# College Development Network
## Financial Statements for the Year Ended 31 July 2025

**Charity Number:** SC021876
**Company Number:** SC143514

# Contents


| | Page |
|---|---|
| Directors' Report | 2 |
| Statement of Directors' Responsibilities | 15 |
| Independent Auditor's Report | 16 |
| Statement of Financial Activities (including Income and Expenditure Account) | 20 |
| Balance Sheet | 21 |
| Statement of Cash Flows | 22 |
| Notes to the Financial Statements | 23 |

# Report of the Directors

The Directors present their report and audited financial statements for the year ended 31 July 2025.

## Objectives and Activities

College Development Network (CDN) supports and promotes the learning community in the college sector to contribute to the social and economic wellbeing of Scotland. We do this by leading, influencing and enabling change and improvement across Scotland's college sector and beyond. We develop and support the college sector through the professional development of their people, resources and approaches to learning. CDN also has a key role in translating Scottish Government policy drivers into practical actions for colleges.

CDN's charitable objective and principal activity, as amended at the 31 December 2019 AGM, continued to be:

"To promote the advancement of education for the public benefit in Scotland, the United Kingdom and elsewhere by:

(1) Promoting and developing learning and professional development opportunities in Scotland's colleges, and
(2) The provision of education and lifelong learning opportunities to publicly funded, third sector and vocational organisations and institutions."

The CDN Board has an established Audit and HR sub-committees' structure to improve our governance. These committees convened meetings through 2024–25 which have been well attended and proactive in terms of discussion and outputs.

The key themes of CDN's delivery in 2024-25:

CDN's overarching aim is to be a facilitator of innovation, enhancement and improvement across a tertiary system that delivers stronger outcomes for students and the economy.

In AY 2024-25, we continued delivering our ambitious and collaborative three-year strategy. The plan was co-designed with CDN staff, stakeholders, and colleagues across the college sector.

### Overview

In the 2024-25 session, SFC's strategic investment in CDN enabled our small team of 18 (16.6 FTE) staff to engage, deliver, and support improvement at an individual staff, college and system level to all the institutions in Scotland's college sector as well as increasing our engagement with universities via the delivery of the TQEF and related programmes.

While it is challenging to identify the total number of individual college staff who have engaged with CDN delivery over the year (as we support college events where we do not have full attendee lists and not all our online courses require users to register) we estimate that in total there have been 7200 individual engagements with our provision through the year, an increase of approximately 5% on 2023-24.

The SFC carried out a review of CDN in 2024-25 and published a summary of its report in June. In publishing the report, SFC stated that

## Report of the Directors (continued)

*the report found that CDN's work reflected the priorities of both the Scottish Government and the Scottish Funding Council, and that recent changes to its leadership and operations have had a positive effect on the organisation's ability to engage with and better understand the needs of colleges. There was also recognition for CDN's effectiveness as a key intermediary and enabler bringing together staff and boards across the college sector and other sector agencies involved in tertiary education.*

In 2024-25 we also undertook impact research in the form of focus groups conducted by an independent evaluator and the report of this work is available on our website. The conclusion to the report states that *CDN is seen as a trusted and essential partner in the Scottish college sector. Its strengths lie in its ability to offer relevant, timely, and context-sensitive support, while also helping to shape strategic responses to emerging sectoral needs. By providing both practical tools and strategic insight, CDN enhances individual capacity, institutional effectiveness, and sector-wide resilience.*

In 2025-26 we will be working with SFC and Matter of Focus on further work to evaluate our impact on the sector and shape our future provision.

In 2024-25 for the first time, we undertook formal college delivery meetings with senior teams at most colleges, and concluded formal College Delivery Agreements with 19 colleges, setting out the key areas of support that CDN will provide both in year and going forward (with annual meetings discussing any adjustments or additions). These agreements will form the basis for more detailed reporting to and engagement with individual colleges on their use of CDN services over the coming year.

**2024-25 Priority Areas**

The priority areas agreed with SFC for delivery against the strategic investment in 2024-25 were:

1. Improving colleges through enhancing governance & leadership
    a. Developing and supporting high-performing boards.
    b. Developing and supporting high-performing college leaders.

2. Improving the skills and practice of college staff through professional development pathways & best practice guidance
    a. Ensuring all teaching and support staff have a clearly defined professional development offer.
    b. Supporting innovative approaches to learning and teaching and student support services.

3. Improving the quality of college delivery through supporting the Tertiary Quality Enhancement Framework (TQEF)
    a. Supporting the implementation of the new TQEF institutional review process.
    b. Supporting colleges to effectively manage institutional self-evaluation and quality processes.
    c. Delivering training and development programmes in support of the national tertiary enhancement themes.

## Report of the Directors (continued)

CDN has developed a strategic reporting dashboard which has been used to keep our board updated with progress against our strategy, and in 2024-25 this has also been used to update our SFC Funding Manager, with an additional page mapping our strategic objectives to our SFC priority areas.

The following summary of key developments under each of the three areas was provided as part of the annual summary dashboard in August 2025:

1. Improving colleges through enhancing governance & leadership.

*Governance Development Pathway:* Revised and expanded National Board Development Programme being delivered for 2024-25 including:

- In person training sessions delivered to Boards at 8 colleges (up from 4 in 2023-24) including general briefings, conflict management, chairing and questioning skills, working with the board, audit committee training and understanding quality.
- New modules on questioning skills and the role of the senior independent member added to the Governance Hub.
- Training for EIS TU board members delivered in partnership with EIS FELA.
- Research into boards engagement with values in progress.

*Leadership Development Pathway*:

- College Delivery Meetings have enabled detailed conversations with senior leaders on development needs.
- Second 2025 cohorts of CMI (32 candidates in total in 2024-25) and Coaching for Managers (22 candidates in total in 2025 which is a 100% increase on 2023-24) running along with continued delivery of Exec Leadership Series (16 participants).

2. Improving the skills and practice of college staff through professional development pathways & best practice guidance.

*Learning and Teaching & Support Services Development Pathways:* Examples of range of delivery in 2024-25 (see Section 3 for more details):

- Launch of new on CDN LearnOnline including material from College Awards, Education Scotland, College Case Studies and other sources to support college staff to try innovative ideas and act as repository for action research outputs.
- *Trauma-Informed College Programme* (part of The Changing Learner Programme) diagnostic sessions delivered to 4 colleges (UHI Argyll, FVC, D&A, City of Glasgow) with 110 total participants. Total of approx. 960 staff involved in the programme across the sector.
- *Digital Skills* research project completed and report and recommendations submitted to National Digital Strategy Oversight Group.
- GenerativeAI programme running throughout Feb-June (17 online sessions in total with 164 participants across the programme).
- Workshops run included: Professionalism into Practice; Behaviour Management Sessions; Empowering Students: The Fight Against Sextortion & Human Trafficking; Building Blocks: Fostering a Fearless Culture of Community & Collaboration in Times of Change; Enabling Neurodivergent Students to Fully Engage in the Learning Process; Impact of Trauma on Students and the Importance of Supporting Ourselves
- Publication of Regional Tertiary Pathfinders Report for SFC.

# Report of the Directors (continued)

3. Improving the quality of college delivery through supporting the Tertiary Quality Enhancement Framework (TQEF).
    - *Discovery Days & Navigation Sessions* comprising year 1 of the programme delivered in partnership with QAA Scotland.
    - Facilitated sharing of *best practice workshop* on effective delivery of *ILQR* to 13 colleges.
    - STEP Project Dissemination Guide developed by CDN published in May 2025.
    - Development and launch of report supporting STEP participants to embed themes in their projects.
    - Tertiary Self-Evaluation Toolkit in support of the TQEF launched in June 2025. Next phase will deliver ILQR and TQER toolkits.
    - CDN supporting development of the framework for evaluation of the STEP programme.

**Strategic Networks (SNs) and Communities of Practice (CoPs) Overview**

Underpinning all of CDN's delivery in our key development areas and more widely are our Strategic Networks and CoPs. It was clear from our impact research and college delivery meetings that this activity is valued highly by our colleges and that CDN fulfils a vital role as a convenor and catalyst across a range of themes and areas of college delivery. See Section 3 for more information on the purpose and performance of the Strategic Networks and CoPs.

**Additional Funding**

CDN generates 12% of its income from revenue generating activities that are linked but additional to the core activity agreed with SFC annually in the funding agreement.

In 2024-25 the principal activities covered by income-generation were:

- Externally-Facilitated Governance Effectiveness Reviews. CDN tenders for carrying out these reviews, which college boards are required to undertake every 3-5 years. In 2024-25 we undertook 5 such reviews. The core role of CDN in delivering the National Board Development Programme as part of our SFC funding gives us the profile and trusted relationship that allows us to win these tenders.
- Borders College bespoke leadership training.
- Change Management training for UHI Argyll.
- Inclusiveness PDA delivered to one cohort in partnership with Edinburgh College.
- Leadership programmes (both core and bespoke).
- Ayrshire PDA in Teaching Practice.
- Nuffield Foundation Research Project with Aberdeen University.
- Scottish Government Governance Hub.
- Elements of The Changing Learner Programme.

In addition to this, our leadership programmes require college participants to make a financial contribution to support the delivery of the programmes on top of SFC funding.  For 24-25, this was as follows:

- Emerging Leadership Programme: £565pp
- Strategic Leadership Programme: £665pp
- Coaching for Managers: £250pp
- Executive Leadership Series: £1500pp

# Report of the Directors (continued)

Feedback from colleges continues to express concern about CPD budgets and their ability to contribute towards the costs of high-quality leadership training. This remains a challenge for the sector, for CDN and for SFC.

## Outcomes and Impact

SFC's Strategic Investment in CDN covers the entirety of our operation as described above and in this section under our key areas of delivery, rather than a small number of individual projects or activities. As noted above, we have been developing our impact measurement approach and in 2025-26 are working with SFC and Matter of Focus to further extend this. That being the case, we have not reported on detailed metrics of individual activities but have concentrated on what we know about the strategic impact of our delivery in 2024-25. We hope that this gives a picture of the breadth and depth of the impact achieved with the help of SFC's Strategic Investment but would be happy to provide more detail on any area if that would be helpful.

| Outputs | Outcome | Impact |
|---|---|---|
| **Overall Delivery: Enhancing the Learning Environment**<br><br>The SFC's Strategic Investment in CDN supports delivery over a range of areas, which are broadly categorised into Enhancing the Learning Environment, Enhancing Governance and Leadership, and Enabling the TQEF. This section of the report form has been split in the same way, with an additional section covering our networks and communities of practice, which form a core part of our delivery.<br><br>This first section covers both the activities in Enhancing the Learning Environment and a range of supporting activity in areas such as marketing, insights and innovation.<br><br>Our outputs in this area include our extensive evidence-based Changing Learner Programme (which incorporates the Trauma-Informed College Programme), our Generative AI Programme, a wide range of EDI workshops, the Ideation Programme, the Choose College Campaign and the Researcher Development Programme.<br><br>As noted in the metrics column, these activities have reached a wide range of staff across the | Outcomes for college staff of CDN activities as identified in the CDN Impact Report for 2025:<br><br>• Increased Confidence & Skills: Staff consistently reported increased confidence, stronger skills, and a greater ability to translate learning into action.<br>• Improved Practice: Training is described as relevant, grounded in practice, and focused on practical, do-able changes.<br>• Strategic Thinking & Reflection: Leadership programmes particularly praised for supporting strategic thinking and self-reflection.<br>• Safe Learning Environment: Supportive environments enabled honest discussion, peer-to-peer exchange, and building resilience.<br>• Reassurance: Helps managers re-frame problems and realise they are "not just me". | See metrics column for an overall summary of the independent impact evaluation of CDN carried out in 2025.<br><br>Specific impacts for the sector identified in the report were:<br><br>Driving Sector-Wide Initiatives & Coherence<br>• Plays a pivotal role in driving sector-wide initiatives, fostering coherence, and enabling a shared response to collective challenges.<br>• Acts as a catalyst and convener, spotlighting emerging issues and mobilising collaborative responses.<br><br>Responding to Collective Challenges<br>• Trauma-Informed College Programme and Changing Learner Programme exemplify how CDN identifies emerging challenges, catalyses strategic focus, and builds collaborative responses.<br>• These programmes drive systemic and cultural change in colleges, supporting improvements in practice for staff and learners. |

# Report of the Directors (continued)

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| sector during the year, and our first independent impact report (summarised here) has looked at the impact those activities are having on staff in the sector. | | • CDN's research around the 'changing learner agenda' has brought critical attention to an issue impacting front-line staff, elevating it to a strategic priority.<br><br>Collective Capacity Building & Shared Learning<br>• Programmes like the Leadership Programme contribute to building the breadth and strength of leadership across the sector.<br>• Identifies and scales effective practices across the network, improving practice.<br>• Facilitates collaboration, reducing duplication and resulting in new developments.<br>• Provides a collective voice for colleges in navigating shared issues and developing collective solutions |
| **Enhancing Governance & Leadership**<br><br>Through our leadership provision we aim to ensure that staff in the sector have a pathway through which to develop their skills in leadership and management and to provide a route for potential senior leaders to emerge from within our colleges.<br><br>Our governance provision aims to ensure that college board members are equipped with an understanding of their role and responsibilities and to provide support for the development and continuous improvement of high-performing boards in the sector. | Senior staff and board members in the sector are effective in leading their colleges.<br><br>Through access to a range of training and development opportunities, staff and board members are able to demonstrate key leadership skills and ensure good governance. | Colleges are well-managed and governed. |



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# Report of the Directors (continued)

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| **Strategic Networks & Communities of Practice**<br><br>CDN's Strategic Networks (SNs) and Communities of Practice (CoPs) play a critical role in supporting collaboration, professional learning, and sector-wide improvement. They connect sector professionals and leaders, agencies and key stakeholders to co-develop solutions, share practice, and enhance the quality of learning and teaching provision and support sector enhancement and transformation.<br><br>The SFC review on CDN and our own recent independent report into the impact of CDN in 24-25 both identified the Strategic Networks and CoPs as being critical to the sector:<br><br>*" […] the value of the Networks cannot be underestimated. They play a key role in supporting staff to do their jobs, but also in improving practice through shared learning and collaboration."*[1] | Strategic Networks focus on senior leaders tackling strategic and systemic challenges.<br><br>Communities of Practice bring together practitioners around shared roles or thematic areas, focusing on practice-based improvement.<br><br>Outcomes for staff engaged with networks and CoPs as defined in the CDN Impact Report for 2025:<br><br>**Reduced Isolation**: Creates connections and relationships, reducing isolation, especially for specialist roles.<br>**Peer Support**: Build trusted networks of "critical friends" providing ongoing support in day-to-day jobs.<br>**Knowledge Exchange & Innovation**: A powerful platform for knowledge exchange, innovation, and amplification of best practice.<br>**Learning from Others**: Helps individuals learn from what others are doing and bring back good practices to their own colleges. | Across 2024-25 academic year, CDN undertook a significant review of our SNs and CoPs provision in line with our operational and strategic planning ensuring that they meet the needs of college staff, support the improvement and enhancement of practice within colleges through collaboration, support the delivery of CDN's strategic plan, and deliver value. |
| **Enabling the Tertiary Quality Enhancement Framework**<br><br>CDN provided extensive support for the Tertiary Quality Enhancement Framework (TQEF) and the Scottish Tertiary Enhancement Programme (STEP) in 2024-2025. This support aligns with CDN's strategic focus on developing a coherent, responsive, and sustainable tertiary system and improving the quality of college delivery. CDN is a key participant in the steering groups for both STEP and the TQEF, demonstrating its integral role in these initiatives. | CDN has been instrumental in the rollout of the first year of the STEP programme. Key activities and outputs included:<br><br>**Governance Structure:** We assisted with populating the governance structure for STEP and actively supports the STEP Steering Group, Topic Group, and Network meetings.<br><br>**Discovery & Navigation Days:** These foundational sessions for Year 1 of the STEP programme were delivered in partnership with QAA Scotland, occurring from December 2024 through May 2025 (including sessions in January, March, April, and May).<br><br>**STEP Projects**: 8 collaborative tertiary projects have been developed and approved. | CDN has worked closely and effectively with colleagues at QAA and other agencies to ensure that a robust group of 8 STEP projects has been created from the first year of the programme.<br><br>Through the co-creation of the first iteration of the Tertiary Self-Evaluation Toolkit we have also provided a key resource in ensuring that tertiary institutions are supported to deliver the required standard of reporting to SFC and, more importantly, to understand the elements of an effective culture of self-evaluation and how that contributes to a robust and effective approach to quality. |

# Report of the Directors (continued)

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| | **Evaluation Support:** CDN is actively supporting the development of the framework for the evaluation of the STEP programme. The aim is to finalise STEP projects and transition to the delivery stage of the programme in partnership with QAA and the Scottish Funding Council (SFC). | |

## Financial Review

### Operating Result

The 2024–25 budget planned for a £75k operating surplus, in the end, a £184k operating surplus was achieved.

Adjustments for the net pension position under FRS 102 resulted in an overall statutory surplus of £81k in the SOFA at 31 July 2025.

### Income and Expenditure

Income for the 2024–25 year was £1.700m (2024: £1,590m) and Expenditure was £1.516m (2024: £1.718m) – resulting in an Operating surplus of £184k (2024: £128k deficit).

Staffing costs amounted to £1.023m during the year, which equated to 60% of income (2024: £1.231m and 77%).

### Principal Funding Sources

From income of £1.700m (2024: £1.590m), the SFC provided the core grant of £1.371m (86%) (2024: £1.396m (88%) comprising of a core grant of £1.371m and YPG Introduction to Childhood Practice funding of £25k). SFC funding therefore continues to remain the primary source of core funding for the organisation.

Other principal sources of funding were derived through project management and delivery, the funding for which is bid for on a competitive basis through, for example, the Scottish Government and colleges, as well as a number of other miscellaneous funders. This is supplemented by the facilitation and co-ordination of development networks and through the delivery of events.

### Investment Policy

Under the Memorandum and Articles of Association, College Development Network has the power to invest in any way the directors think fit. Having regard to the operational liquidity requirements of College Development Network, the directors operate a policy of keeping funds required in the short to medium term in interest bearing deposit accounts whilst funds not so required are invested in higher interest bank accounts with average returns in excess of the Bank of England base rate. In all cases risk is minimised to ensure that capital sums invested are not affected by market fluctuations. Treasury management is reviewed informally on at least a monthly basis and formally on a quarterly basis by the Board.

# Report of the Directors (continued)

College Development Network's investment criteria is set out in a treasury management policy approved by the Board of Directors which adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Codes of Practice (the code), as described in section four of that code.

### Reserves Policy

The Board of Directors have established a policy to build unrestricted funds to a level sufficient to cover any unexpected liabilities which cannot be met out of operational income in the year. The level of reserves has therefore been set giving cognisance to the main risks and potential liabilities faced by College Development Network. This lends a degree of financial stability to the business in the event that income sources are lost, or reduced, ensuring continuity of service provision.
For 2024–25, the main risks and potential liabilities faced are as set out in the risk management section of this report together with fluctuations in pension position arising under FRS102 – section 28. The strategy is therefore to maintain reserves at an appropriate level sufficient to cover any potential liabilities arising.

The Balance Sheet reserves 'Total Net Assets' position at 31 July 2025 was £500k (2024: £419k). Cash at Bank at 31 July 2025 was £613m (2024: £555k).

### Plans for Future periods

2024–25 was the second year of an updated Three Year Strategic Framework Plan for 2023–26, which is focused around five main outcomes which have been aligned with objectives set by the Scottish Government and SFC, as well as extending its ambitious commercial partnerships to deliver training, services and project work with other educational organisations and sectors.

## Structure, Governance and Management

### Governing Document

CDN is a charitable company limited by guarantee. Its objects and powers are set out in its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. CDN is owned by the Regional Colleges and Regional Strategic Bodies in Scotland.

In addition to its Articles of Association, CDN is party to a Financial Memorandum with the Scottish Funding Council (SFC). This Memorandum is therefore taken into consideration when preparing both the Directors' Report and Financial Statements for the financial year.

### Recruitment and Appointment of the Board of Directors

The Board of Directors are also charity trustees for the purposes of charity law.

During the annual general meeting held on 13 November 2019 the revised Articles of Association were unanimously agreed and adopted. This has changed the board composition requirements to a maximum of eleven Board members and a minimum of five; the Chief Executive and up to ten members selected from: (1) senior managers (or equivalent) from Company Members; (2) senior persons on the board of a Company Member and who are nominated by that board and; (3) members appointed through a selection process with the appropriate balance of skills and experience required to contribute to the Board.

# Report of the Directors (continued)

The Board of Directors are elected to serve for a period of not more than four years after which they may be re-appointed for a further four years provided that no member holds office for more than eight years in aggregate.

### Director Induction and Training

New directors are provided with induction training and an electronic induction pack briefing them on; their legal obligations, their duties as Board Members and the main documents which set out the operational framework for College Development Network; including the Articles of Association, financial performance, relevant policies and procedures and future plans and objectives. Board members are also given opportunities to meet staff and are encouraged to attend training events where these will facilitate the undertaking of their role.

Professional Indemnity and Directors' and Officers' Liability insurance is now included within a 'Combined Liability Insurance' together with Entity Defence.

### Organisation

The Board of Directors, including the Chief Executive, meet at least quarterly to administer the company. Audit and HR Committees are formally constituted with terms of reference approved by the Board. All other business is handled through the main Board.

Corporate Governance Code is also in place.

The Chief Executive is appointed by the Board of Directors to manage the day-to-day operations of the company. To facilitate effective operations, the Chief Executive has delegated authority, as set out in the Corporate Governance Code approved by the Board, for day-to-day operations including developing and implementing strategy, reviewing operational performance and allocating and controlling resources within approved budget.

### Pay Policy for Senior Staff

The Directors consider that the Directors and the Senior Management Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the organisation on a day-to-day basis. No Director received any remuneration in the year with the exception of the Chief Executive in accordance with the Articles of Association. Details of Directors expenses are disclosed in note 7 to the financial statements. Details of the remuneration of the Chief Executive are included in note 8.

The pay of senior staff is reviewed annually and increased in line with the annual award structure agreed by the Board for the Organisation.

### Related Parties

All Regional Colleges and Regional Strategic Bodies in Scotland are members of College Development Network. Five of these members also have employees or appointed Regional Chairs who served on the College Development Network Board of Management during the year.

All transactions involving organisations in which a member of the Board may have an interest are conducted at arm's length and in accordance with the organisation's financial regulations. Board members are not permitted to participate in discussions, decisions or transactions involving their related business.

# Report of the Directors (continued)

### Risk Management

A review of the major strategic, business and operational risks to which College Development Network is exposed is conducted on at least a quarterly basis and reported to the Board. There is a standing agenda item in relation to risk and regulatory updates at all Board meetings. Risk management policy and procedures are in place to support the risk management process and mitigate risks identified and internal control procedures are in place to minimise internal risks.

The key risks faced by College Development Network during the year were in relation to:

- potential funding uncertainty effecting the sustainability of College Development Network
- potential for income generation out with the SFC core grant not being possible as opportunities for securing additional income diminish.

We have sought to mitigate these risks by on-going discussions with SFC and through increasing our capacity for revenue generating project work.

### Reference and Administrative Information

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| Company Number: | SC143514 |
| Registered Charity Number: | SC021876 |
| Registered Office: | Stirling Enterprise Park<br>John Player Building<br>Stirling FK7 7RP |
| External Auditor: | Henderson Loggie LLP<br>Chartered Accountants<br>The Stamp Office<br>Level 5<br>10-14 Waterloo Place<br>Edinburgh<br>EH1 3EG |
| Solicitors: | Anderson Strathern<br>George House<br>50 George Square<br>Glasgow G2 1EH |
| Bankers: | Bank of Scotland plc<br>1 Munro Road<br>Springkerse<br>Stirling FK7 7SY |

# Report of the Directors (continued)

### Directors

The Directors of the company during the year were:

Ken Thomson OBE, Chair

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| Gillian Croan (resigned 05/03/25) | Director, Verus HR Ltd |
| Julia Belgutay | Head of Communications, Media, Marketing and Research, Association of Colleges |
| Samantha Stirling | Learning and Digital Resources Manager, Dundee and Angus College |
| Colin McMurray | Vice Principal of Business and Innovation, Forth Valley College |
| Angela Cox (resigned 28/04/25) | Principal and Chief Executive, Ayrshire College |
| Stella McManus | Principal and Chief Executive, South Lanarkshire College |
| Jason Miles-Campbell (joined 09/09/24) | Director, JISC Scotland and Northern Ireland |
| Jen Henderson (joined 24/03/25) | Head of Talent Partnerships (B2B), Heriot-Watt University |
| Louise Burnett (joined 09/08/24) | Director of Business Performance, Scottish Legal Complaints Commission |
| Nicola Mulholland (joined 12/06/25) | Dean for the Undergraduate School and Academic Partnerships, New College Lanarkshire |
| Susan Elston (joined 09/09/24) | Regional Chair, North East Scotland College |
| Marie Hendry | CDN Chief Executive Officer |

No directors held any shares in the company at any time during the year.

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| Marian McMorland | CDN Company Secretary |

# Report of the Directors (continued)

## Committees of the Board of Management

The Board operated throughout the year with two formally constituted committees acting with delegated authority from the full Board. The former Development and Innovation Committees were re-constituted into forums in a prior financial year. These forums are chaired by a Board member to ensure feedback into the Board as appropriate but are no longer formal Board Committees.

Information on the Board's committees is given below, together with details of membership:

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| Audit Committee | Colin McMurray, Vice Principal of Business and Innovation, Forth Valley College (Chair), Julia Belgutay, Head of Communications, Media, Marketing and Research, Association of Colleges and Susan Elston, Regional Chair, North East Scotland College. Co-opted to this Committee: Alison Stewart, Vice Principal – Finance and Corporate Affairs, Forth Valley College. |
| Remuneration and Nominations Committee | Louise Burnett (Chair), Samantha Stirling, Colin McMurray and Susan Elston. |

All other Board business is handled through the main Board which meets every two months.

## Statement as to disclosure of information to Auditor

In so far as the directors are aware:

- there is no relevant information of which the charitable company's auditor is unaware, and
- the directors themselves have taken all the steps that they ought to have in order to make the directors themselves aware of any relevant audit information, and to establish that the charitable company's auditor is aware of the information.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102) and in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

By order of the Board:




Ken Thomson
Chair of the Board Date: 8 January 2026

## Directors' Responsibilities in Relation to the Financial Statements

The directors, who are also trustees for the purpose of charity law, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included in the charitable company's website. Legislation in the United Kingdom governing the preparation as dissemination of financial statement may differ from legislation in other jurisdictions.

# Independent Auditor's Report to the Directors and Members of College Development Network

## Opinion

We have audited the financial statements of College Development Network (the 'charitable company') for the period ended 31 July 2025 which comprise the statement of financial activities (including income and expenditure account), the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

## Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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

In auditing the financial statements, we have concluded that the directors' 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 the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# Independent Auditor's Report to the Directors and Members of College Development Network (continued)

Our responsibility is to read 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the Directors' Report, which includes the Trustees' Report, has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report which includes the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- The directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also the trustees of the charitable company for the purposes of charitable law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

# Independent Auditor's Report to the Directors and Members of College Development Network (continued)

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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 economic decisions of users taken on the basis of these financial statements.

### Extent to which the audit was considered capable of detecting irregularities, including fraud

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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charitable company. We determined that the following were most relevant: OSCR requirements; Data Protection Act 2018; employment law (including payroll and pension regulations), and compliance with the UK Companies Act
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charity, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Inquiry of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing the charity's policies and procedures in relation to GDPR and health and safety, and reviewing the terms and conditions included within key funding agreements;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular the application of defined benefit pension scheme, the valuation and recoverability of debtors, and the application of accruals; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

## Independent Auditor's Report to the Directors and Members of College Development Network (continued)

Owing to the inherent limitations of an audit, there is unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

**Use of our report**
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's directors, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Diana Penny
Diana Penny – 2026-01-08, 12:56:08 UTC

**Diana Penny (Senior Statutory Auditor)**
For and on behalf of Henderson Loggie LLP
Chartered Accountants & Statutory Auditors
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Stamp Office
Level 5
10-14 Waterloo Place
Edinburgh
EH2 1DF

8 January 2026

# Statement of Financial Activities (SOFA) (including Income & Expenditure Account) for the year ended 31 July 2025

| | Notes | 2025 £'000 Total Unrestricted Funds | 2024 £'000 Total Unrestricted Funds |
|---|---|---|---|
| **Income and endowments from:** | | | |
| Donations and legacies | 3 | **9** | 22 |
| Charitable activities | 4 | **1,546** | 1,568 |
| Interest income | 16 | **145** | - |
| **Total** | | **1,700** | 1,590 |
| | | | |
| **Expenditure on:** | | | |
| Charitable activities | 5 | **1,516** | 1,718 |
| **Total** | | **1,516** | 1,718 |
| | | | |
| **Net income/(expenditure)** | | **184** | (128) |
| **Other recognised (losses):** | | | |
| (Loss) on the defined benefit pension scheme | 17 | **(103)** | (134) |
| **Net movement in funds** | | **81** | (262) |
| | | | |
| **Reconciliation of funds:** | | | |
| Total funds brought forward | | **419** | 681 |
| **Total funds carried forward** | 18 | **500** | 419 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities in the above two periods.

# Balance Sheet as at 31 July 2025

| | Notes | 2025 £'000 | 2024 £'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | 10 | **18** | 19 |
| **Current assets** | | | |
| Debtors | 11 | **46** | 40 |
| Cash at bank and in hand | 12 | **613** | 555 |
| Total current assets | | **659** | 595 |
| **Liabilities** | | | |
| Creditors: Amounts falling due within one year | 13 | **(172)** | (179) |
| **Net current assets** | | **487** | 416 |
| **Total assets less current liabilities** | | **505** | 435 |
| Provisions | 15 | **-** | (16) |
| **Net assets excluding pension liability** | | **505** | 419 |
| Pension liability | 17 | **(5)** | - |
| **Total net assets** | | **500** | 419 |
| **The funds of the charity:** | | | |
| **Unrestricted funds:** | | | |
| General funds | 18 | **500** | 419 |
| | | | |
| **Total charity funds** | | **500** | 419 |

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

Approved and authorised for issue by the Board of Directors and signed on its behalf by:

Marie Hendry
Marie Hendry - 2026-01-08, 10:00:05 UTC

Marie Hendry, Chief Executive

Ken Thomson - 2026-01-08, 12:44:51 UTC

Ken Thomson, Chair

8 January 2026

The notes on pages 23 to 37 form part of these financial statements.
Company registration number: SC143514



Final Accounts 2025.pdf [1b9fd808-0f9e-42a8-9adb-3d0a3a4eb1c3] Page: 22 / 39

# Statement of Cash Flows for the year ended 31 July 2025

| | Notes | 2025<br>£'000 | 2024<br>£'000 |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| **Net cash provided/(used in) operating activities** | 19 | **76** | (1,024) |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | | **(18)** | (16) |
| **Cash used by investing activities** | | **(18)** | (16) |
| **Change in cash and cash equivalents in the year** | | **58** | (1,040) |
| Cash and cash equivalents at the beginning of the year | | **555** | 1,595 |
| **Cash and cash equivalents at the end of the year** | 12 | **613** | 555 |

# Notes to the Financial Statements

## 1. Accounting Policies

### (a) General Information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the charitable company drawn up for the year ended 31 July 2025.

CDN's charitable objective and principal activity is:
"To promote the advancement of education for the public benefit in Scotland, the United Kingdom and elsewhere by (1) promoting and developing learning and professional development opportunities in Scotland's colleges and (2) the provision of education and lifelong learning opportunities to publicly funded, third sector and vocational organisations and institutions."

College Development Network is a charitable company limited by guarantee and is incorporated in Scotland. The charitable company's registered charity number is SC021876 and its registered company number is SC143514.

The address of the charitable company's registered office is Stirling Enterprise Park, John Player Building, Stirling, FK7 7RP.

### (b) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended).

College Development Network meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transition value unless otherwise stated in the relevant accounting policy.

### (c) Going concern

The Board is of the view that it would be reasonable to assume that College Development Network will continue to operate for the foreseeable future based on the agreed budget for 2025–26 and the letter of grant for 2025–26 from the SFC. SFC have committed to giving CDN at least six-months' notice of any change in the level of their investment.

Accordingly, the financial statements have been prepared on the going concern basis.

## Notes to the Financial Statements (continued)

**(d) Fund accounting**

All funds are classified as unrestricted.

- Unrestricted funds are available for use at the discretion of the Board of Directors in furtherance of the general objectives of the company.
- Designated funds are unrestricted funds earmarked by the Board of Directors for particular purposes.
- Transfers from designated funds are made when the designated fund is no longer required.

**(e) Income**

Income is included in the Statement of Financial Activities when the charitable company is entitled to the income, receipt is probable and the amount can be reliably measured.

- Service Level Agreement (SLA) income is credited to income in the year in which the charity is entitled to the income, receipt is probable and the amount can be reliably measured.
- Grants and donations are recognised when the charity is entitled to the income, receipt is probable and the amount can be measured reliably. Where there are terms or performance related conditions attached, income is recognised to the extent that the conditions have been met. Income received in advance of conditions being met are deferred and released once those conditions are met. Where the grant or donation allows for the recovery by the donor of any unexpended grant, a liability is recognised when repayment becomes probable.
- Investment income. Interest is recognised using the effective interest rate applicable to the asset.

**(f) Expenditure**

Expenditure is included in the Statement of Financial Activities (SOFA) on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Where possible, expenditure is allocated directly to the function to which it relates including VAT where it is non-recoverable. Where this is not possible, it is allocated on the basis of time spent by staff on that activity.

- Charitable expenditure comprises those costs incurred by College Development Network in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of College Development Network and include costs linked with strategic management.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

**(g) Operating leases**

Rentals payable under operating leases are charged to expenditure on a straight line basis over the term of the lease.

**(h) Fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. Tangible fixed assets are capitalised for non-project items at £1,000 dependent on the nature of the acquisition along with any incidental expenses of the acquisition.

## Notes to the Financial Statements (continued)

**(i) Depreciation**

Depreciation is provided on cost in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

| | |
|---|---|
| Computer equipment | 33.3% |
| Office furniture | 20.0% |

A full year's depreciation charge is made in the year of asset acquisition.

**(j) Taxation**

The company is exempt from taxation in respect of income or capital gains received within categories covered under section 466 to 493 of Corporation Tax Act 2010 to the extent that such income or gains are applied to exclusively charitable purposes.

Non-recoverable Value Added Tax arising from expenditure on non-trading activities is charged to the income and expenditure account in the year in which it is incurred.

**(k) Debtors**

Trade debtors are amounts due in relation to contract and support services rendered. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoiced amount, less any allowance for doubtful debts.

**(l) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances with banks which are readily convertible, being those with maturities of three months or fewer from inception.

**(m) Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less. If not, they are presented as creditors falling due after one year.

Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

**(n) Financial assets and liabilities**

Financial instruments are recognised in the statement of financial position when the charitable company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest method.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charitable company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

# Notes to the Financial Statements (continued)

**(o) Pensions**

Retirement benefits to the employees of College Development Network are provided by the Scottish Teachers' Superannuation Scheme (STSS) and the Strathclyde Pension Fund (SPF). These are defined benefit schemes which are externally funded and contracted out of the State Earnings-Related Pension Scheme. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in the Statement of Financial Activities. All costs related to the defined benefit plan are recognised in the Statement of Financial Activities within employee benefit costs.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any asset resulting is limited to the present value of available refunds or reductions in future contributions to the plan. The contributions are determined by qualified actuaries on the basis of valuations every five years for STSS using the Prospective Benefit method and every three years for SPF using the Projected Unit method. Liability for benefits is a charge on the STSS or SPF.

College Development Network also participates in a defined contribution scheme with Aegon (Scottish Equitable). The assets of the scheme are held separately from those of the company in an independently administered fund. Pension costs charged to the income and expenditure account represent the contributions payable by the charity in the year.

## 2. Critical judgements and estimates

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. In preparing these financial statements, the directors have made the following judgements:

**Trade debtor recovery**

Credit control is an important function which requires assessment, on an ongoing basis, of the recoverability of amounts due from debtors. Where recovery is in doubt, the directors will adequately provide against this specific debt and will arrive at such conclusions based on the knowledge of the debtor and their "ability to pay". The directors adopt a prudent approach to credit control.

**Accruals**

Directors estimate the requirements for accruals using post year end information and information available from detailed budgets. This identifies costs that are expected to be incurred for services provided by other parties. Accruals are only released when there is a reasonable expectation that these costs will not be invoiced in the future.

# Notes to the Financial Statements (continued)

**Defined benefit pension scheme**
The charity has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Directors estimate these factors in determining the net pension position with help from the pension scheme actuaries. The assumptions reflect historical experience and current trends. When the pension assets exceed the pension liabilities, the net pension asset is limited to the present value of available refunds or reductions in future contributions to the plan.

## 3. Donations and legacies

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| | **Unrestricted** | Unrestricted |
| Sponsorship | **9** | 22 |
| **Total** | **9** | 22 |

## 4. Income from Charitable activities

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| | **Unrestricted** | Unrestricted |
| Projects, Consultancy, Training, Facilitation | **175** | 197 |
| **Total Contracts and Support Services** | **175** | 197 |
| Service Level Agreement with SFC | **1,371** | 1,371 |
| **Total Grants Received** | **1,371** | 1,371 |
| **Total** | **1,546** | 1,568 |

## 5. Expenditure on charitable activities

| **2025** | **Projects, consultancy training and facilitation** | **Other support costs** | **2025 Total** |
|---|---|---|---|
| | **£'000** | **£'000** | **£'000** |
| Staffing costs | 676 | 442 | **1,118** |
| Project specific costs | 298 | - | **298** |
| Support costs (see note 6) | - | 23 | **23** |
| Governance costs (see note 6) | - | 29 | **29** |
| **Total** | **974** | **494** | **1,468** |

# Notes to the Financial Statements (continued)

| 2024 | Projects, consultancy training and facilitation | Other support costs | 2024 Total |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| Staffing costs | 919 | 304 | 1,223 |
| Project specific costs | 382 | - | 382 |
| Support costs (see note 6) | - | 86 | 86 |
| Governance costs (see note 6) | - | 27 | 27 |
| Total | 1,301 | 417 | 1,718 |

## 6. Analysis of support and governance costs

| **2025** | **Basis of allocation** | **Support costs £'000** | **Governance £'000** | **2025 Total £'000** |
|---|---|---|---|---|
| Board meeting costs | Direct | - | 9 | **9** |
| Staffing costs | Time | - | 9 | **9** |
| Audit fees | Direct | - | 11 | **11** |
| Overheads | Headcount | 23 | - | **23** |
| **Total** | | **23** | **29** | **52** |

| 2024 | Basis of allocation | Support costs £'000 | Governance £'000 | 2024 Total £'000 |
|---|---|---|---|---|
| Board meeting costs | Direct | - | 9 | 9 |
| Staffing costs | Time | - | 8 | 8 |
| Audit fees | Direct | - | 10 | 10 |
| Overheads | Headcount | 86 | - | 86 |
| Total | | 86 | 27 | 113 |

# Notes to the Financial Statements (continued)

## 7. Board remuneration

The emoluments of the Chief Executive are disclosed in Note 8.

During the financial year, in accordance with Scottish Government Public Sector statutory daily rates and annual cap of reimbursement for Chairs' attendance and work with 'small' Tier 3 Scottish Government Non-Executive Agencies and following approval in advance from the CDN Board, the Chair, Ken Thomson, received £5,583 for 23 days (£242 per day) for the period August 24 to July 25 (2024 - Paul Houlden: £484 and Ken Thomson: £6,448).

No other member of the Board either received or waived any emoluments during the year (2024: £nil).

Out of pocket expenses consisted of reimbursed travel and subsistence costs to Board members and were as follows:

| | **2025 No. of board members** | 2024 No. of board members | **2025 £'000** | 2024 £'000 |
|---|---|---|---|---|
| Travel | **2** | 4 | **1** | 1 |

## 8. Staff Costs

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| **Core Staff** | | |
| Wages and salaries | **803** | 976 |
| Social security costs | **96** | 101 |
| Other pension costs | **77** | 141 |
| FRS 102 defined benefit adjustments | **47** | 13 |
| **Short-term and temporary staff** | | |
| Consultants | **189** | 209 |
| Agency staffing | **-** | 73 |
| **Total** | **1,212** | 1,513 |

The average monthly headcount was 18 staff (2024: 22).

During the year, there were no termination payments (2024 - £152,262).

The number of staff including the Chief Executive and senior post-holders who received emoluments within the following ranges was:

| | **2025 No. of staff** | 2024 No. of staff |
|---|---|---|
| £60,000 – £69,999 | **2** | 2 |
| £90,000 – £99,999 | **1** | 1 |
| | **3** | 3 |



Final Accounts 2025.pdf [1b9fd808-0f9e-42a8-9adb-3d0a3a4eb1c3] Page: 30 / 39

# Notes to the Financial Statements (continued)

The emoluments of key management, including the Chief Executive, are made up as follows:

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Wages and salaries | **93** | 91 |
| Benefits in kind | **1** | 1 |
| Social security costs | **12** | 11 |
| Other pension costs | **6** | 14 |
| **Total Emoluments** | **112** | 117 |

The above emoluments include amounts payable in the year to the Chief Executive Marie Hendry, who is also a Director for the purposes of charity law of £93,215 including benefits in kind of £986 (2024: £91,470 including benefits in kind of £970). Contributions to pension schemes on behalf of the Chief Executive were £6,059 (2024: £13,605).

As authorised by the charitable company's Articles of Association, the above noted remuneration to Marie Hendry is for their role in the day-to-day running of the charitable company.

## 9. Net income for the year

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| This is stated after charging: | | |
| Depreciation | **19** | 21 |
| External Auditor's remuneration | | |
| - Audit | **11** | 10 |
| Operating Leases – Rent | **2** | 58 |

# Notes to the Financial Statements (continued)

## 10. Fixed assets

| 2025 | Computer Equipment £'000 | Office Furniture £'000 | **Total £'000** |
|---|---|---|---|
| **Cost** | | | |
| At 1 August 2024 | 58 | - | 58 |
| Additions | 18 | - | **18** |
| Disposals | - | - | **-** |
| **At 31 July 2025** | **76** | **-** | **76** |
| | | | |
| **Accumulated depreciation** | | | |
| At 1 August 2024 | 39 | - | 39 |
| Charge for year | 19 | - | **19** |
| Eliminated on disposal | - | - | **-** |
| **At 31 July 2025** | **58** | **-** | **58** |
| **Net book value 31 July 2025** | **18** | **-** | **18** |

| 2024 | Computer Equipment £'000 | Office Furniture £'000 | **Total £'000** |
|---|---|---|---|
| **Cost** | | | |
| At 1 August 2023 | 103 | 30 | 133 |
| Additions | 16 | - | **16** |
| Disposals | (61) | (30) | **(91)** |
| **At 31 July 2024** | **58** | **-** | **58** |
| | | | |
| **Accumulated depreciation** | | | |
| At 1 August 2023 | 79 | 30 | 109 |
| Charge for year | 21 | - | **21** |
| Eliminated on disposal | (61) | (30) | **(91)** |
| **At 31 July 2024** | **39** | **-** | **39** |
| **Net book value 31 July 2024** | **19** | **-** | **19** |

## 11. Debtors

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Trade debtors | **38** | 31 |
| Prepayments and accrued income | **8** | 9 |
| **Total** | **46** | 40 |

## 12. Cash and cash equivalents

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Cash at bank and in hand | **613** | 555 |
| **Total** | **613** | 555 |

# Notes to the Financial Statements (continued)

## 13. Creditors

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Trade creditors | **9** | 10 |
| Accruals and other creditors | **140** | 144 |
| Deferred income | **23** | 25 |
| **Total** | **172** | 179 |

## 14. Deferred income

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| **Deferred income at 1 August 2024** | **25** | 742 |
| Performance related income earned | **(1,413)** | (2,154) |
| Performance related income deferred | **1,411** | 1,437 |
| **Deferred income at 31 July 2025** | **23** | 25 |

Deferred income relates to income for which the recognition criteria will be met in the next year, or the period in which the project covers spans the year end. These are for specific projects in which the funding contains performance related conditions which must be satisfied for the revenue to be recognised.

## 15. Dilapidations

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Balance at 1 August 2024 | **16** | 20 |
| Charged to the SOFA | **(16)** | (4) |
| Additions | **-** | - |
| **Balance at 31 July 2025** | **-** | 16 |

# Notes to the Financial Statements (continued)

## 16. Pension costs

College Development Network operates three pension schemes, the Scottish Teachers' Superannuation Scheme (STSS), the Strathclyde Pension Fund (SPF) and the Aegon scheme. College Development Network also contributes into a personal pension plan (PPP) for employees on request. The total employer's pension cost for the period was as follows:

| Pension costs | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Contribution to SPF | **64** | 84 |
| Contribution to STSS | **35** | 32 |
| Contribution to Aegon | **23** | 19 |
| **Total pension cost** | **122** | 135 |

Pension contributions outstanding at the year-end were £8,277 (2024: £9,915).

### Scottish Teachers' Superannuation Scheme (STSS)

a) If staff joining College Development Network are currently members of the STSS they may opt to remain members of the scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The latest valuation of the STPS has recently concluded and was based on scheme data as at March 2020. The valuation has set the rate for the period 1 April 2024 to 31 March 2027 and that rate is 26%. In addition, the valuation also measured the movement in the employer cost cap. The employer cost cap was not breached, so there is no requirement for adjustments to be made to scheme benefits.

b) College Development Network has no liability for other employers obligations to the multi-employer scheme.

c) As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

# Notes to the Financial Statements (continued)

### Scottish Teachers' Superannuation Scheme (STSS)

d) (i) The scheme is an unfunded multi-employer defined benefit scheme.

(ii) It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where College Development Network is unable to identify its share of the underlying assets and liabilities of the scheme.

(iii) While a valuation was carried out as at 31 March 2016, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme) /Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms was unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. Under existing legislation, the next valuation will be based on scheme data as at 31st March 2024 and will set the employer contribution rate for the period 1 April 2027 to 31 March 2031.

### Strathclyde Pension Fund (SPF)

The SPF is a funded defined benefit scheme where the assets are held in a separate, trustee-administered fund. Previously open to all staff in College Development Network, the scheme closed to existing administrative and technical staff on 1 November 2003 and to new administrative and technical staff from 1 August 2003.

Actuarial valuations determine the level of employer contribution to the scheme and are as follows:

| | |
|---|---|
| From 1 April 2023 | 19.3% |
| From 1 April 2024 | 6.5% |
| From 1 April 2025 | 6.5% |

Anticipated employer contributions to the scheme for the year ended 31 July 2025 will be circa. £30,000.

Employees' contribution is calculated on a tiered contribution basis dependent on pensionable salary.

The following information is based upon a full actuarial valuation of the Fund at 31 March 2020 updated to 31 July 2025 by a qualified independent actuary, Hymans Robertson LLP.

# Notes to the Financial Statements (continued)

## Financial assumptions

| | At 31 July 2025 | At 31 July 2024 |
|---|---|---|
| Rate of increase on salaries | **3.45%** | 3.45% |
| Rate of increase on pensions | **2.75%** | 2.75% |
| Discount rate for liabilities | **5.8%** | 5.0% |

## Major categories of plan assets as a percentage of total plan assets

| | At 31 July 2025 | At 31 July 2024 |
|---|---|---|
| Equity | **61%** | 62% |
| Bonds | **22%** | 25% |
| Property | **9%** | 9% |
| Cash | **8%** | 4% |

## Mortality

| | At 31 July 2025 Male | At 31 July 2025 Female | At 31 July 2024 Male | At 31 July 2024 Female |
|---|---|---|---|---|
| Current Pensioners | **21.6 years** | **23.7 years** | 21.3 years | 23.7 years |
| Future Pensioners | **22.2 years** | **25.4 years** | 22.0 years | 25.4 years |

The fair value of scheme assets attributed to College Development Network, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of scheme liabilities attributed to College Development Network which are derived from cash flow projections over a long period and thus inherently uncertain, were:

| | At 31 July 2025 | At 31 July 2024 |
|---|---|---|
| Total fair value of assets | **8,882** | 8,351 |
| Present value of scheme liabilities | **(4,911)** | (5,436) |
| Effect of asset ceiling | **(3,976)** | (2,915) |
| Present value of unfunded obligations | **(5)** | |
| Net liabilities | **(5)** | - |

## Analysis of amount charged to other financial income

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Service cost | **78** | 98 |
| Total Operating Charge | **78** | 98 |

## Analysis of net return on pension scheme

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Expected return on pension scheme assets | **415** | 386 |
| Interest on pension charge | **(270)** | (239) |
| Net Return | **145** | 147 |

# Notes to the Financial Statements (continued)

## Analysis of amount recognised in statement of financial activities

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Current service cost | **78** | 98 |
| Past service cost | **-** | - |
| Contributions | **(30)** | (84) |
| Contributions in respect of unfunded benefits | **(1)** | (1) |
| Interest Cost | **270** | 239 |
| Interest Income on plan assets | **(415)** | (386) |
| Total included in statement of financial activities | **(98)** | (134) |

## Movement in deficit during the year

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Surplus in Scheme at Beginning of Year | **-** | **-** |
| Current service cost | **(78)** | (98) |
| Past service cost | **-** | - |
| Contributions paid | **30** | 84 |
| Contributions in respect of unfunded benefits | **1** | 1 |
| Actuarial gain/(loss) | **3,873** | 2,915 |
| Effect of asset ceiling | **(3,976)** | (3,049) |
| Net return on assets | **145** | 147 |
| Deficit in the Scheme at End of Year | **(5)** | **-** |

## Reconciliation of defined benefit obligation

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| **Opening Defined Benefit Obligation** | **5,436** | 4,737 |
| Current service cost | **78** | 98 |
| Past service cost | **-** | - |
| Interest cost | **270** | 239 |
| Contributions by members | **34** | 40 |
| Actuarial gains | **(736)** | 490 |
| Estimated benefits paid | **(171)** | (168) |
| **Closing Defined Benefit Obligation** | **4,911** | 5,436 |

## Reconciliation of fair value of employer assets

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| **Opening Fair Value of Employer Assets** | **8,351** | 7,651 |
| Expected return on assets | **415** | 386 |
| Contributions by members | **34** | 40 |
| Contributions by employers | **30** | 84 |
| Actuarial loss | **222** | 357 |
| Benefits paid | **(170)** | (167) |
| **Closing Fair Value of Employer Assets** | **8,882** | 8,351 |

# Notes to the Financial Statements (continued)

### The Aegon (Scottish Equitable) Scheme

The Aegon scheme is a defined contribution scheme, open to all staff in College Development Network. Pension costs charged to the income and expenditure account represent the contributions payable by the company in the year and are based upon a fixed percentage of employee salary aligned to salary band.

## 17. Analysis of unrestricted funds

| **2025** | **Balance at 1 August 2024 £'000** | **Income (inc. gains) £'000** | **Expenditure £'000** | **Recognised Gain £'000** | **Balance at 31 July 2025 £'000** |
|---|---|---|---|---|---|
| **General funds** | **419** | 1,555 | (1,371) | (103) | **500** |
| **Total** | **419** | 1,555 | (1,371) | (103) | **500** |

| 2024 | Balance at 1 August 2023 £'000 | Income (inc. gains) £'000 | Expenditure £'000 | Recognised Gain £'000 | Balance at 31 July 2024 £'000 |
|---|---|---|---|---|---|
| General funds | 681 | 1,590 | (1,718) | (134) | 419 |
| Total | 681 | 1,590 | (1,718) | (134) | 419 |

## 18. Reconciliation of net expenditure to net cash flow from operating activities

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| **Net expenditure for the reporting period** | **184** | (129) |
| **Adjustment for:** | | |
| Depreciation | **19** | 21 |
| (Increase)/ Decrease in debtors | **(6)** | 9 |
| (Decrease) in creditors | **(18)** | (791) |
| Defined benefit pension scheme | **(103)** | (134) |
| **Net cash flows from/(used in) operating activities** | **76** | (1,024) |