

Annual Accounts 2024/2025

Date of meeting 19 September 2025

Date of report 29 August 2025

Report by Director of Finance & Corporate Support

1. Object of report

To ensure compliance with the Local Authority Accounts (Scotland) Regulations 2014, the Partnership is asked to consider the audited annual accounts and approve them for signature. The annual accounts are required to be signed no later than 30 September immediately following the financial year end.

2. Background to report

The Audit and Standards Committee considered the unaudited accounts of Strathclyde Partnership for Transport (SPT) for the financial year 2024/2025 at its meeting on 13 June 2025, prior to these being formally submitted to the external auditor, Audit Scotland.

The Partnership is asked to note there has been one technical accounting change to the accounts since they were presented to the Audit and Standards Committee on 13 June 2025. The amendment to the accounts relates to the reclassification of entries within the cashflow statement in relation to capital accruals which affects note 11 (Non-Cash Movements), note 12 (Investing Activities) and the face of the cashflow statement. The adjustment is purely technical in nature and does not affect the previously reported total of cash and cash equivalents.

At its meeting of 5 September 2025, the Audit and Standards Committee noted the '2024/25 Annual Audit Report to members of Strathclyde Partnership for Transport and the Controller of Audit' by the external auditor Audit Scotland. In addition, the Audit and Standards Committee scrutinised the audited accounts for SPT and agreed that they should be submitted to the Partnership for approval.

3. Outline of proposals

Attached to this report as Appendix 1 is the finalised abstract of accounts for the financial year 2024/2025 for SPT. The annual accounts of SPT are prepared in line with proper accounting practice and are required to be audited by 30 September 2025. Audit Scotland have expressed an opinion that the financial statements represent a true and fair view of the Partnership's financial affairs.

4. Partnership action

The Partnership is recommended to approve the signing of SPT's financial statements for the year ending 31 March 2025.

5. Consequences

Policy consequences	<i>None.</i>
Legal consequences	<i>Ensures full compliance with legal and financial reporting requirements.</i>
Financial consequences	<i>As detailed in the Annual Accounts.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None.</i>
Risk consequences	<i>None.</i>
Climate Change, Adaptation & Carbon consequences	<i>None.</i>

Name Lesley Aird
Title **Director of Finance & Corporate Support**

Name Valerie Davidson
Title **Chief Executive**

For further information, please contact Lesley Aird, Director of Finance & Corporate Support on 0141 333 3380.



Strathclyde Partnership for Transport

Annual Accounts

for the year ended 31 March 2025



Strathclyde Partnership for Transport

Annual Accounts for the year ended 31 March 2025

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Members of Strathclyde Partnership for Transport

Members of the Partnership as at 31 March 2025

Member

Councillor Gordon Blair
Councillor William Lennox
Councillor Alan Moir (Vice Chair)
Councillor Owen O'Donnell
Councillor Stephen Dornan (Chair)
Councillor Ken Andrew
Councillor Christy Mearns
Councillor Malcolm Mitchell
Councillor Roza Salih
Councillor David Wilson (Vice Chair)
Councillor Donald Reid
Councillor Adam Smith
Councillor Sandy Watson
Councillor Helen Loughran
Councillor Andy Steel
Councillor Duncan Townson
Councillor Maureen Devlin
Councillor Alex Allison
Councillor John Ross
Councillor Lawrence O'Neill
Gregory Beecroft
Jenna Dickson
Anne Follin
Dr George Hazel
Nicola Graham
Ed McGrachan
Andrew Walters

Representing

Argyll & Bute Council
East Ayrshire Council
East Dunbartonshire Council
East Renfrewshire Council
Glasgow City Council
Glasgow City Council
Glasgow City Council
Glasgow City Council
Glasgow City Council
Inverclyde Council
North Ayrshire Council
North Lanarkshire Council
North Lanarkshire Council
North Lanarkshire Council
Renfrewshire Council
South Ayrshire Council
South Lanarkshire Council
South Lanarkshire Council
South Lanarkshire Council
West Dunbartonshire Council
Appointed Member
Appointed Member
Appointed Member
Appointed Member
Appointed Member
Appointed Member
Appointed Member

The Partnership consists of 20 Elected Members representing the 12 constituent unitary authorities in the west of Scotland and between 7 and 9 Appointed Members. There are currently 7 Appointed Members. The Partnership met on 4 occasions during 2024/25.

The directors of the organisation are defined as the Chief Executive, Valerie Davidson, Director of Finance & Corporate Support, Lesley Aird and Director of Transport Operations, Richard Robinson.

Address for Correspondence

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Director of Finance & Corporate Support
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Management Commentary

Introduction

This management commentary puts the annual accounts into context of what SPT is aiming to achieve, how we manage the risks and challenges and our expectations of what the future holds.

About Strathclyde Partnership for Transport

Strathclyde Partnership for Transport is the Regional Transport Partnership for the west of Scotland impacting on 12 council areas and a population of around 2.2 million people.

SPT's Partnership Board is made up of 20 elected members representing the 12 constituent councils, and in 2024/25 there were seven Appointed Members.

The Partnership was chaired at 31 March 2025 by Councillor Stephen Dorman along with Vice Chairs Councillor Alan Moir and Councillor David Wilson. A full list of SPT's current members can be found at:

spt.co.uk/about-us/who-we-are/our-team/members

The Partnership's policies and decisions are implemented by SPT staff under the strategic direction of Chief Executive, Valerie Davidson supported by other senior management.

SPT is at the heart of the region's transport planning, operations and project delivery; working to develop an integrated network now and for the future. We provide subsidised contracted local bus services, are instrumental in the delivery and growth of community transport, and provide demand responsive services – MyBus – in areas not served by the commercial market and in rural communities where public transport would otherwise be unavailable. We deliver on street bus shelters and stops, transport information and are a key influence in the design of the bus network. Service recovery from the impacts of COVID-19 continues across many parts of the public transport network and as a consequence, operational and financial performance measures differ in 2024/25 from the historic norms.

SPT organises the biggest school run in Scotland – ensuring around 40,000 pupils get to and from school every day. We control and operate Buchanan, East Kilbride, Hamilton, Greenock, Partick and Govan bus stations with over 1 million bus service departures from our stations this year.

SPT also own and operate the Subway in Glasgow – the world's third oldest underground system and a vital part of the west of Scotland's transport network. The Subway carried 13 million passengers in 2024/25, which is slightly down on the 13.4 million from 2023/24.

The modernisation of the Subway, which is transforming the network and enhancing our customers' travel experience continued throughout 2024/25. During the year the old rolling stock was removed from the system and all 17 new trains were formally accepted. Work has also continued in developing the new signalling system and Operations Control Centre. In addition, work on the Subway tunnel linings and infrastructure continued throughout the year.

The Subway Smartcard has been established as a popular choice for customers with more than 360,000 cards in use. SPT, in conjunction with a number of public transport operators, has worked to ensure that individual operator smartcards and National Entitlement Cards can all be used seamlessly across modes and operators.

We also work with many other organisations central to the planning and delivery of transport, including constituent councils, Transport Scotland, Glasgow City Region and public transport operators. This collaborative work with stakeholders has been more important than ever given the challenges of the last year.

SPT's Regional Transport Strategy (RTS) for the west of Scotland, A Call to Action: The Regional Transport Strategy for the west of Scotland 2023-38 was approved by Scottish Ministers on 14 July 2023.

The RTS vision and priorities have been set out as:

- The west of Scotland will be an attractive, resilient and well-connected place with active, liveable communities and accessible, vibrant centres facilitated by high quality, sustainable and low carbon transport shaped by the needs of all.
- A healthier environment, supported by a transport system that helps our region become a low carbon place with healthier natural and built environments for the benefit of all.
- Inclusive economic growth, underpinned by a transport system that supports regional economic development and growth, with better opportunities and fairer outcomes for all.
- Improved quality of life, supported by a transport system that helps everyone to have better health and wellbeing and lead active, fulfilling lives.

The RTS is supported by a Delivery Plan, which sets out the key investments, services and initiatives to be delivered in the shorter term, contributing towards achieving the strategic outcomes for the region.

In addition to our responsibilities as the Regional Transport Partnership, we also have responsibilities as a public body to ensure that public money is safeguarded and properly accounted for, used economically and efficiently. We must also ensure that we can demonstrate improved service delivery. This is underpinned by robust governance arrangements and processes.

SPT's functions are determined by the Transport (Scotland) Act 2005, which, in addition to creating new responsibilities, effectively transferred the functions of the former Strathclyde Passenger Transport Authority (SPTA) and Executive (SPTE) to SPT as the Regional Transport Partnership for the west of Scotland. This resulted in SPT assuming the majority of responsibilities and roles of the former SPTA and SPTE with effect from 1 April 2006.

Our Priorities

SPT's work is guided by the Regional Transport Strategy. This provides a strategic planning framework for planning, investment and delivery. The existing Strategic Outcomes of the RTS, and the corporate priority of 'Improved service delivery' remained SPT's priority during 2024/25.

Performance Reporting

SPT monitors its performance regularly and reports on its performance publicly throughout the year to its members through the committee structure. All reports are available to the public and can be found at:

spt.co.uk/about-us/who-we-are/minutes-agendas

In addition, the full year performance is reported in the Annual Report 2024/2025 and can be found at:

spt.co.uk/about-us/who-we-are/documents/annual-reports

Some of the statistics from the Annual Report 2024/2025 are reproduced below to provide a snapshot of operational performance with further details being available within the report itself.

- Subway – Patronage dropped by 0.400m from 13.4m in 2023/2024 to 13.0m in 2024/2025
- Bus Stations – Departures are up by 0.125m from 1.206m in 2023/2024 to 1.331m in 2024/2025
- Subsidised Bus – Passengers carried has remained static at 6.3m from the previous financial year
- MyBus – Journeys made has increased by 0.003m from 0.135m in 2023/2024 to 0.138m in 2024/2025

Overall financial performance is covered throughout the management commentary and the accounts as a whole. Other useful KPI's are in relation to invoicing with all approximately 95% of all invoices paid within terms and external debt being consistently below 2% of annual amount invoiced.

Treasury Management

SPT has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) 'Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes' and fully complies with the requirements of the 2021 Edition, including the creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of SPT's treasury management activities.

Additionally, SPT currently does not borrow to invest primarily for financial return and therefore meets this requirement of the Prudential Code (2021 Edition).

SPT published an annual Treasury Management Strategy for the year ahead and annual Treasury Management Report for the year past, including a commentary on compliance. The 2024/25 Treasury Management Strategy can be found at:

spt.co.uk/media/jofbwl4f/p150324_agenda7.pdf.

Management of Risk

The main financial and operational risks to SPT are included within the corporate risk register. This includes identification of clear mitigating actions and risk owners. The major risks at this stage arise from the challenges around the continuing public sector financial funding constraints and bus service provision for the west of Scotland. Risks are reviewed regularly and reported to each Audit & Standards Committee for scrutiny and can be found at:

spt.co.uk/about-us/who-we-are/minutes-agendas/audit-standards-committee.

Look Ahead

In general, services have continued to recover from the global pandemic throughout the year, albeit also reflecting changes in societal behaviour including the significant move to working from home or hybrid working. Subway patronage and income, which has a significant direct impact on SPT's overall revenue position, performed strongly in 2024/25 with continued recovery in travel for work and education being supported by strong weekend demand as well as major events. An annual inflationary uplift was applied to Subway fares in January 2025.

SPT's services are planned to operate as near to normal as possible in 2025/26 including all project development activities. As noted, patronage has recovered well against historical trends. However, inflationary pressures are forecast to continue to be a significant drag on the short-term financial position. This, coupled with the challenges in local government funding, which has a direct impact on SPT's revenue funding, creates a challenging revenue financial position for SPT and the rest of the public sector.

Capital funding through the local government allocation was reinstated for 2025/26, albeit at a lower rate than previously. Transport Scotland also confirmed an ongoing reduced funding commitment for the remainder of the Subway modernisation project. As a result of reduced capital funding availability, the 2025/26 capital programme has been reprofiled to focus on legally committed, operationally essential projects and strategically important projects only. Aligned to this SPT has committed a revenue contribution to capital in 2025/26 as well as a transfer of further funding from earmarked reserves.

SPT has sufficient resources available at this time to ensure that these revenue and capital pressures will not create a cash flow issue in 2025/26. In addition, reserves remain in place to support SPT's position in the short term. Notwithstanding that this can be managed within current cash resources, it undoubtedly has an impact on the delivery plans of future years and planned projects.

Subway modernisation

The roll-out of the £288.7 million Subway modernisation programme continues with continued work on the design and build of signalling and associated systems and the planned roll out in 2025/26 of Platform Screen Doors and contactless ticketing at Subway.

Work also continues on the development of a new operating model reflecting the new technology and operating practices as well as changing customer expectations.

Smart & integrated ticketing

Building on the success of the Subway Smartcard, a new smart ZoneCard multi-operator product was launched from June 2024, by SPT and the participating operators. ZoneCard is now a modernised ticket offer product, with a simplified zone structure, more flexible ticketing options and accessible purchasing routes.

By the end of 2025 customers will be able to tap in and out of Subway gates using debit cards, credit cards and mobile wallets. With more than 80% of ticket sales already paid by card, this is expected to be a popular option. Daily and weekly price caps will apply offering a convenient option ensuring best value for travel.

Clyde Metro

Clyde Metro was a key recommendation from Transport Scotland's national Strategic Transport Projects Review 2 (STPR2) published in December 2022. In line with the STPR2 recommendations the project partners responsible for taking forward the Clyde Metro are Glasgow City Council (GCC) on behalf of Glasgow City Region (GCR), Strathclyde Partnership for Transport (SPT) and Transport Scotland (TS). In November 2023, it was announced that SPT would act as the lead partner for the development of the Case for Investment (CFI) for the Clyde Metro, with TS taking a project assurance role.

- The CFI will develop the programme level business case and is an essential first step towards setting out the programme of projects which will make up the Clyde Metro over years to come. This is an ambitious programme that will seek to deliver a fully integrated mass transport system which could include a variety of modes and services. This long-term programme will transform public transport in the West of Scotland. Whilst still in the early stages of development, the high-level scope of Clyde Metro can be defined as: A fully integrated mass transit public transport system which could include a variety of modes.
- A multi-billion-pound long-term investment programme likely to span decades.
- Will be transformational in nature – in other words, more than just a transport project.
- Will support regeneration and investment across the West of Scotland.
- Will help tackle social exclusion by improving access to healthcare, education and employment opportunities, especially for those in unserved and underserved areas.
- Will provide high quality public transport links to key hubs.
- Will encourage fewer car journeys reducing the negative environmental impacts of transport.
- Is a combination of infrastructure / services and complementary measures.
- Is regional in scale, extent, and impact.

Following the Scottish Transport Appraisal Guidance (STAG), the Case for Change and Network Development Options have already been concluded. Work is underway to deliver Stage 2 of the CFI which includes development of a Programme Level Business Case, STAG appraisal and Transformation Strategy & Framework. Regular update reports on the project are presented to Partnership. Further information on the project is available at

spt.co.uk/about-us/what-we-are-doing/clyde-metro.

Strathclyde Regional Bus Strategy

The need for the Strathclyde Regional Bus Strategy (SRBS) was identified by SPT during the development of "A Call to Action: The Regional Transport Strategy for the west of Scotland 2023-2038" (RTS). The RTS development process identified the critical role of bus in the region and established a policy to enhance and integrate the bus network, provide reliable, attractive bus services and offer good value for money to passengers. The RTS also confirmed that the powers in the Transport (Scotland) Act 2019 should be further investigated and implemented, where appropriate. SPT determined that developing a strategy specifically for bus would be a pragmatic first step towards improving the bus network.

The SRBS process commenced in 2023 by establishing a Case for Change followed by an options appraisal. SPT held a public consultation on the recommendations from the options appraisal in April - May 2024. The draft strategy was then developed in the latter half of 2024, guided by the consultation outcomes and the direction of the SPT Partnership. A consultation on the draft strategy and preferred options for the way forward is currently underway.

The draft strategy sets out the case for change, policies and measures to deliver an improved bus network, a delivery plan and monitoring plan.

SPT anticipates that a final version of the strategy will be reported to the SPT Partnership in September 2025, with delivery of the strategy to follow.

Climate Change

Climate Change Strategy and Action Plan

In March 2024 SPT's Partnership Board approved SPT's Climate Change Strategy and Action Plan (spt.co.uk/media/vmam3d3u/p150324_agenda10.pdf). The strategy supports SPT's statutory commitments including national, regional and local emission reduction targets and builds on SPT's strong track record of emissions reporting since 2015 through the Public Bodies Climate Change Duties (PBCCD), reported via the Sustainable Scotland Network (SSN). Initial investment has been done through the capital programme. Going forward a detailed budget plan for future developments and changes will be developed.

Emissions Reductions

Between 2009 and 2023 SPT reduced its carbon emissions from corporate activities and Subway operations by 68%. Since 2008/09 SPT has had a Carbon Management Plan (CMP) in place which has been instrumental in delivering emissions reductions across the SPT estate. As part of this SPT has invested in a range of initiatives including:

- utilising solar power and voltage optimisation at Buchanan Bus Station
- an LED lighting upgrade on the Subway
- installation of a ground source heat pump at Broomloan depot which provides 40% of the heating load of staff facilities
- installation of air source and water source heat exchangers in several of our subway stations
- moving to electric vehicles for internal fleet as well as the supported bus service

Targets for Operational Emission Boundary

SPT has set the following targets for SPT's operational emission boundary:

- Zero carbon emissions in Scope 1 and Scope 2 emissions by 2030 (Scope 1: all emissions from activities SPT controls or owns that are released in situ. Scope 2: indirect emissions from electricity purchased and used by SPT)
- Net zero carbon across Scope 3 emissions by 2045 (Scope 3: all other indirect emissions from sources SPT does not own or control. These can be upstream or downstream emissions)

Net Zero Trajectory

The chart below shows SPT's net zero trajectory.

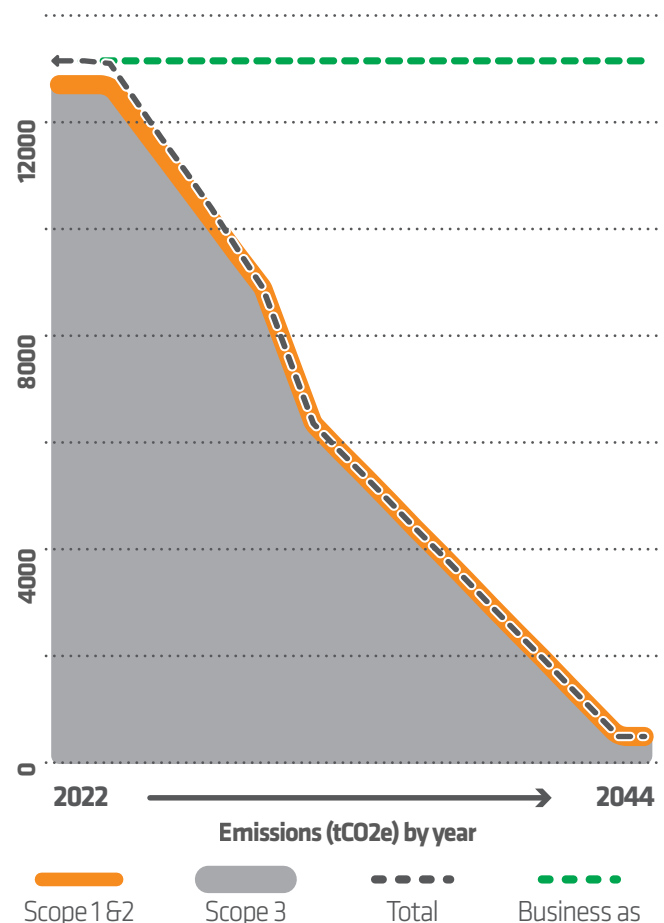


Figure 1. SPT net zero trajectory with near-term and long-term targets for scenario 1.

Climate Change Risk Assessment

As part of the Strategy a high-level Climate Change Risk Assessment (CCRA) was carried out. The table below sets out the critical elements and relevant boundaries of this associated with our corporate activities.

SPT Function	
CCRA Scope	1 Supply & Value chain (Upstream)
	Electricity supply networks
	Information & communication networks
	Local road networks
	Key suppliers and contractors
Climate Screening	2 SPT Operations - Assets and services
	SPT Estate (Properties)
	Subway system, depot & communications
	Bus stations, shelters & stops
	Operation of bus services
CCRA Scope	3 Transport Users (Downstream)
	Travelling Public (Customers)
	Other Public Transport Operations (Connecting Services & Facilities)
	Facilitating Business Travel
	Supporting Essential Community & Municipal Services

Adaptation Action Plan

As part of the development of SPT's Adaptation Action Plan (subject to approval by SPT's Strategy & Programmes Committee at its meeting on 13th June 2025), and in line with the Scottish Climate Change Adaptation Plan (<https://www.gov.scot/publications/scottish-national-adaptation-plan-2024-2029-2/>), a detailed Climate Change Risk Assessment (CCRA) was undertaken of SPT's assets. The CCRA considered temperature scenarios for RCP2.6 (reflective of annual temperature change with a median of 1.5 degrees) and RCP8.5 (reflective of annual temperature change with a median of 4 degrees). The impacts of climate change on SPT's assets and services is also reflected in SPT's Corporate Risk register which is monitored and updated on a regular basis.

Based on the CCRA, SPT has identified a series of actions aimed at reducing risk exposure and vulnerability for each of its assets and the associated hazards. This provides a roadmap for enhancing the resilience of SPT's assets against the identified climate risks, ensuring long-term sustainability and protection for the services provided. High level cost profiling exercises were undertaken for both the Climate Change Strategy Action Plan and Adaptation Action Plan to identify the scale of investment required against each of the actions and to support forward financial planning.

Work is underway through the Net-Zero Delivery Group to develop site-specific decarbonisation plans to assess our estate and identify feasible adaptation and mitigation measures. Costings will be refined as further work to take forward the actions is undertaken. Further work will continue to consider the impact of climate change and how these impacts are taken fully into account in forward financial planning and reflected in the emerging budget plan.

Governance

SPT has recently updated our governance structure and internal processes to reflect our Climate Change Strategy and Net-Zero Action Plan, with the establishment of a Net-Zero Delivery Group. The group help to coordinate the delivery and implementation of the Net-Zero Action Plan, of which climate adaptation is a major delivery theme.

In addition, there is regular reporting and oversight through SPT's Strategy Group which comprises SPT's Chief Executive and Directors of Finance and Transport Operations and to SPT's Strategy and Programmes Committee throughout the year.

SPT is actively embedding mitigation and climate adaptation across the organisation through the implementation of our respective Climate Change Strategy and Climate Resilience and Adaptation Plan, ensuring that climate change is a core consideration in decision making and investment planning. We recognise that there are areas of overlap where actions contribute to both adaptation and mitigation outcomes. By integrating adaptation and mitigation where appropriate, we aim to maximise co-benefits, deliver cost effective climate action and contribute to Scotland's wider climate change targets.

Annual reporting through the SSN continues, and we are aligning internal reporting processes to reflect progress across all areas. Work is ongoing to enhance scope 3 emissions reporting through improved data collection and supplier engagement, and we are further embedding sustainability into key operational areas such as procurement.

To support effective monitoring, SPT has established individual Key Performance Indicators (KPIs) for each SPT asset in relation to its climate resilience and adaptation actions. These KPIs serve as critical benchmarks for assessing the progress and effectiveness of the initiatives implemented. Each asset's performance will be monitored to ensure that the goals are being met, enabling SPT to make informed decisions and adjustments to optimise outcomes and help shape our financial planning.

Preparation of the Annual Accounts

The annual accounts demonstrate SPT's sound stewardship of the public funds it controls and manages. The annual accounts have been prepared in accordance with the CIPFA 'Code of Practice on Local Authority Accounting in the United Kingdom 2024/25' (the "Code") which is based upon International Financial Reporting Standards (IFRS). Therefore, the Code, which remains the authoritative accounting standard for local authorities (and related bodies) across the UK, is based upon internationally common accounting practices.

Pages 21 to 35 of the annual accounts set out the accounting policies adopted by SPT in the preparation of the annual accounts to ensure that the annual accounts give a 'true and fair view' of SPT's financial position.

Financial Review

The Comprehensive Income and Expenditure Statement (CIES) on page 36 shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

SPT's net revenue budget was set at £36.598 million, of which £35.949 million was financed by requisition from the 12 local authority partners in the SPT area and £0.649million was financed by Scottish Government direct grants. After the budget was set, there was an adjustment to the Scottish Government contribution, which was reduced by £0.032 million to £0.617 million. There was no change to funding received from Local Authority partners.

There have been significant cost pressures across various expenditure areas since the beginning of the 2022/2023 financial year. These include high inflation, significant increases in gas and electricity prices, sustained increases in contracted bus service costs and in respect of annual agreed pay awards. These financial pressures are not short term in nature and will have material impacts on internal and external costs in the current and future financial years. In 2024/25 these financial impacts have been managed through close management of budgets, efficiency plans and short-term expenditure controls to ensure that SPT services were delivered within budget and available funding.

As a result of robust management of all expenditure lines, in year positive movements in Subway income, interest received, and employee costs has allowed SPT to contribute a total of £6.848 million to reserves. A contribution of £3.424 million was made to the Transport Future Investment Fund, and a contribution of £3.424 million was made to the Subway Infrastructure Fund in 2024/25. These contributions will be utilised to fund the planned capital programme in future years. In addition, a contribution of £3.042 million was utilised to fund capital spend from revenue resources.

Balance Sheet

SPT's balance sheet is shown on page 37 of the annual accounts and provides details of SPT's assets and liabilities as at 31 March 2025. SPT continues to have significant balances under Short-term Investments and Cash and Cash Equivalents. The current balance for Short-term Investments is £57.636 million (2023/24: £56.607 million) and for Cash and Cash Equivalents the balance is £101.643 million (2023/24: £128.343 million). The balances, while reducing, are so significant predominantly due to funds being set aside within Reserves and the Capital Grants Unapplied Account to fund Subway Modernisation and other strategic projects.

Cash Flow Statement

The Cash Flow Statement on page 38 of the annual accounts summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes during the year.

Total Movement in Reserves

The Movement in Reserves Statement on page 39 of the annual accounts shows the movement in revenue and capital reserves held by SPT as at 31 March 2025. The major movements in reserves in the year are: an increase in the General Fund Balance of £4.162 million; an increase in the Capital Grants Unapplied Account of £0.338 million; a decrease in the Revaluation Reserve of £1.259 million; an increase in the Capital Adjustment Account of £31.331 million; and a decrease in the Pensions Reserve of £0.482 million.

The increase in the Capital Grants Unapplied Account relates to the use of this reserve as a source of funding for future capital expenditure.

Capital Expenditure

It was a challenging year for the capital programme as the year started with no funding commitment from the Scottish Government for general projects as well as Subway Modernisation. Funding was agreed for Subway Modernisation during the year, but SPT still negated its General Capital Grant, which is usually in the region of £15 million. SPT has the facility and powers to undertake prudential borrowing, but has not utilised these powers during the year.

Details of capital expenditure are provided in note 25 (page 73 of the annual accounts). Total expenditure in support of the programme amounted to £37.814 million (2023/24: £42.412 million). The programme was funded by: £4.023 million Scottish Government People & Places grant; £28 million Scottish Government specific capital grant in support of Subway modernisation; £0.062 million in other grants and contributions; and £5.729 million direct revenue contributions from the Subway Infrastructure Fund.

The Subway modernisation programme continues with significant progress made in 2024/25. All 17 of the new trains are now operational within the system and the new Operational Control Centre was accepted by SPT.

Valuation of Non-current Assets / Right for Use Assets

In 2024/25 Investment Properties were revalued in accordance with the Code, resulting in a revaluation gain of £0.338 million charged to the Comprehensive Income and Expenditure Statement (CIES). In addition, Broomloan Depot was revalued following the completion of the new Operational Control Centre as well as Hillhead Subway Station.

SPT implemented IFRS16 – Leases in year, which has resulted in the creation of Right of Use Assets within the balance sheet. The most significant of these is the land at Buchanan Bus Station, which due to the nature of the lease was valued by the District Valuer creating a Right of Use Asset of £5.175 million.

Pension Assets and Liabilities

The common position for employers participating in the Strathclyde Pension Fund is that the International Accounting Standard 19 (IAS19), 'Retirement Benefits' calculation (page 59 of the annual accounts) is based on a snapshot valuation as at 31 March 2025, which shows a surplus of £142.014 million (2023/24: £112.618 million million). The surplus has been amended downwards by £144.129 million to recognise a pension liability of £2.115 million due to the guidance contained within IAS 19 / IFRIC 14. This is not a SPT specific issue but will apply to all bodies in the UK with a Local Government Pension Scheme asset surplus.

Membership of the Partnership

Details of the Members of the Partnership at 31 March 2025 are shown on page 2 of the annual accounts. This section forms part of the management commentary.

Approved on behalf of Strathclyde Partnership for Transport and signed on their behalf.

Stephen Dornan
Chair
XX September 2025

Valerie Davidson
Chief Executive
XX September 2025

Lesley Aird
Director of Finance & Corporate Support
XX September 2025

Statement of Responsibilities

The Partnership's responsibilities

The Partnership is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Partnership, that officer is the Director of Finance & Corporate Support;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Ensure 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 Scotland Act 2003); and
- Approve the Annual Accounts for signature.

I certify that the Annual Accounts have been approved for signature by the Partnership at its meeting on XX September 2025.

Stephen Dorman
Chair
XX September 2025

The Director of Finance & Corporate Support responsibilities

The Director of Finance & Corporate Support is responsible for the preparation of the Partnership's statement of accounts in accordance with proper practice as set out in the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 ("the Code of Practice").

In preparing this statement of accounts, the Director of Finance & Corporate Support has:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with legislation;
- Complied with the Code of Practice on Local Authority Accounting in the UK;
- Kept adequate accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Annual Accounts give a true and fair view of the financial position of SPT at the reporting date and the transactions of SPT for the year ended 31 March 2025.

Lesley Aird
Director of Finance & Corporate Support
XX September 2025

Annual Governance Statement

Scope of the Governance Framework

Strathclyde Partnership for Transport (SPT) has established governance arrangements that are consistent with the seven principles for good governance outlined in the '*Delivering good governance in local government: Framework 2016*' published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

SPT is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically and efficiently. There is also a duty under the Local Government (Scotland) Act 2003 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

SPT is also responsible for establishing proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and is focused on meeting key strategic and business objectives and that benefits are realised.

It was important to SPT that every effort was made to maintain the highest standards of governance throughout 2024/2025.

The Purpose of the Governance Framework

The purpose of *Delivering good governance in local government: Framework 2016* (the Framework) is to encourage better service delivery and improved accountability by establishing a benchmark for aspects of good governance in the public sector.

The governance framework comprises the behaviours, values, practices, and systems by which the Partnership is directed and controlled and engages with the community. It enables the Partnership to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective outcomes.

The quality of governance arrangements underpins the level of trust in public services and is therefore a fundamental building block upon which SPT can build its promise to customers. Trust in public services is also influenced by the quality of services received, regardless of who is responsible for delivering them, and by how open and honest an organisation is about its performance.

Good governance, and a framework (Local Code of Corporate Governance) for the implementation of good governance allows SPT to be clear about its approach to discharging its responsibilities as outlined above and to promote this widely both internally, to employees and members, and externally to partners, stakeholders and most importantly the travelling public of the west of Scotland.

The Local Code of Corporate Governance has been populated with evidence of compliance to support each of the seven principles. The arrangements required for gathering information for the preparation of the Annual Governance Statement provide an opportunity for SPT to consider the robustness of the governance arrangements and to consider this as a corporate issue that affects all parts of the organisation. It also helps to highlight current arrangements and arrangements which will be subject to review in the forthcoming year.

The Governance Framework

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

SPT has well established standing orders and terms of reference that regulate the operation of the Partnership and committee meetings. These standing orders are supported by a scheme of delegated functions, standing orders relating to contracts, the code of corporate governance and financial regulations with clear delegation arrangements and protocols for decision making and communication, and codes of conduct defining the standards of behaviour for employees and members. Guidance to support this principle is contained within SPT's governance manual.

SPT management have a designated role profile, and these profiles are easily accessible for employees via the website and are structured to provide clear responsibility and accountability at both strategic and operational levels.

These arrangements are supplemented by HR policy and guidance.

Revised and updated HR policies were presented to and approved by the Personnel committee at its meetings of 26 April 2024 and 8 November 2024.

A full committee cycle for all members was held throughout 2024/2025 via video conferencing and in-person meetings.

Principle B: Ensuring openness and comprehensive stakeholder engagement.

SPT is clear about the leadership responsibilities for services, whether provided directly, through partners or by third parties. We will work closely with partners and stakeholders to make sure they deliver to agreed levels of quality and are accountable for what they do. SPT has a clear commitment to ensure services deliver the most appropriate combination of quality, value, and choice to all.

SPT is a committed community planning partner, and we work in partnership to deliver local and national outcomes and to ensure we make a positive contribution to the Single Outcome Agreement and locality plans in each of our constituent council areas.

SPT interacts and engages with stakeholders and publishes annual reports, financial statements, service performance information and the results of customer surveys.

In addition, communications are maintained through the local and national press, our website, staff intranet pages and officer and/or member representation at public meetings.

SPT remains committed to developing systems to allow stakeholders to engage electronically. Contact can be made through the website and social media.

Meetings of the Partnership and its committees are open to the public, by virtual means, and agendas, papers and minutes are published on our website in accordance with the Publication scheme.

The Regional Transport Strategy Delivery Plan covering the period 2024/2025 – 2026/2027 was presented to and approved by the Partnership at its meeting of 20 September 2024.

Principle C: Defining outcomes in terms of sustainable, economic, social and environmental benefits.

The Annual Statement on Sustainable Economic Growth sets out the steps that SPT has taken in 2024/2025 to promote and increase sustainable growth through the exercise of its functions.

The Regional Transport Strategy has a strong focus on the specific services, initiatives, and projects which SPT seeks to deliver. The Regional Transport Strategy is integral to SPT's business planning processes which reflect current social, environmental, and economic circumstances at local, regional, and national levels.

The Strathclyde Partnership for Transport Annual Report 2023/2024 was presented to and approved by the Partnership at its meeting of 28 June 2024 and shared widely with all stakeholders.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

The Partnership and committees receive regular and comprehensive reports on SPT service delivery and outcomes.

The decision making and scrutiny framework within SPT encompasses self-evaluation as well as internal and external inspection.

The SPT strategy group and senior management receive advice and guidance from officer led groups responsible for the consideration of, for example, Equalities, and health and safety to drive and direct the decision-making process. This advice is supplemented by external support provided by specialist professionals and services, where appropriate.

The *Annual Safety Performance report 2023/2024* was presented to and noted by the Personnel committee at its meeting of 8 November 2024.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.

This principle is about enabling members and officers to develop and enhance their knowledge and skills to allow them to effectively fulfil their roles and responsibilities.

A programme of training has been put in place for all members to remain well versed in their role and the role of the committee(s).

SPT has adopted a corporate induction process, delivered by Human Resources (HR). All new employees are required to undertake this induction. This arrangement is supplemented by local induction which is delivered by the appropriate department.

SPT remains committed to developing its workforce through the provision of a learning and development scheme for employees, to ensure that training and development needs are documented and managed in a structured and planned way.

A *Learning and Development update* and activity report covering all areas of service delivery was presented to and noted by the Personnel committee at its meeting of 8 November 2024.

Principle F: Managing risks and performance through robust internal control and strong public financial management.

The Partnership's Standing Orders, Committee Terms of Reference, Scheme of Delegated Functions and Financial Regulations outline the roles and responsibilities for the monitoring and reporting of financial and risk management arrangements.

Amendment to the SPT Contract Standing Orders and Scheme of Delegations was presented to and approved by the Partnership at its meeting of 13 December 2024.

All reports presented to the Partnership/Committee require an assessment of financial and risk consequences to be detailed to support the decision making process.

The Partnership has an effective budget setting process which demonstrates an understanding of its costs, priorities and risks which is directly linked to outcomes.

The financial position is continually monitored throughout the year by the Strategy and Programmes committee.

The annual accounts demonstrate SPT's sound stewardship of the public funds it controls and manages. The annual accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom which is based upon International Financial Reporting Standards (IFRS). Therefore, the Code, which remains the authoritative accounting standard for local authorities (and related bodies) across the UK, is based upon internationally common accounting practices.

In 2024/2025, there was no reportable lapses in data security. The Whistleblowing Policy is contained within the Counter Fraud Strategy. There was no whistleblowing reports received in 2024/2025. Complaints are reported on a quarterly basis throughout the year to the Operations committee.

Managing the risk of fraud and corruption is the responsibility of SPT management. Audit and Assurance assist management in the effective discharge of this responsibility. The Counter Fraud Strategy (including Anti-Fraud and Corruption Policy, Whistle Blowing Policy and Financial Regulations relating to financial irregularity) outlines the Partnership's commitment to raise awareness, prevent, detect, investigate, and report fraud. The annual Internal Audit plan includes provision for fraud-related work to support this strategy. Audit and Assurance provided assistance to management in line with the Partnership's commitment to raise awareness, prevent, detect, investigate, and report fraud.

A report on the Partnership's participation in the *National Fraud Initiative (NFI) 2024/2025* exercise was presented to and noted by the Audit & Standards committee at its meeting of the 6 September 2024.

In accordance with the Scottish Government's *Strategic Framework for a Cyber Resilient Scotland and Public Sector Action Plan*, SPT has:

- senior management commitment and governance arrangements in place;
- cyber security information sharing partnership (CiSP) membership;
- appropriate use of Active Cyber Defence measures;
- appropriate training and awareness raising processes and workplace learning against cyber threats;
- cyber incident response protocols, aligned with central mechanisms.

Principle G: Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

Stakeholders and other interested parties can easily access information on SPT, its performance and outcomes (e.g. Annual statement on sustainable economic growth and Public Services Reform (Scotland) Act 2010 statements) from the website.

The website provides clear information on the services that SPT delivers and its responsibilities to the community and the travelling public of the west of Scotland.

Stakeholders can communicate with SPT using a range of available channels including social media. SPT has a Facebook, Instagram, and X account(s).

The Audit and Standards committee meet on a regular basis and has clear terms of reference.

The *SPT Corporate Plan 2024-2028: Progress on Deliverables* was presented to and noted by the Partnership at its meeting of 13 December 2024.

The Partnership's internal audit arrangements conform to the governance requirements of the CIPFA Statement on the role of the Head of Internal Audit.

The functions of the Partnership's Audit and Standards Committee are consistent with the CIPFA Audit Committees: Practical Guidance for Local Authorities 2022.

Monitoring and Review of Governance Arrangements

SPT's governance arrangements are formally monitored via:

- the Partnership's established committee framework, including the Audit and Standards committee;
- Strategy Group and senior management;
- internal and external audit work; and
- review(s) of the local code of corporate governance arrangements which inform this statement.

Review of governance arrangements are undertaken within the context of the Regional Transport Strategy, Community Planning, and our strategic objectives.

Financial Management Code

The Financial Management Code (CIPFA) identifies risks to financial sustainability, introduces an overarching framework of assurance and sets out standards of financial management.

The principles, in applying standards of financial management, are:

- **Organisational leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture;
- **Accountability** – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs;
- Financial management is undertaken with **transparency** at its core using consistent, meaningful, and understandable data, reported frequently with evidence of periodic officer action and elected member decision making;
- Adherence to professional **standards** is promoted by the leadership team and is evidenced;
- Sources of **assurance** are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit, and inspection;
- The long-term **sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

SPT has arrangements in place to meet all these principles in application of the prescribed standards of financial management.

Statutory Role

Section 95 of the Local Government (Scotland) Act 1973 places responsibility for the proper administration of SPT's financial affairs upon the proper officer of the Partnership. In SPT, the Director of Finance & Corporate Support is the responsible officer and is a member of the SPT Strategy Group.

This arrangement is in accordance with good practice, as prescribed in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. Officer responsibilities are set out in SPT's Scheme of Delegated Functions and Financial Regulations which confirm that the Director of Finance & Corporate Support shall be responsible for the financial affairs of the Partnership and act as adviser to the Partnership and all committees.

System of Internal Financial Control

This section of the Annual Governance Statement relates to the system of internal financial control of SPT. It incorporates a level of assurance on the systems of internal financial control.

This statement applies to the 2024/2025 annual accounts for SPT. We acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated in connection with the resources concerned.

The system of internal financial control is based on a framework of regulations, policies, processes, administrative and authorisation procedures and controls, management supervision and a system of delegated authority and accountability.

Development and maintenance of the system is undertaken by officers of SPT. Key elements include:

- application of the standards of financial management;
- comprehensive capital and revenue budgeting systems integrated with service planning;
- a regime for regular reporting to the Partnership and committees of periodic and annual reports which highlight financial performance against forecast;
- setting targets to measure financial and other performance;
- performance management information;
- project management disciplines; and
- guidance relating to financial processes, procedures, and regulations.

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Audit and Assurance function provides Internal Audit services to the Partnership in conformance with the Public Sector Internal Audit Standards (PSIAS). All engagements are completed in conformance with these standards and the Internal Audit Charter. The Audit and Assurance team completed an annual programme of work approved by the Audit and Standards committee based on a risk-based internal audit plan. The plan was reviewed throughout the year to reflect evolving risks and changes within the organisation.

Internal Audit reports identifying areas for improvement and/or non-compliance with expected controls are brought to the attention of management and include appropriate recommendations and action plans. It is management's responsibility to ensure that proper consideration is given to Internal Audit reports, and that appropriate action is taken on recommendations. Reports are subsequently monitored by the Strategy Group and the Audit and Standards committee.

In early 2025, an external assessment of the Internal Audit function was undertaken by Azets. A report on the outcome found that SPT generally conforms with both the International Professional Practices Framework (IPPF) and the Public Sector Internal Audit Standards (PSIAS). A summary report was presented to and noted by the Audit & Standards committee at its meeting of 13 June 2025.

The effectiveness of internal financial controls is informed by officers throughout SPT and the Audit and Standards committee (as the scrutiny committee) and by the work of internal and external audit. It is SPT's view that the systems for internal control were effective during 2024/2025 with no identified material weaknesses and will be improved through implementation of the recommended actions from internal and external audit reports, and continuous corporate business planning.

It should be noted that the system of internal financial control can provide only reasonable and not absolute assurance that all transactions are properly assessed or that errors have been prevented, and as such SPT is continually seeking to improve the effectiveness of its system of internal financial control.

SPT is committed to ensuring that governance and internal financial control arrangements are robust, proportionate, and in line with good practice.

SPT has established a culture of continuous improvement and is thorough in addressing issues that emerge either through self-assessment, business improvement processes or as part of the external scrutiny process.

The evaluation of the internal control environment and governance framework is informed by the following sources:

- (the) assurance framework;
- assurance engagements completed by Audit and Assurance in the year to 31 March 2025;
- implementation of management actions from Audit and Assurance reports as part of the engagement follow-up process;
- reports issued by the Partnership's and Joint Committee's external auditors during 2024/2025.

It is management's opinion, based on the above, that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's framework of governance, risk management and internal control in the year to 31 March 2025.

Stephen Dornan

Chair

XX September 2025

Valerie Davidson

Chief Executive

XX September 2025

Accounting Policies

General Principles

The annual accounts for the year ended 31 March 2025 have been compiled on the basis of recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code). The Code is based on International Financial Reporting Standards (IFRS) with interpretation appropriate to the public sector. The statements are designed to give a 'true and fair view' of the financial performance and position of SPT for 2024/25.

The accounting concepts of 'materiality', 'accruals', 'going concern' and 'primacy of legislative requirements' have been considered in the application of accounting policies. In this regard the materiality concept means that information is included where the information is of such significance as to justify its inclusion. The accruals concept requires the non-cash effects of transactions to be included in the financial statement for the year in which they occur, not in the period in which the cash is paid or received. The going concern concept assumes that SPT will not significantly curtail the scale of its operation. Wherever accounting principles and legislative requirements are in conflict the latter shall apply.

The accounting convention adopted in the annual accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1. Basis of preparation

The accruals concept requires the non-cash effects of transactions to be reflected in the annual accounts for the accounting period in which those effects are experienced and not in the period in which any cash is received or paid.

- **Revenue income and debtors**

All transactions relating to the period to 31 March 2025 have been matched and accounted for in the period to which they relate. Government grants and other contributions are accounted for on an accruals basis and are recognised as income when the conditions of entitlement have been satisfied and there is reasonable assurance that the monies will be received.

- **Revenue from contracts with service recipients**

Revenue whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

- **Revenue expenditure and creditors**

Sundry creditors are accrued on the basis of payments made following 31 March 2025 relating to goods or services received in the year together with specific accruals in respect of further material items.

- **Capital transactions**

All capital transactions have been recorded on an accruals basis. All specific capital debtors and creditors have been accounted for.

2. Leases

SPT as lessee

SPT classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

SPT initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method.

The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

2. Leases (continued)

Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straightline depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments does not affect the bottom line as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

SPT as lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Finance leases

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the Capital Fund reserve in the Movement in Reserves Statement.

The written-off value of disposals are appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

2. Leases (continued)

Operating leases

Where SPT grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (eg there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

3. Employee Benefits

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as, wages and salaries and paid annual leave for current employees, are recognised as an expense in the year in which the employee renders service to SPT. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements earned by employees but not taken before the year end and which employees can carry forward to the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Fund Balance by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

4. Termination Benefits

Termination benefits are amounts payable as a result of a decision by SPT to terminate an officer's employment before the assumed normal retirement date or an officer's decision to accept a voluntary termination package in exchange for those benefits. Termination benefits do not provide SPT with future economic benefits and consequently they are recognised on an accruals basis immediately in the Surplus or Deficit on the Provision of Services line in the CIES when the Partnership is demonstrably committed to provision of the termination benefits.

Where termination benefits involve the enhancement of pensions, they are treated as pension costs for the purposes of the statutory transfer between the Pension Reserve and the General Fund of the amount by which pension costs calculated in accordance with the Code are different from the contributions due under the pension scheme regulations. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for termination benefits related to pensions enhancements 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.

5. Retirement Benefits

SPT participates in the Strathclyde Pension Fund, which is a Local Government Pension Scheme.

The Local Government Scheme is accounted for as a defined benefits scheme as follows:

- attributable assets are measured at fair value at the balance sheet date after deducting accrued expenses. Liabilities of the Strathclyde Pension Fund attributable to SPT are included in the Balance sheet on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value. Net pension assets are recognised only to the extent that SPT is able to recover a surplus either through reduced contributions in the future or through refunds from the scheme. Unpaid contributions to the schemes are recorded as creditors due within one year.

5. Retirement Benefits(continued)

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

Service cost comprising:

- current service cost – the increase in liabilities as a result of the year 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 – debited to the Surplus/Deficit on the Provision of Services in the CIES;
- net interest on the net defined benefit liability (asset), i.e. net interest expense for SPT – the change during the period in the net defined benefit liability (asset) 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 – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
- contributions paid to the Strathclyde Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by SPT to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations 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. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

6. Stocks for repair and maintenance

Stocks are stated at the lower of cost or net realisable value.

7. Allocation of overheads

The costs of overhead and support services have not been charged to those that benefit from the supply or service. Overhead costs are contained within the categories Business Support and Corporate on the face of the CIES.

8. Debt redemption, interest charges and debt management expenses

In the event of SPT borrowing, repayment of debt is based on the annuity method of repayment. All loan charges are charged to the CIES.

9. Investments

Surplus cash balances are invested with major financial institutions as part of SPT's treasury management function. In compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) 'Prudential Code for Capital Finance in Local Authorities (2021)', SPT has adopted the CIPFA 'Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2021)'. All interest received is credited to the CIES.

10. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition or balance sheet date and that are readily convertible to known amounts of cash with insignificant risk of change in value. Bank balances are included in the balance sheet at the closing balance in the SPT ledger.

11. Provisions and Contingent Liabilities

Provisions are made where SPT has a present obligation, either legal or constructive, as a result of a past event that results in probable outflow of resources embodying economic benefits or service potential being required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the CIES Statement in the year that SPT becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. Where the effect of the time value of money is material, the amount of the provision recognised is the present value of the expenditure expected to be required to settle the obligation.

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is improbable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

12. Value Added Tax (VAT)

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from them i.e. VAT has a neutral impact on SPT's income and expenditure.

13. Usable and Unusable Reserves

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus/Deficit on the Provision of Services in the CIES. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement.

The General Fund, Insurance Fund, Renewal and Repairs Fund, Capital Grants Unapplied and Capital Fund represent cash funds that are available to SPT.

Unusable reserves represent non-cash funds that are not available to SPT. These balances are recognised as part of the accounting arrangements for capital, pensions and employee benefits. The Capital Adjustment Account contains entries relating to the financing of capital expenditure and the Revaluation Reserve reflects movement in the value of assets. The Pension Reserve has been set up in accordance with the accounting requirements of International Accounting Standard, IAS 19 'Employee Benefits'. The Employee Statutory Adjustment Account has been created to negate the impact of the employee benefits accrual on the General Fund.

14. Capital Grant

Capital grants or contributions are recognised immediately in the CIES, subject to the fulfilment of any grant conditions. Where grant conditions have not been met, the grant will be accounted for as capital grant receipts in advance on the balance sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is charged to the Capital Grants Unapplied Account. Where it has been applied, it is charged to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

15. Intangible assets

Expenditure on non-monetary assets that do not have physical substance, but are identifiable and controlled by SPT are capitalised when they bring benefits to SPT for more than one financial year. The balance is amortised to the relevant service revenue account over the economic life of the asset to reflect the pattern of consumption of benefits. All SPT intangible assets have a finite life.

SPT accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets relate to purchased software licences and externally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to SPT. The useful lives assigned to the major software suites used by SPT are 3 years.

The carrying amount of intangible assets is amortised on a straight-line basis.

16. Right of Use Assets

SPT adopted IFRS 16 (Leases) with effect from 1 April 2024 as required by the Code. The main impact of the requirements of IFRS 16 is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset, and future rents as a liability), a right-of-use asset and a lease liability are now included on the balance sheet from 1 April 2024. SPT has elected to apply recognition exemptions to low value assets (below £10,000 when new) and to shortterm leases i.e. existing leases that expire on or before 31 March 2026, and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting policy 2 in relation to leases has further details on the accounting treatment of right of use assets.

17. Property, 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 for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to SPT and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (e.g. 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 in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition will not increase the cash flows of SPT. In the latter case, the cost of the acquisition is the carrying amount of the asset given up by SPT.

Assets are then carried in the Balance Sheet using the following measurement bases:

- buses, infrastructure, plant and machinery and sundry assets - depreciated historical cost;
- land and buildings - depreciated replacement cost or existing useful life; and
- all other assets - fair value, existing use value (EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Land and buildings were revalued by SPT's valuer as at 31 March 2023 and will be revalued in accordance with the valuer's 5-year programme. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Differs Materially:

Where due to the 5-year rolling valuation programme a category of assets have not been formally revalued during the year a review is undertaken by the District Valuer to assess that the carrying value of these assets does not differ materially from that held on the Balance Sheet. The materiality threshold has been determined to be 5% of the previous year value for Land & Building PPE which for 2024/25 is £6.336m. Where a material movement is indicated, this will be disclosed within the annual accounts and additional valuation work will be undertaken to estimate the impact of this movement.

Where decreases in value are identified, the revaluation loss is accounted as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); or
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

17. Property, Plant and Equipment (continued)

Impairment

Assets are assessed at each year-end as to 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 and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); or
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in 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 and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Surplus or Deficit on the Provision of Services in the CIES. Gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Surplus and Deficit on the Provision of Services in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in 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). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Fund, and can then only be used for new capital investment or set aside to reduce SPT's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against general funding, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. As a general rule new assets are depreciated from the 1st of April the year after they have come into service. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

17. Property, Plant and Equipment (continued)

Depreciation is calculated on the following basis:

Category	Valuer	Current Basis of Valuation	Date of Last Valuation	Useful Life
Land & Buildings	External Valuer	Lower of net current replacement cost or net realisable value in existing use	31/03/2023	Land: Not Applicable Buildings: 2 – 100 years
Plant & Machinery	Not applicable	Cost	N/A	2-30 years
Buses	Not applicable	Cost	N/A	5 years
Sundry Assets	Not applicable	Cost	N/A	2–40 years
Non – Operational Assets				
Assets Under Construction	Not applicable	Cost	N/A	N/A
Investment Properties	External Valuer	Market Value	31/03/2025	N/A
Investment Properties Held for Sale	Not applicable	Market Value	N/A	N/A
Land (non-operational)	Not applicable	Market Value	N/A	N/A

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Where staff / consultancy costs are capitalised they are aligned to the appropriate asset / component and depreciated over the life of the asset.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the General Fund.

Investment properties

Investment Properties include retail outlets contained within assets owned by SPT and other land and buildings, which are leased to third parties. The assets are valued annually at Fair Value (FV) in line with the guidance contained within the Code. The valuation method used is the market approach, which utilises prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets. This method of valuation corresponds with level 2 on the fair value hierarchy. Movements in valuations are initially recognised in the CIES, but are reversed through the movement in reserves statement before being posted to the capital adjustment account.

17. Property, Plant and Equipment (continued)

Infrastructure Assets

Infrastructure Assets relate to the Subway network and are comprised of Tunnels, Track, Electrical and Rolling Stock.

Recognition

Expenditure on the acquisition or replacement of components of the Subway network is capitalised on an accruals basis, provided that it is probable that the future economic benefits associated with the item will flow to SPT and the cost of the item can be measured reliably.

Measurement

Subway network infrastructure assets are measured at depreciated historical cost. Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Depreciation

Depreciation is provided on the parts of the Subway network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Annual depreciation is the depreciation amount allocated each year. Useful lives of the various parts of the Subway network are assessed by the Head of Engineering using industry standards where applicable as follows:

Catagory	Useful Life
Tunnels	15-40 years
Track	30 years
Electrical	5-40 years
Rolling Stock	15-35 years

Derecognition

The Scottish Government issued a Statutory Override under section 12(2)(b) of the Local Government in Scotland Act 2003 to manage historic issues surrounding the derecognition of infrastructure asset components, which had the potential for the gross cost of assets to be overstated, albeit that the NBV was still materially correct. SPT has adopted the Statutory Overrides in full, but particularly relevant to derecognition is Override 2, which is detailed below:

For accounting periods commencing from 1 April 2010 until 31 March 2024 the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be taken to be and accounted for as a nil amount. No subsequent adjustment shall be made to the carrying amount of the asset with respect to that part.

The statutory override has been extended until 31/03/2025 to allow time for a permanent solution to be out in place.

18. Related party transactions

Related party transactions are identified, considered and disclosed in line with the requirements of International Accounting Standard 24 - Related Party Disclosures (IAS 24).

19. Financial instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI).

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

There are two accounting reserves arising from the re-measurement of financial instruments:

- (i) The Financial Instruments Revaluation Reserve contains the gains made by the authority arising from increases in the value of its investments that are measured at fair value through other comprehensive income. The balance is reduced when investments with accumulated gains are:
 - revalued downwards or impaired and the gains are lost
 - disposed of and the gains are realised.
- (ii) The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

20. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES in the year. Where SPT has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged.

Revenue expenditure funded from capital is predominantly grants to other bodies to fund capital projects. The expenditure is recognised within the CIES, when the grant is approved by committee or in accordance with grant conditions.

21. 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. This applies to the adoption of the following new or amended standards within the 2025/26 Code:

- **IAS 21 *The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)*** issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- **IFRS 17 *Insurance Contracts*** issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

Overall, these new or amended standards are not expected to have a significant impact on the Annual Accounts.

22 Critical judgements made in applying accounting policies

In applying the accounting policies, SPT has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the annual accounts are as follows:

- Judgements made in respect of non-current assets as set out in accounting policy, 16 – Property Plant & Equipment. Land & Buildings are held at current value and are revalued on a five-year rolling basis, but additional valuations may be carried out on an ad-hoc basis out with the rolling programme arrangements, for example, when asset has been significantly modernised / upgraded. Land & Buildings were revalued as at 31/03/2023, with the exception of Broomloan Depot, Hillhead Station and Buchanan Bus Station which were revalued at 31/03/2025. Investment Properties were revalued at 31/03/2025.
- SPT has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgement made in the Statement of Accounts is in respect of Property, Plant and Equipment. Assets are categorised when capitalised as either infrastructure or other assets. This is a critical judgement due to the difference in measurement basis with infrastructure assets being held at depreciated historical cost and all other assets being held at current value. Infrastructure assets, as outlined in note 24, are those assets associated with delivering the Subway service that could not be repurposed for an alternative use.
- All other operational asset classes are valued on an historic cost basis. SPT asserts that at any point in time, the carrying amount does not differ materially from that which would be determined using current value.

23. Assumptions about the future and other sources of estimation uncertainty

The Financial Statements contain estimated figures that are based on assumptions made by SPT 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 the assumptions and estimates. The item in SPT's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year is as follows:

Item	Uncertainties	Effect if
Pensions Liability	Estimation of the net asset to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which pay is projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Strathclyde Pension Fund has engaged a firm of consulting actuaries to provide expert advice about the assumptions to be applied. The net pension liability of £2.115m is shown under long-term assets on the face of the balance sheet.	The sensitivities regarding the principal assumptions used by the consulting actuaries to measure the scheme liabilities are set out below: • A 0.1% decrease in the real discount rate would result in a 2% increase (£2.670 million) in the employer's obligation. • A 0.1% increase in the salary increase rate would result in a 0% increase (£0.165 million) in the employer's obligation. • A 0.1% increase in the pension increase rate would result in a 1% increase (£2.577 million) in the employer's obligation. • A 1-year increase in life expectancy would result in a 4% increase (£6.922 million) in the employer's obligation.

Comprehensive Income and Expenditure Statement for the year ended 31 March 2025

2023/24				2024/25		
Gross Expenditure £000	Gross Income £000	Net Expenditure of Continuing Operations £000		Gross Expenditure £000	Gross Income £000	Net Expenditure of Continuing Operations £000
36,353	(21,929)	14,424	Subway operations	38,485	(22,670)	15,815
22,466	(3,721)	18,745	Bus operations	23,857	(4,130)	19,727
1,014	0	1,014	Operations - Other	1,160	0	1,160
3,915	(409)	3,506	Business Support	4,079	(383)	3,696
20,749	(15,331)	5,418	Corporate	15,745	(8,389)	7,356
84,497	(41,390)	43,107	Cost Of Services	83,326	(35,572)	47,754
		(88)	Other Operating Expenditure / (Income) (note 6)			(20)
		(9,491)	Financing and Investment Income and Expenditure (note 7)			(9,429)
		(69,534)	Taxation and Non-Specific Grant Income (note 8)			(70,124)
		(36,006)	Surplus on Provision of Services			(31,819)
		0	Revaluation of non-current assets (note 10, Revaluation Reserve)			(396)
		4,189	Actuarial (gains) / losses on pension assets / liabilities and asset ceiling adjustment (note 10, Pensions Reserve)			(2,996)
		0	Other Comprehensive Income and Expenditure			0
		(31,817)	Total Comprehensive Income and Expenditure			(35,211)

Balance Sheet as at 31 March 2025

31 March 2024 £000		Note	31 March 2025 £000
331,842	Property, Plant & Equipment	24	355,731
0	Right of Use Assets	24	5,285
5,625	Investment Properties	20	6,419
98	Intangible Assets	22	329
5	Investments in Joint Ventures and Associates	36	5
88	Long-Term Debtors	28	0
337,658	Long-term Assets		367,769
56,607	Short-term Investments	26	57,636
983	Inventories	27	1,227
8,128	Short-term Debtors	29	26,153
128,343	Cash and Cash Equivalents	14	101,643
194,061	Current Assets		186,659
(27,888)	Short-term Creditors	30	(15,855)
(59)	Provisions	32	(146)
(27,947)	Current Liabilities		(16,001)
(2,597)	Other Long-term Liabilities (Pensions)	16	(2,115)
(172)	Long-Term Creditors	31	(98)
(2,769)	Long-term Liabilities		(2,213)
501,003	Net Assets		536,214
173,801	Usable Reserves	9	178,327
327,202	Unusable Reserves	10	357,887
501,003	Total Reserves		536,214

The unaudited accounts were issued on 13 June 2025 and the audited accounts were authorised for issue on 19 September 2025.

Lesley Aird

Director of Finance & Corporate Support

XX September 2025

Cash Flow Statement for the year ended 31 March 2025

2023/24 £000		2024/25 £000
36,006	Net surplus or (deficit) on the provision of services	31,819
19,929	Adjustments to net surplus or deficit on the provision of services for non-cash movements (note 11)	(2,078)
(8,857)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(8,616)
47,078	Net cash flows from Operating Activities	21,125
(31,776)	Investing Activities (note 12)	(48,116)
4,364	Financing Activities (note 13)	291
19,666	Net increase or (decrease) in cash and cash equivalents	(26,700)
108,677	Cash and cash equivalents at the beginning of the reporting period	128,343
128,343	Cash and cash equivalents at the end of the reporting period (note 14)	101,643

Movement in Reserves Statement

Current year

	General Fund Balance £000	Insurance Fund £000	Capital Fund £000	Renewal and Repair Fund £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Partnership Reserves £000
Balance at 31 March 2024	116,078	1,219	26,360	1,500	28,644	173,801	327,202	501,003
Movement in reserves during 2024/25								
Total Comprehensive Income and Expenditure	31,819	0	0	0	0	31,819	3,392	35,211
Adjustments to usable reserves permitted by accounting standards	1,655	0	0	0	0	1,655	(1,655)	0
Adjustments between accounting basis & funding basis under regulations (note 3)	(29,312)	0	26	0	338	(28,948)	28,948	0
Increase / (decrease) in 2024/25	4,162	0	26	0	338	4,526	30,685	35,211
Balance at 31 March 2025 carried forward	120,240	1,219	26,386	1,500	28,982	178,327	357,887	536,214

Movement in Reserves Statement (Cont'd)

Comparative information for 2023/24

	General Fund Balance £000	Insurance Fund £000	Capital Fund £000	Renewal and Repair Fund £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Partnership Reserves £000
Balance at 31 March 2023	109,679	1,219	26,259	1,500	21,108	159,765	309,421	469,186
Movement in reserves during 2023/24								
Total Comprehensive Income and Expenditure	36,006	0	0	0	0	36,006	(4,189)	31,817
Adjustments to usable reserves permitted by accounting standards	1,626	0	0	0	0	1,626	(1,626)	0
Adjustments between accounting basis & funding basis under regulations (note 3)	(31,233)	0	101	0	7,536	(23,596)	23,596	0
Increase / (decrease) in 2023/24	6,399	0	101	0	7,536	14,036	17,781	31,817
Balance at 31 March 2024 carried forward	116,078	1,219	26,360	1,500	28,644	173,801	327,202	501,003

Notes to the Financial Statements

1A. Expenditure and Funding Analysis for the year ended 31 March 2025

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (requisition income government grants) by SPT in comparison with those resources consumed or earned by SPT in accordance with proper accounting practice. It also shows how this expenditure is allocated for decision making purposes between the SPT's directorates. Income and expenditure accounted for under proper accounting practice is presented more fully in the Comprehensive Income and Expenditure Statement.

2023/24				2024/25		
Net Expenditure/ (Income) Chargeable to the General Fund £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000		Net Expenditure/ (Income) Chargeable to the General Fund £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
8,745	5,679	14,424	Subway operations	7,539	8,276	15,815
17,665	1,080	18,745	Bus operations	18,285	1,442	19,727
1,024	(10)	1,014	Operations - Other	1,004	156	1,160
3,530	(24)	3,506	Business Support	3,355	341	3,696
(4,261)	9,679	5,418	Corporate	(3,507)	10,863	7,356
10,272	(10,272)	0	Contribution to Subway Fund / Reserves	9,890	(9,890)	0
36,975	6,132	43,107	Cost Of Services	36,566	11,188	47,754
(36,975)	(42,138)	(79,113)	Other Income and Expenditure	(36,566)	(43,007)	(79,573)
0	(36,006)	(36,006)	(Surplus) or Deficit	0	(31,819)	(31,819)
(109,679)			Opening General Fund Balance	(116,078)		
(10,272)			(Surplus)/Deficit on the General Fund	(6,848)		
3,873			Transfer (to) / from other reserves	2,686		
(116,078)			Closing General Fund Balance	(120,240)		

**1B. Note to the Expenditure and Funding Analysis Statement (2024/25) –
Adjustments from General Fund to arrive at the Comprehensive Income
and Expenditure Statement amounts**

Current year	Adjustments for Capital Purposes £000	Net change for the Pension Adjustments £000	Other Differences £000	Total Adjustments £000
Subway operations	6,906	1,323	47	8,276
Bus operations	765	320	357	1,442
Operations – Other	0	156	0	156
Business Support	0	341	0	341
Corporate	1,962	191	8,710	10,863
Contribution to Reserves	(9,890)	0	0	(9,890)
Cost of Services	(257)	2,331	9,114	11,188
Other income and expenditure from the Expenditure and Funding Analysis	(28,759)	183	(14,431)	(43,007)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus on the Provision of Services	(29,016)	2,514	(5,317)	(31,819)

Other Differences in the table above relate to Rental Income, Interest Receivable and the movement in the Accumulated Absences Account.

Comparative Information for 2023/24	Adjustments for Capital Purposes £000	Net change for the Pension Adjustments £000	Other Differences £000	Total Adjustments £000
Subway operations	5,709	(98)	68	5,679
Bus operations	778	(24)	326	1,080
Operations – Other	0	(10)	0	(10)
Business Support	0	(24)	0	(24)
Corporate	511	(13)	9,181	9,679
Contribution to Reserves	(10,272)	0	0	(10,272)
Cost of Services	(3,274)	(169)	9,575	6,132
Other income and expenditure from the Expenditure and Funding Analysis	(32,592)	(69)	(9,477)	(42,138)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus on the Provision of Services	(35,866)	(238)	98	(36,006)

1C. Segmental Income and revenue from contracts with service recipients

Income received on a segmental basis is analysed below:

	2023/24 £000	2024/25 £000
Subway Operations		
Ticket Income	(20,932)	(21,812)
Advertising Income	(445)	(357)
Miscellaneous Income	(552)	(502)
Rental Income	(68)	(66)
Total Subway Income	(21,997)	(22,737)
Bus Operations		
Bus Departures and Parking	(1,351)	(1,514)
Agency Services	(514)	(552)
Miscellaneous Income	(1,634)	(1,820)
Rental Income	(326)	(370)
Bus Station Facilities	(172)	(204)
Advertising	(50)	(40)
Total Bus Income	(4,047)	(4,500)
Business Support		
Agency Services	(409)	(383)
Total Business Support	(409)	(383)
Corporate		
Interest Received	(8,857)	(8,620)
Agency Services	(1,426)	(1,258)
Rental Income	(226)	(222)
Miscellaneous Income	(388)	(3,107)
Total Corporate Income	(10,897)	(13,207)
Total income analysed on a segmental basis	(37,350)	(40,827)

Please note the figures provided above show core SPT income for services and differs from the CIES as items such as rental income and interest received which are shown after net cost of services are included above. In addition grant income utilised to fund 3rd Party Assets totalling £4.023m has been excluded.

With regard to revenue from contracts with service recipients the above fulfils SPT's basic reporting requirements. Further details of amounts owed to SPT can be found within Short-term Debtors (note 29). The specific accounts receivable balance, which relates to invoices issued by SPT, but remain unpaid can be found within the Financial Instruments note (note 34).

2. Reconciliation of Adjustments Between Accounting Basis and Funding Basis Shown in the Expenditure and Funding Analysis (EFA) with those shown in the Movement in Reserves Statement (MiRS)

2023/24 £000	Expenditure	2024/25 £000
36,006	Adjustments between Accounting basis and Funding Basis per EFA	31,819
3,873	Capital expenditure charged to the General Fund (excluding capital funded from revenue)	2,686
1,626	Adjustments to Usable reserves permitted by accounting standards	1,655
(10,272)	(Surplus)/Deficit on the General Fund	(6,848)
31,233	Adjustments between Accounting basis and Funding Basis per MiRS	29,312

3. Expenditure and Income Analysed by Nature

2023/24 £000	Expenditure	2024/25 £000
26,593	Employee costs	25,364
9,263	Premises costs	10,072
2,235	Supplies and services	1,250
126	Transport and plant	50
25,836	Third party payments	30,765
6,927	Financing and other costs (including impairments)	8,299
13,517	Grant Fund to Local Authorities and Others	5,193
0	Pension interest (income) / cost and expected return on pension assets	2,331
84,497	Total Expenditure	83,324
	Income	
(46,689)	Government grants	(35,448)
(36,361)	Other grants, reimbursements & contributions	(41,167)
(27,873)	Customer and client receipts	(29,079)
(9,580)	Financing and investment income	(9,449)
(120,503)	Total Income	(115,143)
(36,006)	Surplus on Provision of Services	(31,819)

4. Movement in Reserves Statement – Adjustments between Accounting Basis and Funding Basis under Regulations

2024/25

Usable Reserves

	General Fund Balance £000	Capital Fund £000	Capital Grants Unapplied Account £000
Adjustments to the revenue resources			
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:			
Pensions costs (transferred from (or to) the Pensions Reserve)	2,514	0	0
Holiday pay (transferred from (or to) the Accumulated Absences Account)	(131)	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(25,940)	0	338
Total adjustments to revenue resources	(23,557)	0	338
Adjustments between revenue and capital resources			
Transfer of non-current asset sale proceeds from revenue to the Capital Fund	(26)	26	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(5,729)	0	0
Total adjustments between revenue and capital resources	(5,755)	26	0
Adjustments to capital resources			
Application of capital grants to finance capital expenditure	0	0	0
Total adjustments to capital resources	0	0	0
Total adjustments	(29,312)	26	338

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by SPT in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to SPT to meet future capital and revenue expenditure.

4. Movement in Reserves Statement – Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

2023/24 Comparative Information

	Usable Reserves		
	General Fund Balance £000	Capital Fund £000	Capital Grants Unapplied Account £000
Adjustments to the revenue resources			
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:			
Pensions costs (transferred from (or to) the Pensions Reserve)	(239)	0	0
Holiday pay (transferred from (or to) the Accumulated Absences Account)	98	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(27,118)	0	214
Total adjustments to revenue resources	(27,259)	0	214
Adjustments between revenue and capital resources			
Transfer of non-current asset sale proceeds from revenue to the Capital Fund	(101)	101	0
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(3,873)	0	0
Total adjustments between revenue and capital resources	(3,974)	101	0
Adjustments to capital resources			
Application of capital grants to finance capital expenditure	0	0	7,322
Total adjustments to capital resources	0	0	7,322
Total adjustments	(31,233)	101	7,536

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by SPT in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to SPT to meet future capital and revenue expenditure.

5. Movement in General Fund Balance

A significant element of the General Fund Balance has been set aside for specific purposes. The movement in these earmarked amounts is shown in the following table:

General Fund Balance	Balance at 1 April 2023 £000	Transfers out 2023/24 £000	Transfers in 2023/24 £000	Balance at 31 March 2024 £000	Transfers out 2024/25 £000	Transfers in 2024/25 £000	Balance at 31 March 2025 £000
Subway Fund	58,313	0	3,143	61,456	0	0	61,456
Subway Infrastructure Fund	21,776	(3,873)	6,000	23,903	(2,686)	3,424	24,641
Transport Future Investment Fund	12,000	0	0	12,000	0	3,424	15,424
Strategic Bus Routes Fund	5,223	0	0	5,223	0	0	5,223
Earmarked	97,312	(3,873)	9,143	102,582	(2,686)	6,848	106,744
Non-earmarked	12,367	0	1,129	13,496	0	0	13,496
Total	109,679	(3,873)	10,272	116,078	(2,686)	6,848	120,240

5. Movement in General Fund Balance (continued)

The Transport (Scotland) Act 2019 enables Regional Transport Partnerships to hold and contribute to reserves. This resulted in SPT creating the above earmarked reserves during 2019/20, predominantly by releasing the balance under Receipts in Advance. These earmarked reserves are funds which have been set aside for specific purposes. Reserves are an important element of the resourcing available to fund one off costs associated with multi-year strategies, projects and programmes.

An updated Reserves Policy and an annual review of the reserve balances, as part of the budget setting process, was considered and approved by the Partnership at its meeting on 14 March 2025 and can be found at:

spt.co.uk/media/d0hbsc4c/p140325_agenda8.pdf

There is no restriction on whether the General Fund Balance can be used for capital or revenue purposes.

Subway Fund

To meet SPT's ongoing obligation to fund the overall Subway Modernisation Programme. In addition, the new trains, signalling and associated equipment are planned to have significant overhauls over their useful life. The fund may also be required to offset revenue spend in relation to severance costs and cover increased costs in relation to moving from the current to revised Subway operating model.

Subway Infrastructure Fund

To fund ongoing infrastructure works within the Subway, ensure that resources are available to respond to emerging events and the continued integrity of the system, eg tunnel linings, ramps etc following a survey carried out by external consultants which identified that significant works need to be undertaken to ensure that they continue to be structurally sound.

Transport Future Investment Fund

The Transport Future Investment Fund will be utilised to ensure that there is a steady pipeline of projects to be brought forward to the capital programme, fund preparatory works for major strategic projects and fund SPT's transport ambitions for the west of Scotland, including bus reform following on from the Transport (Scotland) Act 2019) and STPR2.

Strategic Bus Routes Fund

To be utilised in the event that an unanticipated material change occurs in the market provision or cost of the designated strategic bus routes. The fund would be utilised to cover short-term issues only and not to cover contracted revenue spend year-on-year.

Non-earmarked Balance

The non-earmarked balance equates to approximately six months of all income and is held as an organisational contingency.

6. Comprehensive Income and Expenditure Statement – Other Operating Expenditure / (Income)

2023/24 £000		2024/25 £000
(88)	Gains/losses on disposal of non-current assets	(20)
(88)	Total	(20)

7. Comprehensive Income and Expenditure Statement – Financing and Investment Income and Expenditure

2023/24 £000		2024/25 £000
0	Interest payable and similar charges	4
(69)	Pensions interest cost and expected return on pensions assets	183
54	Revaluation of Investment Property	(338)
(619)	Net rental income	(658)
(8,857)	Interest receivable and similar income	(8,620)
(9,491)	Total	(9,429)

8. Comprehensive Income and Expenditure Statement – Taxation and Non Specific Grant Incomes

2023/24 £000		2024/25 £000
(36,326)	Funding received as requisition from constituent local authorities	(35,949)
(650)	Scottish Government Revenue Grant	(617)
(32,522)	Scottish Government Capital Grant	(28,338)
(36)	Other Capital Grant	(62)
0	Donated Assets	(5,158)
(69,534)	Total	(70,124)

All of the above grants were credited to the “Taxation and Non-specific Grant Income” line on the Comprehensive Income and Expenditure Account.

9. Balance Sheet – Usable Reserves

Movements in SPT’s usable reserves are detailed in the Movement in Reserves Statement.

10. Balance Sheet – Unusable Reserves

31 March 2024 £000		31 March 2025 £000
65,354	Revaluation Reserve	64,095
264,730	Capital Adjustment Account	296,061
(2,597)	Pensions Reserve	(2,115)
(285)	Accumulating Absences Account	(154)
327,202	Total Unusable Reserves	357,887

Revaluation Reserve

The Revaluation Reserve contains the gains made by SPT arising from increases in the value of its property, plant and equipment and intangible assets. The balance is reduced when assets with accumulated gains are:

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

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2023/24 £000		2024/25 £000
66,980	Balance at 1 April	65,354
0	Upward revaluation of assets	808
0	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(412)
0	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	396
(1,626)	Difference between fair value depreciation and historical cost depreciation	(1,655)
0	Accumulated gains on assets sold or scrapped, written off to the Capital Adjustment Account	0
65,354	Balance at 31 March	64,095

10. Balance Sheet – Unusable Reserves (continued)

Capital Adjustment Account

The Capital Adjustment Account absorbs the 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. The account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to a historical cost basis). The account is credited with the amounts set aside by SPT as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by SPT.

The Account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 4 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

10. Balance Sheet – Unusable Reserves (continued)

2023/24 £000		2024/25 £000
241,275	Balance at 1 April	264,730
	Reversal of items relating to capital expenditure debited or credited to the CIES:	
(5,198)	Charges for depreciation and impairment of non-current assets	(6,412)
0	Revaluation of property, plant and equipment	(337)
(175)	Amortisation of intangible assets	(59)
(13,517)	Revenue expenditure funded from capital under statute	(5,193)
(13)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(6)
(18,903)		(12,007)
0	Adjusting amounts written out of the Revaluation Reserve	0
(18,903)	Net written out amount of the cost of non-current assets consumed in the year	(12,007)
	Capital financing applied in the year:	
45,861	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	32,085
0	Donated Assets	5,158
0	Principal Repaid – IFRS16	28
(7,322)	Application of grants to capital financing from the Capital Grants Unapplied Account	0
3,873	Capital expenditure charged against the General Fund	5,729
42,412		43,000
(54)	Movements in the market value of investment properties debited or credited to the Comprehensive Income and Expenditure Statement	338
264,730	Balance at 31 March	296,061

Pensions Reserve

The Pensions 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. SPT accounts for post-employment benefits in the CIES 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 SPT makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. For the current financial year, the pension asset of £142.014 million has been adjusted for the asset ceiling calculation required by IAS 19 / IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

10. Balance Sheet – Unusable Reserves (continued)

2023/24 £000		2024/25 £000
1,353	Balance at 1 April	(2,597)
111,026	Actuarial gains or (losses) on pension assets and liabilities	147,125
(115,215)	Asset Ceiling Adjustment	(144,129)
(3,655)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(4,363)
3,894	Employer's pensions contributions and direct payments to pensioners payable in the year	1,849
(2,597)	Balance at 31 March	(2,115)

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year (e.g. annual leave entitlement carried forward at 31 March). Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the account.

2023/24 £000		2024/25 £000
(187)	Balance at 1 April	(285)
0	Settlement or cancellation of accrual made at the end of the preceding year	0
(98)	Amounts accrued at the end of the current year	131
(98)	Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	131
(285)	Balance at 31 March	(154)

11. Cash Flow Statement – Non Cash Movements

2023/24 £000		2024/25 £000
6,824	Depreciation (note 24)	8,067
0	Asset impairments (note 23)	0
0	Revaluation of property, plant and equipment (note 24)	337
54	Revaluation of investment properties (note 20)	(338)
175	Amortisation of intangible assets (note 22)	59
(239)	(Charges)/credit for retirement benefits (note 16)	2,514
(88)	(Gain)/loss on asset disposal (note 6)	(20)
(5)	Increase / (decrease) in provisions for liabilities and charges (note 32)	87
13,517	Revenue expenditure funded from capital (note 25)	5,193
	Accruals adjustments:	
(280)	(Increase)/decrease in inventory	(244)
1,667	(Increase)/decrease in debtors	(18,452)
(1,696)	Increase/(decrease) in creditors	719
19,929	Total	(2,078)

12. Cash Flow Statement – Investing Activities

2023/24 £000		2024/25 £000
(39,613)	Purchase of property, plant and equipment, investment property, intangible assets and grants	(55,743)
(1,121)	Purchase of short-term and long-term investments	(1,029)
101	Proceeds from the sale of property, plant and equipment, investment properties and intangible assets	26
0	Proceeds from short-term and long-term investments	14
8,857	Interest received (note 7)	8,620
0	Interest paid	(4)
(31,776)	Net cash flows from investing activities	(48,116)

13. Cash Flow Statement – Financing Activities

2023/24 £000		2024/25 £000
4,364	Other receipts from financing activities	291
0	Other payments for financing activities	0
4,364	Net cash flows from financing activities	291

Net cash flows from financing activities arise from SPT's Agency Activities (note 19) and the related balances (notes 29 and 30).

14. Cash Flow Statement – Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2024 £000		31 March 2025 £000
14	Cash held by SPT	14
38,326	Current accounts with banks and building societies	16,626
90,003	Short-term deposits with banks and building societies	85,003
128,343	Total cash and cash equivalents	101,643

SPT currently holds substantial balances which will be used to fund the Subway modernisation programme and other future Subway initiatives.

15. External Audit Costs

SPT has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by SPT's external auditor.

2023/24 £000		2024/25 £000
90	Fees payable with regard to external audit services carried out by the appointed auditor for the year	91
1	Fees payable for additional services	1
91	Total	92

16. Defined Benefit Pension Schemes

Participation in pension schemes

The post-employment scheme for employees is the Local Government Pension Scheme (LGPS), and is administered in the west of Scotland by Glasgow City Council in respect of all local authorities and admitted bodies in the former Strathclyde area. This is a multi-employer scheme in which it is possible for an employer to identify its share of the assets and liabilities on a consistent and reasonable basis. Employer's liabilities can be evaluated directly by the Actuary at any time on membership data. Individual employer assets have been apportioned to each employer since 2002. Prior to that date, each employer was considered to have the same funding as the whole Fund.

Benefits

- It is a defined benefit Career Average Revalued Earnings (CARE) scheme (defined benefit final salary scheme prior 1st April 2015), meaning that SPT and employees pay contributions into a fund, calculated at a level to balance the pensions liability with investment assets.
- The pensions accrual rate guarantees a pension based on 1/49th of average pensionable salary and years of pensionable services (Prior to 2015, the accrual rate was 1/60th of final pensionable salary and years of pensionable services and prior to 2009, the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.). There is no automatic entitlement to a lump sum for the current scheme. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The scheme's normal retirement age for most members is 65, however it is based on state pension age. Pensions are increased annually in line with changes to the Pensions (Increases) Act 1971 and Section 59 of the Social Security Pensions Act 1975.

Governance

- The Strathclyde Pension Fund is operated under the regulatory framework for the LGPS in Scotland and the governance of the scheme is the responsibility of the Strathclyde Pension Fund Committee. This committee is comprised solely of elected members of Glasgow City Council. Employing authorities (including SPT) are represented at the Strathclyde Pension Fund Board.
- Policy is determined in accordance with the Local Government Pension Scheme (Scotland) Regulations. Management of the Fund's investments is carried out by the Fund's Investment Advisory Panel which selects and appoints a number of external investment managers/partners and monitors their investment performance.
- Under the Regulations, employers fall into three categories, scheme employers (also known as schedule bodies), community admission bodies and transferee admission bodies. Admission agreements are generally assumed to be open-ended. SPT is classed as a scheme employer under regulation. However, either party can voluntarily terminate the admission agreement by giving an appropriate period of notice to the other parties. Any deficit arising from the cessation valuation will usually be levied on the departing admission body as a capital payment.

16. Defined Benefit Pension Schemes (continued)

Principal Risks

- The principal risks to the scheme are the longevity assumptions, statutory changes to the scheme, changes to inflation, bond yields and the performance of the investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the General Fund the amount due by statute as described in the accounting policy note.

Discretionary Post-employment Benefits

- Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when an award is made. There are no plan assets built up to meet these pension liabilities.

Transactions Relating to Post-employment Benefits

The cost of retirement benefits is recognised in the reported Cost of Services when they are earned by SPT's employees, rather than when the benefits are eventually paid as pensions.

IAS19 standard for plan amendments, curtailments and settlements ("special events")

On 7 February 2018, the International Accounting Standards Board (IASB) issued amendments to the IAS19 standard for plan amendments, curtailments and settlements ("special events"). This affects any IAS19 employers with events such as bulk transfers or redundancies over the year.

The amendment requires restating the profit and loss items from the date of an event, by remeasuring both the asset and the liabilities using assumptions set at the event date. The impact of applying the amendment would adjust amounts between the Profit and Loss (P&L) and the Other Comprehensive Income (OCI). A triggering significant event has been defined as an event which impacts greater than 5% of an employer's active membership. There have been no events in 2024/25, which breach the 5% of active membership significance level and as such no adjustments have been made to the financial statements.

16. Defined Benefit Pension Schemes (continued)

The following transactions have been made in the financial statements in 2024/25 and the prior year 2023/24.

	2023/24 £000	2024/25 £000
Comprehensive Income and Expenditure Statement (CIES)		
Cost of Services:		
Service cost comprising		
• current service cost	3,724	3,870
• past service costs (including curtailments)	0	310
• curtailments and unfunded benefits	0	0
Financing and Investment Income and Expenditure		
• net interest expense	(69)	183
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	3,655	4,363
Other Post Employment Benefit Charged to the CIES		
• expected return on scheme assets	14,480	(3,852)
• re-measurements	96,546	6,848
Total Post Employment Benefit Charged to the CIES	114,681	7,359
Movement in Reserves Statement		
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(239)	2,514
Actual amount charged against the General Fund Balance for pensions in the year:		
• employers' contributions payable to scheme	3,894	1,849

16. Defined Benefit Pension Schemes (continued)

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from SPT's obligation in respect of its defined benefit plan is as follows:

	2023/24 £000	2024/25 £000
Present value of scheme liabilities	(197,422)	(173,044)
Fair value of scheme assets	310,040	315,058
Surplus / (Deficit)	112,618	142,014
Asset Ceiling Adjustment	(115,215)	(144,129)
Pension Asset / (Liability)	(2,597)	(2,115)

The pension asset / (liability) on the defined benefit plan has been adjusted for the ceiling calculation required by IAS19 / IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The total liability of £2.115m for 2024/25 represents the present value of unfunded obligations.

16. Defined Benefit Pension Schemes (continued)

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets	2023/24 £000	2024/25 £000
Opening fair value of pension fund assets at 1 April	284,650	310,040
Interest income	13,421	14,733
Re-measurement gains and (losses)		
• Other experiences	1,766	0
• The return on plan assets, excluding the amount included in the net interest expense	14,480	(3,852)
Contributions from employers	3,894	1,849
Contributions from employees into the scheme	1,201	1,293
Benefits paid	(9,372)	(9,005)
Closing balance at 31 March	310,040	315,058

Reconciliation of Present Value of the Scheme Liabilities	2023/24 £000	2024/25 £000
Opening balance at 1 April	186,376	197,422
Current service cost	3,724	3,870
Interest cost	8,748	9,386
Contributions by Pension Fund participants	1,201	1,293
Re-measurement (gains) and losses:		
• (Gains) / Losses arising from changes in demographic assumptions	(2,508)	(324)
• (Gains) / Losses arising from changes in financial assumptions	(6,387)	(27,812)
• (Gains) / Losses Other	15,640	(2,096)
Past service costs (including curtailments)	0	310
Benefits paid	(9,372)	(9,005)
Closing balance at 31 March	197,422	173,044

16. Defined Benefit Pension Schemes (continued)

Analysis of Pension Fund's Assets

SPT's share of the Pension Fund's assets comprised:

	2023/24			2024/25		
	Quoted Prices in Active Markets £000	Prices not quoted in Active Markets £000	Total £000	Quoted Prices in Active Markets £000	Prices not quoted in Active Markets £000	Total £000
Equity instruments (by industry type)						
• Consumer	14,319	4	14,323	15,524	33	15,557
• Manufacturing	17,863	5	17,868	14,679	20	14,699
• Energy & utilities	2,812	0	2,812	2,449	0	2,449
• Financial institutions	8,856	44	8,900	7,056	138	7,194
• Health & care	8,261	15	8,276	7,491	4	7,495
• Information technology	10,508	0	10,508	18,070	8	18,078
Sub-total equity	62,619	68	62,687	65,269	203	65,472
UK Property	0	24,378	24,378	0	23,770	23,770
Private equity	0	74,019	74,019	0	72,826	72,826
Other investment funds						
• Equities	1,273	105,646	106,919	1,154	75,745	76,899
• Bonds	0	36,166	36,166	0	66,459	66,459
• Commodities	0	124	124	0	154	154
• Infrastructure	0	0	0	0	1,112	1,112
• Other	0	0	0	0	700	700
Sub-total other investment funds	1,273	141,936	143,209	1,154	144,170	145,324
Cash and cash equivalents	483	5,264	5,747	0	7,666	7,666
Total assets	64,375	245,665	310,040	66,423	248,635	315,058

16. Defined Benefit Pension Schemes (continued)

Basis for Estimating Assets and Liabilities

SPT's share of the liabilities of The Strathclyde Pension Fund has been assessed on an actuarial basis using the projected unit method, that estimates the pension that will be payable in future years dependent upon assumptions about mortality rates and salary levels for example.

The Funds 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.

The significant assumptions used by the actuary have been:

Local Government Pension Scheme	2023/24	2024/25
Long-term expected rate of return on assets in the scheme:		
Equity investments	4.80%	5.80%
Bonds	4.80%	5.80%
Property	4.80%	5.80%
Cash	4.80%	5.80%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
• Men	19.9	19.8
• Women	22.0	21.9
Longevity at 65 for future pensioners:		
• Men	20.8	20.7
• Women	23.8	23.8
Rate of CPI	2.80%	2.80%
Rate of increase in salaries	3.50%	3.50%
Rate of increase in pensions	2.80%	2.80%
Rate for discounting fund liabilities	4.80%	5.80%
Take-up of option to convert annual pension into retirement lump sum	75%	75%

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have 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. The methods and types of assumption used in preparing the sensitivity analysis below did not change from this used in the previous period.

16. Defined Benefit Pension Schemes (continued)

Change in assumptions at 31 March 2025	Approximate % increase to Employer Liability	Approximate monetary amount £000
0.1% decrease in Real Discount Rate	2%	2,670
1 year increase in the member life expectancy	4%	6,922
0.1% increase in the Salary Increase Rate	0%	165
0.1% increase in the Pension Increase Rate	1%	2,577

In order to quantify the impact of a change in the financial assumptions used, the actuary has calculated and compared the value of the scheme liabilities as at 31 March 2025 on a varying basis. The approach taken is consistent with that adopted to derive the IAS19 figures contained in this note.

Asset and Liability Matching (ALM) Strategy

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching strategy (ALM) as this is used mainly by mature funds. The Fund does match, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. As is required by the pensions and investment regulations, the suitability of various types of investment has been considered, as has the need to diversify investments to reduce the risk of being invested into narrow a range. The Fund invests in equities, bonds, properties and in cash.

Impact on the Authority's Cash Flow

The objectives of the Fund are to keep employers' 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. The Scheme is a multi-employer defined benefit plan and employers' contributions have been determined so that employee and employer rates are standard across all participating Local Authorities. An actuarial valuation of the fund was undertaken in 2023, which has resulted in the contribution rates being set at 6.5% for the period 01/04/2024 to 31/03/2026 and 17.5% for the period 01/04/2026 to 31/03/2027.

The total contributions expected to be made by SPT to Strathclyde Pension Fund in the year to 31 March 2026 is £1.303 million.

The weighted average duration of the defined benefit obligation for Fund members is 15 years (2023/24: 15 years).

17. Events after the Balance Sheet Date

The accounts were authorised for issue by the Director of Finance & Corporate Support on 19 September 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

18. Related Parties

SPT is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence SPT. Disclosure of these transactions allows readers to assess the extent to which SPT 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.

Scottish Government and its agencies

The Scottish Government and its agencies have some control over the general operations of SPT – it is responsible for providing the statutory framework within which SPT operates and provides funding in the form of grants.

During 2024/25 Transport Scotland, an agency of the Scottish Government, provided SPT with revenue grant funding of £0.617 million (2023/24: £0.650 million) and capital grants totalling £32.023 million (2023/24: £45.825 million).

Grants received but not utilised at 31 March 2025 were £28.983 million (2023/24: £28.644 million) and are included in Capital Grants Unapplied Account.

18. Related Parties (continued)

Members and the 12 Local Authorities in Strathclyde

Nominated members from each of the 12 Local Authorities in Strathclyde have direct control over SPT's financial and operating policies. The total of members' allowances paid during 2024/25 is shown in the Remuneration Report.

During 2024/25 the 12 Local Authorities in Strathclyde provided funding totalling £35.949 million (2023/24: £36.326 million) in the form of requisition.

During 2024/25 SPT received revenue income and grants from local authorities totalling £0.570 million (2023/24: £0.498 million).

During 2024/25 SPT provided capital grants totalling £4.977 million (2023/24: £12.216 million) to Local Authorities within the SPT area in support of various transport improvement projects. SPT also paid for goods / services and provided revenue grants to local authorities totalling £1.602 million (2023/24: £0.906 million).

There is a balance of £0.994 million (2023/24: £1.043 million) in relation to outstanding invoices and accrued income within Short-term Debtors (note 29). There is also a balance of £2.328 million (2023/24: £13.561 million) within Short-term Creditors (note 30) which primarily relates to outstanding invoices.

Strathclyde Concessionary Travel Scheme (SCTS)

SPT provides SCTS with administrative and overhead support, as well as sharing a number of the same board members. During 2024/25 SPT charged £0.383 million (2023/24: £0.399 million) to SCTS for the provision of these services, and £0.424 million (2023/24: £0.298 million) received in income for Concessionary Travel reimbursements. Charges and income outstanding at 31 March 2025 was £0.084 million (2023/24: £0.157 million), and are included in note 29 Short-term Debtors.

Nevis Technologies Limited

SPT owns 49% of the ordinary shares in Nevis Technologies Limited, a joint venture between SPT and Ecebs Limited for the provision of a smartcard ticketing and payment service.

During 2024/25 SPT approved payments totalling £0.172 million (2023/24: £0.135 million) to Nevis Technologies Limited in support of smartcard ticketing and payment services. During 2024/25 SPT charged £0.038 million to Nevis Technologies (2023/24: £0.042 million).. A balance of £0.000 million (2023/24 £0.042 million) is included in note 29 Short-term Debtors.

19. Agency Activities

In addition to its statutory duties, SPT acted as agents in respect of the following services:

Total Costs 2023/24 £000		Administration Recharge £000	Direct Service Payments £000	Total Costs 2023/24 £000
43,489	School and Vocational Transport	1,063	45,167	46,230
965	Bus Shelter Maintenance	194	847	1,041
399	Strathclyde Concessionary Travel Scheme	383	0	383
44,853	Total	1,640	46,014	47,654

The above agency activities are carried out on a no loss, no profit basis for third parties. However, the administrative recharge of £1.640m is included in SPT's CIES to offset costs incurred in providing these agency activities.

20. Investment Properties

The following items of income and expenditure have been accounted for in the CIES:

2023/24 £000		2024/25 £000
(619)	Rental income from investment property	(658)
(619)	Total	(658)

There are no restrictions on SPT's ability to realise the value inherent in its investment properties or on SPT's right to the remittance of income and the proceeds of disposal.

The following table summarises the movement in the fair value of investment properties over the year:

2023/24 £000		2024/25 £000
5,675	Balance at start of year	5,625
4	Additions/(disposals)	0
(54)	Net gains/(losses) from fair value adjustments	338
0	Transfers	456
5,625	Balance at end of year	6,419

21. Leases – Right of Use Assets

SPT has adopted IFRS 16 from 1 April 2024, to recognise right of use assets, which has resulted in a number of leases moving onto SPT's balance sheet. Right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in the year of adoption and not by adjusting prior year figures.

The main impact of the new requirements is that, for arrangements previously accounted for as operating leases, a right-of-use asset and a lease liability are now on the balance sheet at 1 April 2024. Leases that expire on or before 31 March 2025 are exempt from IFRS 16 disclosure requirements.

The relevant PWB borrowing rate for the lease term has been applied to lease liabilities as at 1 April 2024.

As a lessee, SPT has previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Council. Under IFRS 16, the Council recognises right-of-use assets and lease liabilities for most leases.

SPT has decided to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets. SPT recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2023/24 £000		2024/25 £000
0	Value at 1st April	0
0	Additions	155
0	Principal Repaid	(28)
0	Value at 31 March	127
0	Analysed by:	
0	Current	29
0	Non-current	98
0	Total	127
0	Finance Lease Liabilities:	
0	Within one year	29
0	Between 2 and 5 years	83
0	Over 5 years	15
0	Balance at end of year	127

22. Intangible Assets

The movement on intangible asset balances during the year is as follows:

2023/24 £000		2024/25 £000
	Balance at start of year	
2,587	• Gross carrying amounts	1,753
(2,350)	• Accumulated amortisation	(1,655)
237	Net carrying amount at start of year	98
36	Additions: purchases	0
(870)	Disposals cost	(22)
0	Transfers cost	296
(175)	Amortisation for the period	(59)
870	Disposals amortisation	16
98	Net carrying amount at the end of year	329
	Comprising:	
1,753	• Gross carrying amounts	2,027
(1,655)	• Accumulated amortisation	(1,698)
98		329

23. Impairment Losses

As a result of the Subway modernisation programme, an annual review has been instigated of all Subway assets to determine if any would be rendered obsolete ahead of their scheduled useful life by the planned investment in new assets. This review also incorporates non-Subway assets. However, in 2024/25, no impairment losses have been identified (2023/24: no impairment losses have been identified).

24. Property, Plant and Equipment

Movements in 2024/25:

Cost or Valuation	Land & Buildings £000	Plant & Machinery £000	Buses £000	Sundry Assets £000	Assets Under Construction £000	Investment Properties £000	Right of Use Assets £000	Total £000
At 1 April 2024	126,834	10,585	5,025	5,979	119,384	5,625	0	273,432
Additions	84	13	0	377	28,113	0	5,313	33,900
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(228)	0	0	0	0	0	0	(228)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(789)	0	0	0	0	338	0	(451)
Derecognition – Disposals	0	0	(101)	(344)	0	0	0	(445)
Transfers	7492	1,770	0	0	(55,511)	456	0	(45,793)
At 31 March 2025	133,393	12,368	4,924	6,012	91,986	6,419	5,313	260,415
Accumulated Depreciation and Impairment								
At 1 April 2024	3,869	4,548	5,025	4,225	0	0	0	17,667
Depreciation charge	3,896	445	0	488	0	0	28	4,857
Depreciation written out to the Revaluation Reserve	(623)	0	0	0	0	0	0	(623)
Depreciation written out to the Surplus/Deficit on the Provision of Services	(452)	0	0	0	0	0	0	(452)
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0	0
Derecognition – Disposals	0	0	(101)	(344)	0	0	0	(445)
Transfers	(22)	0	0	0	0	0	0	(22)
At 31 March 2025	6,668	4,993	4,924	4,369	0	0	28	20,982
Net Book Value								
At 31 March 2025	126,725	7,375	0	1,643	91,986	6,419	5,285	239,433
At 31 March 2024	122,965	6,037	0	1,754	119,384	5,625	0	255,765

24. Property, Plant and Equipment (continued)

Comparative Movements in 2023/24:

Cost or Valuation	Land & Buildings £000	Plant & Machinery £000	Buses* £000	Sundry Assets £000	Assets Under Construction £000	Investment Properties £000	Investment Properties Held for Sale £000	Total £000
At 1 April 2023	126,320	10,390	32,855	6,577	131,689	5,675	0	313,506
Additions	490	45	0	504	24,605	4	0	25,648
Revaluation increases/(decreases) recognised in the Revaluation Reserve	0	0	0	0	0	0	0	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	(54)	0	(54)
Derecognition – Disposals	0	(67)	(331)	(1,102)	0	0	0	(1,500)
Transfers	24	217	(27,499)	0	(36,910)	0	0	(64,168)
At 31 March 2024	126,834	10,585	5,025	5,979	119,384	5,625	0	273,432
Accumulated Depreciation and Impairment								
At 1 April 2023	0	4,185	31,997	4,840	0	0	0	41,022
Depreciation charge	3,869	428	0	476	0	0	0	4,773
Depreciation written out to the Revaluation Reserve	0	0	0	0	0	0	0	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0	0
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0	0
Derecognition – Disposals	0	(65)	(331)	(1,091)	0	0	0	(1,487)
Transfers	0	0	(26,641)	0	0	0	0	(26,641)
At 31 March 2024	3,869	4,548	5,025	4,225	0	0	0	17,667
Net Book Value								
At 31 March 2024	122,965	6,037	0	1,754	119,384	5,625	0	255,765
At 31 March 2023	126,320	6,205	858	1,737	131,689	5,675	0	272,484

* Rolling Stock & Vehicles - during 2023/24, Rolling Stock has been re-classified and transferred to Infrastructure Assets with the remaining balances relating to Buses.

24. Property, Plant and Equipment (continued)

Infrastructure Assets

SPT has adopted the Statutory Overrides contained within the Local Government Finance Circular 09/2022:

Statutory Override - Accounting for Infrastructure Assets (www.gov.scot/publications/local-government-finance-circular-09-2022-statutory-override-accounting-for-infrastructure-assets) issued by the Scottish Government under section 12(2)(b) of the Local Government in Scotland Act 2003 in relation to infrastructure assets. The overrides were put in place to manage historic issues surrounding the derecognition of infrastructure asset components, which had the potential for the gross cost of assets to be overstated, albeit that the NBV was still materially correct. The Statutory Overrides that SPT has adopted are detailed below:

Statutory Override 1: For accounting periods commencing from 1 April 2021 until 31 March 2024 a local authority is not required to report the gross cost and accumulated depreciation for infrastructure assets.

Statutory Override 2: For accounting periods commencing from 1 April 2010 until 31 March 2024 the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be taken to be and accounted for as a nil amount. No subsequent adjustment shall be made to the carrying amount of the asset with respect to that part.

The statutory overrides were extended for a further 12 months until 31 March 2025 to allow more time for a permanent solution to be put in place.

Movements in 2024/25

	Tunnels £000	Track £000	Electrical £000	Rolling Stock £000	Total £000
Net Book Value (Modified Historical Cost)					
At 1 April 2024	32,272	11,167	1,033	37,230	81,702
Additions	3,832	203	0	0	4,035
Derecognition	0	0	0	0	0
Depreciation	(1,542)	(488)	(92)	(1,088)	(3,210)
Impairment	0	0	0	0	0
Transfers	0	0	0	45,475	45,475
At 31 March 2025	34,562	10,882	941	81,617	128,002

Comparative Movements in 2023/24

	Tunnels £000	Track £000	Electrical £000	Rolling Stock £000	Total £000
Net Book Value (Modified Historical Cost)					
At 1 April 2023	30,683	11,299	1,033	0	43,015
Additions	3,029	182	0	0	3,211
Derecognition	0	0	0	0	0
Depreciation	(1,440)	(477)	(86)	(48)	(2,051)
Impairment	0	0	0	0	0
Transfers	0	163	86	37,278	37,527
At 31 March 2024	32,272	11,167	1,033	37,230	81,702

24. Property, Plant and Equipment (continued)

Reconciliation of Property Plant and Equipment

2023/24 £000	Category	2024/25 £000
81,702	Infrastructure Assets	128,002
250,140	Other Property Plant and Equipment Assets	227,729
331,842	Total Property Plant and Equipment	355,731

Capital Commitments

SPT has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment. The major commitments are:

Service	Outstanding Commitments as at 31 March 2025 £	Contract Completion Dates
Subway Modernisation	35,577,288	Various
Subway Infrastructure Projects	9,632,173	Various
Subway Operations	2,582,176	Various
Digital	226,476	Various
Bus Operations	65,373	Various
Other	61,202	Various
Total	48,171,320	

Similar commitments at 31 March 2024 totalled £65,179,120.

24. Property, Plant and Equipment (continued)

Valuations

To comply with the Code and associated guidance, land and buildings were valued by external valuers, the Valuation Office Agency, as follows:

- In Use (Operational) Assets were valued at 31 March 2023 with the exception of Broomloan Depot and Hillhead Subway Station, which were valued at 31 March 2025;
- Investment Assets were valued at 31 March 2025;
- Buchanan Bus Station Land was valued as a Right of Use Asset; and
- Differs materially assessment of Land & Buildings, which resulted in no adjustments being necessary.

The valuations of land and buildings were prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors, in so far as they are consistent with the IFRS standards and CIPFA Code interpretation.

The basis of value applied was as follows:

a) In Use (Operational) Assets

- Valued to Current Value in existing use having regard to the service potential that an asset provides in support of the entity's service delivery.
- The measurement approaches used to arrive at the Current Value of In Use Assets are, for non-specialised operational assets, Existing Use Value (EUV) and for specialised operational assets Depreciated Replacement Cost (DRC).
- The assumption has been made that the properties valued will continue to be held by SPT for the foreseeable future having regard to the prospect and viability of the continuance of that occupation.

b) Investment Assets

- Valued to Fair Value as defined by IFRS 13, which equates to being the Market Value of the legal interest held.

25. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by SPT, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by SPT that has yet to be financed. The CFR is analysed in the second part of this note.

2023/24 £000		2024/25 £000
0	Opening Capital Financing Requirement	0
	Capital investment:	
28,859	Property, Plant and Equipment	32,621
36	Intangible Assets	0
13,517	Revenue expenditure funded from capital under statute	5,193
	Sources of finance:	
(38,539)	Government grants and other contributions	(32,085)
	Sums set aside from revenue:	
(3,873)	Direct revenue contributions	(5,729)
<u>0</u>	Closing Capital Financing Requirement	<u>0</u>

26. Short-term Investments

31 March 2024 £000		31 March 2025 £000
56,607	Deposits with banks and building societies	57,636
<u>56,607</u>	Total	<u>57,636</u>

SPT currently holds substantial balances which will be used to fund the Subway modernisation programme and other future Subway initiatives.

27. Inventories

2023/24 £000		2024/25 £000
703	Balance at start of year	983
1,230	Purchases	1,195
(950)	Recognised as an expense in the year	(951)
983	Balance at end of year	1,227

Inventories include both bus infrastructure and Subway stock holdings.

28. Long-term Debtors

31 March 2024 £000		31 March 2025 £000
88	Prepayments and Accrued Income	0
88	Total	0

29. Short-term Debtors

31 March 2024 £000		31 March 2025 £000
670	Trade Receivables	885
5,235	Prepayments and Accrued Income	21,890
1,229	Other receivables amounts	2,811
7,134		25,586
994	Agency Activities	567
8,128	Total	26,153

30. Short-term Creditors

31 March 2024 £000		31 March 2025 £000
3,598	Trade Payables	4,059
20,953	Accruals and Prepaid Income	8,522
1,475	Other payables amounts	1,548
26,026		14,129
1,862	Agency Activities	1,726
27,888	Total	15,855

31. Long-term Creditors

31 March 2024 £000		31 March 2025 £000
172	Accruals and Prepaid Income	0
0	Other payables amounts	98
172	Total	98

32. Provisions

	Injury and Damage Compensation Claims £000	Total £000
Balance at 1 April 2024	59	59
Additional provisions made in 2024/25	94	94
Amounts used in 2024/25	(4)	(4)
Unused amounts reversed in 2024/25	(3)	(3)
Balance at 31 March 2025	146	146

The Injury and Damage Compensation Claims provision relate to public or employee liability claims that have been raised against SPT and are a best estimate of the potential liability to SPT.

33. Contingent Liabilities

At 31 March 2025 SPT did not have any contingent liabilities (2023/24: nil).

34. Financial Instruments

SPT is debt free and therefore, SPT currently has no debt related financial instruments disclosure requirements. The following disclosure covers all areas relevant to SPT's activities. All financial assets and financial liabilities are held at amortised cost.

Financial Assets

Non-Current				Current			
Investments in Joint Ventures and Associates		Cash and Investments		Debtors		Total	
31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2025 £000	
Amortised Cost	5	5	184,950	159,279	8,216	26,153	185,437
Total	5	5	184,950	159,279	8,216	26,153	185,437

Financial Liabilities

Financial Liabilities		Non-Current Creditors		Current Creditors		Total
	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2025 £000	
Amortised Cost	0	98	28,060	15,855	15,953	
Total	0	98	28,060	15,855	15,953	

Financial Instruments Gains / Losses / Expenses charged during 2024/25 (at amortised cost)

The gain incurred by SPT in 2024/25 was an interest gain of £8.620 million (2023/24: £8.857 million). There was no expense as SPT is debt free at present, however £0.004 million of interest payable has been recognised due to IFRS16 – Leases.

35. Nature and Extent of Risk Arising from Financial Instruments

SPT's activities expose it to a variety of financial risks, including:

- credit risk – the possibility that other parties might fail to pay amounts due to the authority;
- liquidity risk – the possibility that SPT might not have funds available to meet its commitments to make payments; and
- market risk – the possibility that financial loss may arise for the authority as a result of changes in such measures as interest rates and stock market movements.

SPT's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by the finance team, under policies approved by the Partnership in the annual treasury management strategy.

Credit Risk

Credit risk arises from temporary deposits placed with banks and financial institutions, as well as credit exposure to SPT's customers.

The risk is minimised through the Annual Investment Strategy, which is available on SPT's website at:

spt.co.uk/media/jofbwk4f/p150324_agenda7.pdf

Credit Risk Management Practices

SPT's investment policy has regard to the Local Government Investment (Scotland) Regulations (and accompanying finance circular) and the CIPFA Treasury Management Code of Practice. SPT's investment priorities will be security first, liquidity second and then return. In accordance with the guidance from the Scottish Government and CIPFA, and in order to minimise the risk to investments, SPT:

- has defined a list of investment instruments that are authorised for use;
- has a defined creditworthiness policy;
- an approved counterparty list, which is kept under constant review; and
- counterparty limits to ensure that funds are spread over several financial institutions.

35. Nature and Extent of Risk Arising from Financial Instruments (continued)

The following analysis summarises SPT's potential maximum exposure to credit risk, based on experience of default assessed by the credit rating agency.

Amount as at 31 March 2024 £000		Amount as at 31 March 2025 £000	Historical Experience of Non-payment Adjusted for Market Conditions %	Estimated Maximum Exposure to Default and Un- collectability £000
186,902	Deposits with banks and other financial institutions	169,712	0	0
986	Customers	1,032	0	0
187,888	Total	170,744		0

Liquidity Risk

SPT has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the organisation has ready access to borrowings from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Market Risk

Movements in market interest rates expose SPT to risk due to uncertainty in the interest receivable on investments. Higher interest rates would increase income received on variable rate lending, which would impact on the CIES.

SPT's strategy for managing interest rate risk is covered in its Treasury Management Strategy. Taking cognisance of interest rate forecasts during the year, fixed rate investments may be taken for longer periods to secure better long-term returns.

35. Nature and Extent of Risk Arising from Financial Instruments (continued)

According to these investment strategies, as at 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

31 March 2024 £000	Estimated Financial Effect	31 March 2025 £000
(1,800)	Increase in interest receivable on variable rate investments	(1,734)
(1,800)	Net theoretical impact on I&E Account	(1,734)

The impact of a 1% decrease in interest rates would be as above but with the figures being reversed.

SPT has no exposure to any price risk as a result of equity share investments, or to any foreign exchange rate movements.

36. Interests in companies and other entities

During 2011/12 SPT acquired 49% of the ordinary shares in Nevis Technologies Limited, a company registered in Scotland, at a cost of £4,999. Nevis Technologies Limited is a joint venture between SPT and Ecebs Limited for the provision of a smartcard ticketing and payment service. This interest is recorded as a long-term investment at cost. Details of the transactions between SPT and Nevis Technologies can be found in note 18 Related Parties on page 64.

Group accounts have not been prepared on the grounds of materiality.

Remuneration Report

All information contained within the tables in the Remuneration Report has been audited by Audit Scotland. The other sections of the Remuneration Report were reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

The remuneration paid to SPT's senior employees is as follows:

Total Remuneration 2023/24 £		Salary, Fees & Allowances £	Total Remuneration 2024/25 £
173,023	Valerie Davidson: Chief Executive	178,762	178,762
126,149	Neil Wylie: Director (to 30/03/2024)	0	0
43,909	Lesley Aird: Director of Finance & Corporate Support (from 20/11/2023)*	124,840	124,840
48,531	Richard Robinson: Director of Transport Operations (from 06/11/2023)*	124,840	124,840
55,794	Antony Smith: Director of Subway (to 16/09/2023)*	0	0
447,406	Total	428,442	428,442

* The 2023/24 full year equivalent salaries for senior employees that left / joined during the years were £120,832.

The remuneration figures within 2023/24 may include one more day than normal due to their being 366 days between 01/04/2023 to 31/03/2024 rather than the normal 365.

The senior employees included in the table are those who have responsibility for management of SPT to the extent that the person has power to direct or control the major activities of the organisation (including activities involving the expenditure of money), during the period to which the Report relates, whether solely or collectively with other persons.

The salary of senior employees is set by reference to national local authority arrangements. The Scottish Joint Negotiating Committee for Local Authority Services sets the salaries for the Chief Executives of Scottish Local Authorities. SPT sets the salary of the Chief Executive with reference to this framework. These arrangements were approved by the Partnership on 24 March 2006 and reaffirmed by the Recruitment Committee on 22 October 2021.

The remuneration paid to SPT's Senior Councillors is as follows:

Total Remuneration 2023/24 £		Salary, Fees & Allowances £	Total Remuneration 2024/25 £
25,198	Stephen Dornan, Chair	26,687	26,687
13,860	Alan Moir, Vice Chair	14,679	14,679
13,860	David Wilson, Vice Chair	14,679	14,679
1,569	Donald Reid, Chair of Audit & Standards *	1,666	1,666
54,487	Total	57,711	57,711

* Vice chair remuneration is set at 75% of the Chair's remuneration and the Chair of Audit and Standards is set at 75% of the Vice Chairs, inclusive of any sum paid to them as a councillor, which can vary dependent on whether they hold any remunerated council office.

The remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004. However, these regulations do not apply directly to Regional Transport Authorities including SPT. Remuneration of councillors, namely the Chair and Vice-Chairs, is made under the previous powers of Strathclyde Passenger Transport Authority which were transferred to SPT. SPT has however adopted the principles outlined in the legislation in so far as is practicable. The level of payment to the Chair and Vice Chair(s) was approved by the Partnership on 31 May 2007. The Partnership again approved the remuneration principle and levels on 1 June 2017.

Remuneration paid to Councillors

SPT paid the following amounts to members (including Senior Councillors) of the Partnership during the year.

2023/24 £000		2024/25 £000
0	Salaries	0
54	Allowances	58
1	Expenses	1
55	Total	59

SPT is committed to promoting openness and transparency and therefore publishes Members' expenses at: spt.co.uk/about-us/who-we-are/our-team/members.

The pension entitlements of senior employees for the year to 31 March 2025 are shown in the table below together with the contribution made by SPT to each senior employee's pension during the year:

	In-year pension contributions			Accrued pension benefits	
	Year to 31 March 2024 £	Year to 31 March 2025 £		Year to 31 March 2024 £	Year to 31 March 2025 £
Valerie Davidson: Assistant Chief Executive	33,393	11,594	Pension	94,211	100,152
			Lump Sum	139,251	144,265
Neil Wylie: Director (to 30/03/2024)	24,347	0	Pension	66,172	0
			Lump Sum	86,736	0
Lesley Aird: Director of Finance & Corporate Support (from 20/11/2023)	8,474	8,097	Pension	41,909	57,688
			Lump Sum	88,792	91,988
Richard Robinson: Director of Transport Operations (from 06/11/2023)	9,366	8,097	Pension	905	3,512
			Lump Sum	0	0
Antony Smith: Director of Subway (to 16/09/2023)	10,768	0	Pension	10,403	0
			Lump Sum	0	0

Remuneration of councillors in SPT is not pensionable.

Employees

Pension benefits for local government employees are provided through the Local Government Pension Scheme (LGPS).

For local government employees this is a Career Average Revalued Earnings (CARE) pension scheme. This means that pension benefits are based on average pay and the number of years that person has been a member of the scheme.

The scheme's normal retirement age for most employees is 65, however it is based on state pension age.

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.

The tier rates for 2024-25 have stayed the same as they were for 2023-24. Tiers are as follows: Whole time pay	Contribution rate 2024/25	Contribution rate 2023/24
On earnings up to and including £27,000	5.5%	
On earnings above £27,001 and up to £33,000	7.25%	
On earnings above £33,001 and up to £45,300	8.5%	
On earnings above £45,301 and up to £60,400	9.5%	
On earnings of £60,401 and above	12%	
On earnings up to and including £25,300		5.5%
On earnings above £25,301 and up to £31,000		7.25%
On earnings above £31,001 and up to £42,500		8.5%
On earnings above £42,501 and up to £56,600		9.5%
On earnings of £56,601 and above		12%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for a lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of final pensionable salary and years of pensionable service, (prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary and years of pensionable service).

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 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.

SPT's employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions and including severance payments):

Remuneration band			2023/24 Number of employees	2024/25 Number of employees
£50,000	-	£54,999	35	58(1)
£55,000	-	£59,999	30	39
£60,000	-	£64,999	11	8
£65,000	-	£69,999	4(1)	7
£70,000	-	£74,999	4	3
£75,000	-	£79,999	10	5
£80,000	-	£84,999	2	10
£85,000	-	£89,999	4	3
£90,000	-	£94,999	2	0
£95,000	-	£99,999	1	1
£100,000	-	£104,999	0	0
£105,000	-	£109,999	0	1
£110,000	-	£114,999	0	0
£115,000	-	£119,999	0	0
£120,000	-	£124,999	1	2
£125,000	-	£129,999	0	0
£130,000	-	£134,999	0	0
£135,000	-	£139,999	0	0
£140,000	-	£144,999	0	0
£145,000	-	£149,999	0	0
£150,000	-	£154,999	0	0
£155,000	-	£159,999	0	0
£160,000	-	£164,999	0	0
£165,000	-	£169,999	0	0
£170,000	-	£174,999	1	0
£175,000	-	£179,999	0	1

Figures in brackets represent the number of employees in the year whose remuneration includes severance payments.

Exit Packages

The number of exit packages with total cost per band and total cost of all redundancies (including pension costs borne by the organisation) are set out in the tables below:

Exit package cost band	2023/24 Number of compulsory redundancies	2023/24 Number of other departures	2024/25 Number of compulsory redundancies	2024/25 Number of other departures
£0 - £20,000	0	0	0	0
£20,001 - £40,000	1	0	0	0
£40,001 - £60,000	0	0	0	0
£60,001 - £80,000	0	2	0	0
£80,001 - £100,000	0	0	0	3
£100,001 - £150,000	0	0	0	0
£150,001 - £200,000	0	0	0	0
Total	1	2	0	3

Exit package cost band	2023/24 Total number of exit packages by cost band	2023/24 Total cost of exit packages (£000)	2024/25 Total number of exit packages by cost band	2024/25 Total cost of exit packages (£000)
£0 - £20,000	0	0	0	0
£20,001 - £40,000	1	34	0	0
£40,001 - £60,000	0	0	0	0
£60,001 - £80,000	2	142	0	0
£80,001 - £100,000	0	0	3	268
£100,001 - £150,000	0	0	0	0
£150,001 - £200,000	0	0	0	0
Total	3	176	3	268

Facility Time

The tables below fulfil SPT's publication requirements under The Trade Union (Facility Time Publication Requirements) Regulations 2017 and covers the financial year 2024/25.

Table 1 - Relevant union officials

The table below represents the total number of employees who were relevant union officials during the year.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
17	17

Table 2 - Percentage of time spent on facility time

Union officials working hours spent on facility time, shown in percentage ranges.

Percentage of time	Number of employees
0%	5
1% – 50%	12
51% – 99%	0
100%	0

Table 3 - Percentage of pay bill spent on facility time

Description	Figures
Total cost of facility time	£10,899
Total pay bill	£25,538,000
Percentage of the total pay bill spent on facility time	0.04%

Table 4 - Paid trade union activities

The table below shows the time spent on paid trade union activities as a percentage of total paid facility time hours.

Time spent on paid trade union activities as a percentage of total paid facility time hours
0%

Stephen Dornan
Chair
XX September 2025

Valerie Davidson
Chief Executive
XX September 2025

Independent auditor's report to the members of Strathclyde Partnership for Transport and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Strathclyde Partnership for Transport 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, Balance Sheet, Cash Flow Statement and Movement in Reserves Statement 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 my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of Strathclyde Partnership for Transport 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

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 3 April 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of Strathclyde Partnership for Transport in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Strathclyde Partnership for Transport. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Strathclyde Partnership for Transport'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 Strathclyde Partnership for Transport's current or future financial sustainability. However, I report on Strathclyde Partnership for Transport's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

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

Responsibilities of the Director of Finance & Corporate Support and Audit and Standards Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Director of Finance & Corporate Support 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 Director of Finance & Corporate Support 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 Director of Finance & Corporate Support is responsible for assessing Strathclyde Partnership for Transport'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 Strathclyde Partnership for Transport's operations.

The Audit and Standards Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

Procedures include:

- using my understanding of the 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 Strathclyde Partnership for Transport;
- inquiring of the Director of Finance & Corporate Support as to other laws or regulations that may be expected to have a fundamental effect on the operations of Strathclyde Partnership for Transport;
- inquiring of the Director of Finance & Corporate Support concerning Strathclyde Partnership for Transport's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

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

Report on other requirements

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

I have audited the parts of the Remuneration Report described as audited. In my 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 Director of Finance & Corporate Support 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.

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the 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 my 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 I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with 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, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Fiona Mitchell-Knight FCA

Audit Director
Audit Scotland
The Athenaeum Building
8 Nelson Mandela Place
Glasgow, G2 1BT
19 September 2025



Strathclyde Partnership
for Transport

