note
Revenue Reserve - uncommitted balance	(943,091)	0	(943,091)	(a)
The Academy	(105,551)	(105,551)	0	(b)
Digital Transformation	(13,319)	(13,319)	0	(b)
Hosted Procurement	(228,686)	(228,686)	0	(b)
New Build Project	73,345	73,345	0	(b)
South Lanarkshire	(145,234)	(145,234)	0	(b)
Small Value Procurement	(2,393,179)	(2,393,179)	0	(b)
Scottish Government Rehab Project	(3,701)	(3,701)	0	(b)
Dundee City Council	(73,632)	(73,632)	0	(b)
Scottish Government Grants	2,264	2,264	0	(b)
Renfrewshire Council Project	(15,148)	(15,148)	0	(b)
<b>Total Usable Reserves</b>	<b>(3,845,933)</b>	<b>(2,902,842)</b>	<b>(943,091)</b>	

## Notes

- a) The balance on the Revenue Reserve represents 10.6% of the Cost of Services in 2024/25 (5.7% in 2023/24);  
b) Balances are ring-fenced for continuing 2025/26 Project delivery.

## Note 5: Unusable Reserves

Unusable reserves are those reserves that Scotland Excel is not able to utilise to provide services, and comprise:

- Reserves that hold unrealised gains and losses, particularly in relation to the revaluation of property, plant and equipment, where amounts will only become available to provide services (or limit resources in the case of losses) once the gains or losses are realised as the assets are disposed of. This category of reserves relates to the Revaluation Reserve.
- Adjustment accounts that deal with situations where income and expenditure are recognised according to statutory regulations against the Revenue Reserve Balance on a different basis from that expected by generally accepted accounting practices. The adjustment accounts comprise the Capital Adjustment Account, the Financial Instruments, the Pension Reserve and the Employee Statutory Adjustment Account.

As at 31 March 2024 (restated) £	Unusable Reserves	As at 31 March 2025 £
450,000	Pension Reserve	394,000
131,761	Employee Statutory Adjustment Account	117,302
(119,222)	Capital Adjustment Account	(169,562)
0	Revaluation Reserve	(516,523)
<b>462,539</b>	<b>Total Unusable Reserves</b>	<b>(174,783)</b>

## Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

Scotland Excel accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed, as the Joint Committee makes employer's contributions to pension funds. The credit balance on the Pension Reserve at 31 March 2025 (before the asset cap is applied) indicates a net asset position in the Joint Committee's share of Strathclyde Pension Fund resources available to meet the cost of benefits earned by past and current employees (£11.337m at March 2025). Statutory arrangements, such as the triennial valuations, ensure that sufficient funding will have been set aside by the time that benefits come to be paid.

2023/24 (restated) £	Pension Reserve	2024/25 £
0	Balance as at 1 April	450,000
689,000	Actuarial (gains) and losses on pension assets and liabilities	(3,740,000)
(163,000)	Restriction to pension asset ceiling	3,126,000
(76,000)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	558,000
450,000	Balance as at 31 March	394,000

## Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on revenue balances from accruing for compensated absences earned, but not taken at the end of the financial year. However, statutory arrangements, or regulations, require that the impact of such accrued expenditure on revenue balances is neutralised by transfers to or from this Account.

2023/24 £	Employee Statutory Adjustment Account	2024/25 £
65,507	Balance as at 1 April	131,761
(65,507)	Reversal of prior year accrual for short-term accumulating compensated absences	(131,761)
131,761	Accrual for short-term accumulating compensating absences at 31 March	117,302
131,761	Balance as at 31 March	117,302

## Capital Adjustment Account

The Capital Adjustment Account absorbs timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. It is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES and credited with the amounts set aside as finance for these costs.

2023/24 £	Capital Adjustment Account	2024/25 £
(122,772)	Balance as at 1 April	(119,222)
23,866	Charges for depreciation of non-current assets	25,974
(20,316)	Capital expenditure charged against Revenue balances	0
0	Statutory Provision for the repayment of Right of Use Assets	(76,314)
(119,222)	Balance as at 31 March	(169,562)

## Revaluation Reserve

The Revaluation Reserve contains the gains made by Scotland Excel arising from increases in the value of its non-current assets. The balance is reduced when assets with accumulated gains are:

- a) revalued downwards or impaired and the gains are lost,
- b) used in the provision of services and the gains are consumed through depreciation; or
- c) disposed of and the gains are realised.

The Revaluation Reserve contains only revaluation gains accumulated since 1 April 2024, which was the date that the Revaluation Reserve was created as a consequence of the implementation of IFRS16.

2023/24 £	Revaluation Reserve	2024/25 £
0	Balance as at 1 April	0
0	Upward revaluation of non-current assets	(516,523)
0	Balance as at 31 March	(516,523)

## Note 6: Adjustments between Accounting Basis and Funding Basis under Regulations

The surplus for the year on the Revenue Reserve was £493,201 more than the surplus shown in the Comprehensive Income and Expenditure Statement. The table below gives a breakdown of the differences between the income and expenditure included in the CIES in accordance with the Code and the amounts that statute and non-statutory proper practice require the Joint Committee to debit and credit the Revenue Reserve Balance.

2024/25	Usable Reserves £	Unusable Reserves £
<b>Adjustments primarily involving the Capital Adjustment Account:</b>		
Charges for depreciation of non-current assets	(25,974)	25,974
Statutory Provision for the repayment of Right of Use Assets	76,314	(76,314)
<b>Adjustments primarily involving the Pension Reserve:</b>		
Net charges made for retirement benefits in accordance with IAS19	(953,000)	953,000
Employers contributions payable to the Strathclyde Pension Fund	395,000	(395,000)
<b>Adjustments primarily involving the Employee Statutory Adjustment Account:</b>		
Net charges for employment short-term accumulating absences	14,459	(14,459)
<b>Total adjustments</b>	<b>(493,201)</b>	<b>493,201</b>

2023/24 (restated)	Usable Reserves £	Unusable Reserves £
<b>Adjustments primarily involving the Capital Adjustment Account:</b>		
Charges for depreciation of non-current assets	(23,866)	23,866
Capital expenditure charged against Revenue balances	20,316	(20,316)
<b>Adjustments primarily involving the Pension Reserve:</b>		
Net charges made for retirement benefits in accordance with IAS19	(777,000)	777,000
Employers contributions payable to the Strathclyde Pension Fund	853,000	(853,000)
<b>Adjustments primarily involving the Employee Statutory Adjustment Account:</b>		
Net charges for employment short-term accumulating absences	(66,254)	66,254
<b>Total adjustments</b>	<b>6,196</b>	<b>(6,196)</b>

For information on the 2023/24 restatement, please see Note 1: Prior Year Restatement on page 24.

## Note 7: Intangible Assets

2023/24 £	Software	2024/25 £
	<b>Opening balance</b>	
129,660	Gross carrying amounts	129,660
(47,328)	Accumulated amortisation	(60,294)
<b>82,332</b>	<b>Net carrying amount at 1 April</b>	<b>69,366</b>
(12,966)	Amortisation for the year	(12,966)
<b>69,366</b>	<b>Net carrying amount at 31 March</b>	<b>56,400</b>
	<b>Comprising:</b>	
129,660	Gross carrying amounts	129,660
(60,294)	Accumulated amortisation	(73,260)
<b>69,366</b>		<b>56,400</b>

## Note 8: Plant and Equipment

2023/24 £	Plant and Equipment	2024/25 £
	<b>Cost or Valuation</b>	
68,703	Opening balance at 1 April	89,019
20,316	Additions	0
<b>89,019</b>	<b>Gross Book Value at 31 March</b>	<b>89,019</b>
	<b>Depreciation and Impairment</b>	
(28,262)	Accumulated depreciation at 1 April	(39,162)
(10,900)	Depreciation charge for year	(13,008)
<b>(39,162)</b>	<b>Accumulated depreciation at 31 March</b>	<b>(52,170)</b>
<b>40,441</b>	<b>Opening Net Book Value</b>	<b>49,857</b>
<b>49,857</b>	<b>Closing Net Book Value</b>	<b>36,849</b>

## Note 9: Right of Use Assets/Lease Liabilities

Scotland Excel adopted International Financial Reporting Standard 16 (IFRS 16: Leases) from 1 April 2024, to recognise right of use assets, which means that the majority of leases where Scotland Excel acts as lessee are recognised on the Balance Sheet with effect from 1 April 2024. Any right-of-use assets and lease liabilities are calculated as if IFRS 16 had always

applied, but recognised in the year of adoption and not by adjusting prior year figures.

As a lessee, Scotland Excel has previously classified its property lease at Renfrewshire House as an operating lease, based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Scotland Excel. Under IFRS 16, right-of-use assets and lease liabilities are instead recognised on the Balance Sheet for any material leases.

The application of the Code's adaptation of IFRS 16 has resulted in additions to the balance sheet in 2024/25 of Other Land and Buildings and corresponding liabilities, amounting to £592,837. A weighted average incremental borrowing rate of 5.05% has been applied to lease liabilities as at 1 April 2024.

2023/24 £	Right of Use Assets/ Lease Liabilities	2024/25 £
0	Not later than one year	(80,168)
0	Between one and five years	(253,133)
0	Later than five years	0
<b>0</b>	<b>Total</b>	<b>(333,302)</b>

2023/24 £	Capital Finance Requirement	2024/25 £
<b>0</b>	<b>Balance as at 1 April</b>	<b>0</b>
0	Right of Use Assets Recognised in Year	409,616
0	Right of Use Asset Principal Repayment in Year	(76,314)
<b>0</b>	<b>Balance as at 31 March</b>	<b>333,302</b>

2023/24 £	Other Land and Buildings (Right of Use Assets)	2024/25 £
	<b>Cost or Valuation</b>	
	<b>Opening balance</b>	
0	Recognition of Right of Use Assets	409,616
0	Revaluation Adjustments taken to the Revaluation Reserve	516,523
<b>0</b>	<b>Gross Book Value at 31 March</b>	<b>926,139</b>
<b>0</b>	<b>Accumulated depreciation at 31 March</b>	<b>0</b>
<b>0</b>	<b>Closing Net Book Value</b>	<b>926,139</b>

## Note 10: External audit costs

2023/24 £		2024/25 £
9,790	Fees payable in respect of external audit services	12,370

the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Events taking place after this date are not reflected in the financial statements or notes.

## Note 11: Debtors

As at 31 March 2024 (restated) £	Short-term debtors	As at 31 March 2025 £
112,694	Prepayments	86,640
2,289,496	Other receivable amounts	2,222,387
2,402,190	<b>Total</b>	2,309,027

For information on the 2023/24 restatement, please see Note 1: Prior Year Restatement on page 24.

## Note 12: Creditors

As at 31 March 2024 £	Short-term creditors	As at 31 March 2025 £
(46,148)	Trade payables	(61,446)
(495,983)	Other payables	(2,017,366)
0	Lease Liabilities	(80,168)
(542,131)	<b>Total</b>	(2,158,980)

As at 31 March 2024 £	Long-term creditors	As at 31 March 2025 £
0	Lease Liabilities	(253,133)
0	<b>Total</b>	(253,133)

## Note 14: Related parties

Related parties are those bodies or individuals that have the potential to control or significantly influence the Joint Committee, or to be controlled or significantly influenced by the Joint Committee. The Joint Committee is required to disclose material transactions that have occurred with related parties and the amount of any material sums due to or from related parties.

Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties. Disclosure of this information allows readers to assess the extent to which the Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Joint Committee.

## Note 13: Events after the balance sheet date

The unaudited accounts were issued to the Joint Committee on 20 June 2025. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in



## Elected member interests in related parties

Under the relevant Codes of Conduct, elected members and senior officials must declare any registered interests in any bodies or organisations. Each member's Register of Interest can be found by searching for an individual councillor on each of their respective Council's websites, or clicking the link next to their name on the table opposite.

## Elected Members and senior officers

Members of the Joint Committee and senior officers have control over Scotland Excel's financial and operating policies. They have the responsibility to adhere to a Code of Conduct, requiring them to declare an interest in matters that directly or indirectly influence, or appear to influence, their judgement or decisions taken during the course of their work. The total senior officers' remuneration allowances paid in 2024/25 is shown in the Remuneration Report on page 14.

There is no specific remuneration paid to elected members by Scotland Excel.

The Joint Committee consists of one or more representative of all 32 councils in Scotland. It meets twice a year and is responsible for the strategic direction of the organisation and for approving the annual budget and business plan.

The Executive Sub-Committee is a sub-group of elected members from the Joint Committee who meet regularly to approve contract awards and other business decisions. At 31 March 2025, it was comprised of the following councillors:

Member	Link to Member Interests
John Shaw (Convener)	<a href="#">Renfrewshire Council</a>
Altany Craik (Vice)	<a href="#">Fife Council</a>
David Keating	<a href="#">Aberdeenshire Council</a>
Jack Cruickshanks	<a href="#">Angus Council</a>
Mandy Watt	<a href="#">City of Edinburgh Council</a>
Kenny MacLeod	<a href="#">Comhairle nan Eilean Siar</a>
Carolyn Wilson	<a href="#">Dumfries and Galloway Council</a>
Ruairi Kelly	<a href="#">Glasgow City Council</a>
Derek Loudon	<a href="#">Highland Council</a>
Christina Larsen	<a href="#">North Ayrshire Council</a>
Michael McPake	<a href="#">North Lanarkshire Council</a>
Dennis Leask	<a href="#">Shetland Islands Council</a>
Chris Cullen	<a href="#">South Ayrshire Council</a>
Walter Brogan	<a href="#">South Lanarkshire Council</a>

## Key Related Parties – member authorities

Scotland Excel is funded principally by requisitions from all 32 local authorities in Scotland, who have contributed in the following proportions to enable the Joint Committee to carry out its objectives:

2023/24 £	Council	%	2024/25 £
157,769	Aberdeen City	3.9%	157,769
178,354	Aberdeenshire	4.5%	178,354
92,786	Angus	2.3%	92,786
75,330	Argyll and Bute	1.9%	75,330
55,083	Clackmannanshire	1.4%	55,083
111,859	Dumfries and Galloway	2.8%	111,859
111,234	Dundee City	2.8%	111,234
96,230	East Ayrshire	2.4%	96,230
88,571	East Dunbartonshire	2.2%	88,571
88,967	East Lothian	2.2%	88,967
81,378	East Renfrewshire	2.0%	81,378
332,351	City of Edinburgh	8.3%	332,351
40,547	Eilean Siar	1.0%	40,547
118,812	Falkirk	3.0%	118,812
243,764	Fife	6.1%	243,764
395,787	Glasgow City	9.9%	395,787
163,975	Highland	4.1%	163,975
69,772	Inverclyde	1.7%	69,772
80,269	Midlothian	2.0%	80,269
81,279	Moray	2.0%	81,279
103,352	North Ayrshire	2.6%	103,352
224,305	North Lanarkshire	5.6%	224,305
38,153	Orkney Islands	1.0%	38,153
114,789	Perth and Kinross	2.9%	114,789
130,044	Renfrewshire	3.3%	130,044
92,727	Scottish Borders	2.3%	92,727
38,387	Shetland Islands	1.0%	38,387
90,643	South Ayrshire	2.3%	90,643
213,347	South Lanarkshire	5.3%	213,347
79,562	Stirling	2.0%	79,562
76,246	West Dunbartonshire	1.9%	76,246
133,337	West Lothian	3.3%	133,337
<b>3,999,009</b>	<b>Total</b>	<b>100%</b>	<b>3,999,009</b>

A number of councils participated in targeted procurement projects over the course of 2024/25, as well as contributing towards participation in work related to the National Care Home Contract (NCHC). Income received for 2024/25 was as follows:

Council	NCHC £	Projects £
Aberdeen City	8,868	161,958
Aberdeenshire	10,014	0
Angus	5,248	0
Argyll and Bute	4,276	14,125
Clackmannanshire	3,148	0
Dumfries and Galloway	6,311	10,012
Dundee City	6,276	122,950
East Ayrshire	5,440	0
East Dunbartonshire	5,014	0
East Lothian	5,036	4,740
East Renfrewshire	4,613	0
City of Edinburgh	18,591	1,410
Eilean Siar	2,339	0
Falkirk	6,698	0
Fife	13,657	0
Glasgow City	22,125	5,369
Highland	9,213	1,695
Inverclyde	3,967	0
Midlothian	4,551	0
Moray	4,607	0
North Ayrshire	5,837	565
North Lanarkshire	12,574	690
Orkney Islands	0	195
Perth and Kinross	6,474	565
Renfrewshire	7,324	0
Scottish Borders	5,245	2,490
Shetland Islands	0	13,070
South Ayrshire	5,129	2,395
South Lanarkshire	11,963	565
Stirling	4,512	0
West Dunbartonshire	4,327	4,260
West Lothian	7,507	0
<b>Total</b>	<b>220,884</b>	<b>347,054</b>

Renfrewshire Council is the lead authority for Scotland Excel, providing Treasurer and Clerking services, as well as support services, such as HR, Legal and Internal Audit. Scotland Excel has a service level agreement with Renfrewshire Council that sets out how much this support should cost each year. In 2024/25, Scotland Excel paid Renfrewshire Council £218k for support services (2023/24 £159k). Scotland Excel also received £73k from Renfrewshire Council for interest earned on cash balances (reserves) held by the Council on its behalf.

There were no further material transactions between Scotland Excel and its member authorities.

## Other public bodies

Strathclyde Pension Fund is the principal administrators of the post-retirement funds held on behalf of the current and former employees of Scotland Excel. Information about transactions during the year and outstanding assets and liabilities in relation to Scotland Excel's pension fund can be found in Note 15: Retirement Benefits.

In 2024/25, the Scottish Government commissioned Scotland Excel to administer the distribution of grant funding to Alcohol and Drugs Partnerships across Scotland. £1.970m in Project income was received by Scotland Excel under this agreement, and they disbursed a total of £0.258m in grants. The remaining funds have been accounted for as Other Payables (Creditors) and carried in the Balance Sheet for future disbursement. This is not reflected in Project Reserves due to the agency nature of the arrangement; Scotland Excel has no discretion over the use of these funds, so they do not feature in the CIES. £0.030m in commission income relating to this arrangement has, however, been recognised in the CIES.

Scotland Excel has a number of public bodies, including Housing Associations who are associate members and pay an annual fee to access its frameworks. In addition, a number of public bodies participated in targeted procurement projects over the course of 2024/25. Those bodies contributing a material level of income for 2024/25 were as follows:

Other Public and Associated Bodies	£
Bield Housing Association	£7,621
City Property Glasgow LLP	£17,350
Crown Estate Scotland	£127,475
Forestry and Land Scotland	£91,700
Glasgow West Housing Association Ltd	£12,937
Kingdom Housing Association Ltd	£22,579
Link Group Ltd	£14,770
Queens Cross Housing Association	£8,198
North Glasgow Housing Association Ltd	£8,457
River Clyde Homes	£9,126
Scottish Government	£11,760
SEEMiS Group LLP	£35,550
Strathclyde Partnership for Transport	£10,815
Trust Housing Association Ltd	£7,305
Wheatley Housing Group Limited	£41,200
<b>Total</b>	<b>426,843</b>

There were no other material transactions between Scotland Excel and other public bodies.

## Note 15: Retirement Benefits

As part of the terms and conditions of employment of its employees, the Joint Committee offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The scheme for employees is Strathclyde Pension Fund, which is administered by Glasgow City Council. This is a funded defined benefit final salary scheme, meaning that the Joint Committee and its employees pay contributions into a fund, calculated at a level intended to balance the pension liability with investment assets.

## 15a: Transactions relating to retirement benefits

The cost of retirement benefits is recognised in Gross Expenditure when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is statutorily required to be made in the accounts is based upon pension contributions payable by the Joint Committee

in the year, and an adjustment is made within the Movement in Reserves Statement to replace the cost of retirement benefits with employers' contributions.

The net change in the pension liability is recognised in the Movement in Reserves Statement for pension payments made by the Joint Committee to the Strathclyde Pension Fund during the year. The Joint Committee is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2024/25 these amounted to £29,876 (2023/24 £27,938).

The following transactions have been made in the accounts in 2024/25:

2023/24 (restated) £		2024/25 £
	<b>Comprehensive Income &amp; Expenditure Statement (CIES)</b>	
779,000	Current service cost	919,000
779,000		919,000
	<b>Financing &amp; Investment Income &amp; Expenditure</b>	
(2,000)	Net Interest	34,000
777,000	Total post employment benefit charged to the Surplus or Deficit on the Provision of Services	953,000
	<b>Other post employment benefit charged to the CIES</b>	
(1,240,000)	Return on assets excluding amounts included in net interest	325,000
1,929,000	Actuarial (gains) and losses arising on changes in financial assumptions	(4,065,000)
689,000	Total Actuarial (gains) and losses	(3,740,000)
1,466,000	Total post employment benefit charged to the CIES	(2,787,000)
	<b>Movement in Reserves Statement</b>	
(613,000)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	3,182,000
853,000	Employers Contributions paid to Strathclyde Pension Fund	395,000

Some of the terms in this table are explained below.

**Current service cost** is the cost of future entitlements to pension payments to current employees.

**Past service cost** is the estimated increase in liabilities arising from current year decisions that relates to years of service earned prior to this year.

**Net Interest** is an actuarial adjustment to the inflation element in the cost of funding current and future pension obligations. This is the expected increase during the year in the present value of the Joint Committee's share of Strathclyde Pension Fund's liabilities because they are one year closer to settlement.

## 15b: Assets and liabilities in relation to retirement benefits

A reconciliation of Scotland Excel's share of the present value of Strathclyde Pension Fund's net asset is as follows:

2023/24 £000		2024/25 £000
16,304	Opening present value	18,254
779	Current service cost	919
790	Interest Cost	904
292	Contributions from employees	330
(468)	Benefits Paid	0
(27)	Unfunded Benefits Paid	(29)
	<b>Remeasurement (gains)/losses:</b>	
584	Actuarial (gains)/losses arising from changes in financial assumptions	(4,065)
18,254	Balance as at 31 March	16,313

2023/24 £000		2024/25 £000
23,939	Opening Fair Value	25,639
1,155	Interest Income	1,246
826	Contributions from employer	366
292	Contributions from employees	330
(468)	Benefits Paid	0
27	Contributions in respect of unfunded benefits	29
(27)	Unfunded Benefits Paid	(29)
	<b>Remeasurement gain/(loss):</b>	
(105)	Return on assets excluding amounts included in net interest	(325)
<b>25,639</b>	<b>Closing fair value of scheme assets</b>	<b>27,256</b>

A reconciliation of Scotland Excel's share of the fair value of Strathclyde Pension Fund's assets is as follows:

## 15c: Fund history

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 (restated) £000	2024/25 £000
Present Value of Liabilities	(25,995)	(25,688)	(16,304)	(18,254)	(16,313)
Fair value of assets	21,322	23,592	23,939	25,639	27,256
Restriction to asset ceiling	0	0	(7,635)	(7,835)	(11,337)
<b>Surplus/(deficit) in the Fund</b>	<b>(4,673)</b>	<b>(2,096)</b>	<b>0</b>	<b>(450)</b>	<b>(394)</b>

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching (ALM) strategy.

The total asset of £11.337m has a significant impact on the net worth of the Joint Committee. Any deficit on the Strathclyde Pension Fund will be made good by increased contributions over the remaining working life of employees, as assessed by the Fund actuary.

However, this surplus of scheme assets is restricted to the 'asset ceiling' i.e. the net present value of future service costs less net present value of future contributions over the future working lifetime as at 31 March 2025. This ceiling, or cap, has been calculated to be £0; this excludes unfunded pension obligations of £394k.

2023/24 (restated) £000		2024/25 £000
<b>(18,254)</b>	<b>Present value of defined benefit obligation</b>	<b>(16,313)</b>
25,639	Fair Value of scheme assets	27,256
(7,835)	Restriction to asset ceiling	(11,337)
<b>(450)</b>	<b>Net asset/(liability) arising from defined benefit obligation</b>	<b>(394)</b>

## 15d: Impact on cashflows

An objective of the fund is to keep employer's contributions at as constant a rate as possible. The fund has agreed a strategy to achieve a funding rate of 100% in the longer term. Employers' and employees' contributions have been determined so

that rates are standard across all participating employers. The rate for employer contributions was reduced from 19.3% to 6.5% for the financial years 2024/25 and 2025/26, and is forecast to revert to a rate of 17.5% in 2026/27.



The total contributions expected to be made by the Joint Committee to the Strathclyde Pension Fund in the forthcoming year to 31 March 2026 is £316k.

## 15e: Basis for estimating assets and liabilities

Scotland Excel's share of the assets and liabilities of Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, which estimates the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels and so on. The Scheme's liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, and the estimates are based on the latest full valuation of the Fund at 31 March 2025. The principal assumptions used by the actuary have been:

2023/24	Mortality assumptions	2024/25
<b>Longevity at 65 for current pensioners (years)</b>		
19.6	Men	19.6
22.3	Women	22.4
<b>Longevity at 65 for Future pensioners (years)</b>		
20.6	Men	20.5
24.2	Women	24.1
<b>Other assumptions</b>		
3.50%	Rate of increase in salaries	3.50%
2.80%	Rate of increase in pensions	2.75%
4.80%	Rate for discounting scheme liabilities	5.80%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>		
50.0%	Pre-April 2009 service	50.0%
75.0%	Post-April 2009 service	75.0%

The value of the pension fund liability is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

Impact on Pension Scheme Liability	%	£000
0.1% decrease in Real Discount Rate	2.0%	336
1 Yr increase in member life expectancy	4.0%	652
0.1% increase in Salary Increase Rate	0.0%	17
0.1% increase in Pension Increase Rate	2.0%	328

The pension scheme's assets consist of the following categories, by proportion of the total assets held:

2023/24 £000		%	2024/25 £000
11,305	Equity instruments	43.9%	11,964
2,016	Real Estate	7.5%	2,057
11,843	Investment Funds and Unit Trusts	46.1%	12,572
475	Cash and Cash Equivalents	2.4%	663
<b>25,639</b>	<b>Total</b>	<b>100.0%</b>	<b>27,256</b>

## Note 16: Contingent Liabilities

Following two court cases, including *Mrs Goodwin v Department for Education*, it is expected that proposed changes to public service pension schemes will be required, to ensure that surviving same-sex spouses and civil partners receive benefits equivalent to those received by the surviving spouses of opposite-sex marriages. Strathclyde Pension Fund's actuary estimates that the potential impact may be in the range of 0.1% of gross obligations, around £26k for Scotland Excel. This estimate is not reflected in the Primary Financial Statements because the remedy is still uncertain.

The actuary is aware of two further two court cases that may affect future LGPS benefits (*Walker and O'Brien*), however, these are not expected to have a significant impact on the pension fund obligations.

# Note 17: Summary of Significant Accounting Policies

## A General Principles

The Annual Accounts summarise the Joint Committee's transactions for the 2024/25 financial year and its financial position as at 31 March 2025. The Joint Committee is required to prepare Annual Accounts by the Local Authority (Scotland) Regulations 2014 and section 12 of the Local Government in Scotland Act 2003 requires these accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The Code is issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and is designed to give a true and fair view of the financial performance of the Joint Committee. The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the valuation of pension assets and liabilities where appropriate. The Annual Accounts have been prepared on a going concern basis.

## B Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;

- revenue from the provision of services is recognised when the Joint Committee has satisfied the performance obligation and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- expenditure in relation to services received (including services provided by employees) is recorded when the service is received rather than when payment is made;
- supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- where income and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

## C Prior Period Adjustments, Changes in Accounting Policies and Estimates, and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are made only when required by proper accounting practices, or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Joint Committee's financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts

for the prior period as if the new policy had always been applied.

Material misstatement or omission discovered in prior period figures are corrected retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period.

## D Contingent Liabilities

Contingent liabilities are disclosed in the accounts, but not recognised in the Balance Sheet, in circumstances where:

- an event has taken place that gives Scotland Excel a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Joint Committee; or
- a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

## E Employee Benefits

### Benefits payable during employment

All salaries and wages earned up to the Balance Sheet date are included in the accounts irrespective of when payment was made. An accrual is made for the cost of holiday entitlements earned, but not taken before the year end that employees may carry forward into the next financial year.

### Post-employment benefits

The Joint Committee participates in the Local Government Pension Scheme (LGPS), administered by Strathclyde Pension Fund. The LGPS is accounted for as a defined benefit scheme and in accordance with International Accounting Standard 19 (IAS19) the Joint Committee has disclosed certain information concerning the assets, liabilities, income and expenditure relating to the pension scheme. IAS19 requires that an organisation must account for retirement benefits when it is committed to giving

them, even if the payment will be many years into the future.

This involves the recognition in the Balance Sheet of the Joint Committee's share of the net pension asset or liability in Strathclyde Pension Fund and a pension reserve.

The liabilities of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of earnings for current employees.

Liabilities are discounted to their value at current prices using a discount rate based on the indicative rate of return on high quality corporate bonds.

The assets of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet at their fair value, principally the bid price for quoted securities, and estimated fair value for unquoted securities.

The Comprehensive Income and Expenditure Statement (CIES) also recognises changes during the year in the pension asset or liability. Service expenditure includes pension costs based on employers' pension contributions payable and payments to pensioners in the year.

The change in the net pension liability is analysed into the following components:

- **current service cost** – the increase in liabilities as a result of years of service earned this year, allocated in the CIES to the services for which the employees worked;
- **past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, which is debited to the Surplus or Deficit on the Provision of Services in the CIES;

- **net interest cost on the defined benefit liability** – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments;
- **return on scheme assets** – excluding amounts included in net interest on the net defined benefit liability which are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- **actuarial gains and losses** – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation, or because the actuaries have updated their assumptions, which is charged to the Pensions Reserve. Actuarial gains and losses are shown within Other Comprehensive Income and Expenditure within the CIES; and
- **contributions paid to the pension fund** – cash paid as employer's contributions to the pension fund in settlement of liabilities which are not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the amount payable by the Joint Committee to be amount paid directly to pensioners in the year, not the amount calculated according to the relevant accounting standards in the CIES.

In the Movement in Reserves Statement this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

## F Events after the Balance Sheet date

Events after the balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the accounts are authorised for issue.

There are two types of events:

- **Adjusting events** – those that provide evidence of conditions that existed at the end of the reporting period and the accounts are adjusted to reflect such events; and

**Non-adjusting events** – those that are indicative of conditions that arose after the reporting period and the accounts are not adjusted. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and its estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the accounts.

## G Government Grants and other Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Joint Committee when there is reasonable assurance that:

- the Joint Committee will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Joint Committee are not credited to the CIES until conditions attaching to the grant or contribution have been satisfied.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the CIES.

## H Right of Use Assets

Scotland Excel adopted IFRS 16 (Leases) with effect from 1 April 2024. The main impact of this is that, for arrangements previously accounted for as operating leases, a right-of-use asset and a lease liability are now included on the balance sheet from 1 April 2024. Scotland Excel has elected to apply recognition exemptions to low value assets (below £10,000 when new) and to short-term leases i.e. existing leases that expire on or before 31 March 2025, and new leases with a duration of less than 12 months.

## I Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as plant and equipment.

### Recognition

Expenditure on the acquisition, creation or enhancement of Plant and Equipment is capitalised on an accruals basis. Expenditure that merely maintains the condition of an asset (i.e., repairs and maintenance) is charged as an expense when it is incurred.

### Measurement

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

Plant, furniture and computer equipment costing less than £9,000 are not treated as fixed assets. This de minimis level does not apply where certain categories of these assets are grouped together and form part of an approved capital programme.

Assets are then carried in the Balance Sheet using the depreciated historical cost.

## Impairment

Assets are assessed at each year-end to determine whether there is any indication that an asset may be impaired.

Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated, an impairment loss is recognised for the shortfall and the carrying amount of the asset is written down in the CIES.

Where an impairment loss is subsequently reversed, the reversal is credited to the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

## Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the CIES as part of the gain or loss on disposal. Any receipts from disposals are credited to the CIES, also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal).

## Depreciation

Depreciation is provided for on all Plant and Equipment assets by the allocation of their depreciable amounts over their useful lives. For ICT equipment, this is calculated on a straight-line basis over 5 years. Depreciation is not charged until the year following the purchase of an asset.

## J Intangible Assets

Expenditure on non-monetary assets that do not have physical substance, but are controlled by the Joint Committee as a result of past events (e.g., software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Joint Committee.

Intangible assets are measured initially at cost.

Amounts are revalued where the fair value of the assets held can be determined by reference to an active market. The depreciable amount of an

intangible asset is amortised over its useful life on a straight-line basis in the CIES. Amortisation is not charged until the year following the purchase of an asset.

An asset is tested for impairment whenever there is an indication that the asset might be impaired and any losses recognised are posted in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the Revenue Reserve. The gains and losses are therefore reversed out of the Revenue Reserve in the Movement in Reserves Statement and posted to the Capital Adjustment Account and a Capital Receipts Reserve.

All capital expenditure is charged to the constituent authorities, meaning that the Joint Committee has no requirement to borrow. A notional capital grant is applied to the CIES in the year of spend and removed from affecting the Revenue Reserve through the Movement in Reserves Statement.

Software costing less than £9,000 is not treated as an intangible asset and is charged to the CIES. This de minimis does not apply where certain categories of assets are grouped together.

## K Reserves

Reserves are classified under accounting regulations into two categories: usable reserves, which are available to spend; and unusable reserves, which are unrealised net gains or losses that have a deferred impact on the Joint Committee.

### Usable Reserves

The Revenue Reserve represents surplus funds held by the Joint Committee, which are ultimately repayable to the member authorities in the same allocation proportions as the requisitions. Balances accumulated from Project activity are distributable only to participating authorities.

### Unusable Reserves

Certain reserves are held to manage the accounting processes for non-current assets, retirement and employee benefits and do not represent usable resources for Scotland Excel; these reserves are explained in the Unusable Reserves note.

## L Value Added Tax (VAT)

Income and expenditure exclude any amount relating to VAT, as all VAT collected is payable to HM Revenue & Customs (HMRC) and all VAT paid is recoverable from them.



## Note 18: Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 17, the Joint Committee has had to make certain judgements about complex transactions or those involving uncertainty about future events. Where a critical judgement has been made, this is referred to in the relevant note to the core financial statements. There are no significant areas to highlight here.

## Note 19: Assumptions made about the future

The Annual Accounts contain estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain.

Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from assumptions and estimates.

The items in the Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are outlined in the table below.

Item	Uncertainties	Effect if Results differ from Assumption
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint Committee with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the real discount rate assumption would result in an increase in the pension liability of £0.336m, equating to a 2% increase. The carrying value of the pension liability was £11.337m as at 31 March 2025 (before asset cap). For further details see Note 15: Retirement Benefits.