

**Culture and Sport Glasgow**  
(A charity limited by guarantee)

**Report and Group Financial Statements**  
**Year Ended 31 March 2019**

Registered number SC313851 (registered in Scotland)

Scottish Charity number SC 037844

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## **ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

The Directors, who are the Trustees for the purposes of charity law, are pleased to present their annual report (including their strategic report) and group financial statements for the year ended 31 March 2019. Culture and Sport Glasgow has been entered into the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005, to refer to itself as a charity registered in Scotland.

These are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Glasgow Life is the operating name of Culture and Sport Glasgow and Culture and Sport (Trading) CIC.

### **Objectives and Activities**

#### **Principal activity**

The principal activity of the charity is the provision of cultural, recreation and leisure facilities on behalf of Glasgow City Council in accordance with the following charitable objectives to:

- Provide or assist in the provision of facilities for recreation or other leisure time occupation in the interests of social welfare for the general public and in particular in connection with the local authority area of The City of Glasgow as defined in the Local Government etc. (Scotland) Act 1994 with the object of improving the conditions of life for the Community;
- Provide, whilst providing or assisting in the provision of such facilities for the Community, special facilities for persons who by reason of their youth, infirmity or disability, poverty or social and economic circumstances may need special facilities; and
- Promote good health among the Community through education, healthy eating and standards of nutrition together with exercise and play.

#### **Vision Statement**

"To inspire Glasgow's citizens and visitors to lead richer and more active lives through culture and sport".

#### **Strategic Objectives**

Glasgow Life's strategic objectives are outcome focussed and ensure that we can align the delivery of all our services to the City's strategic priorities, as follows:

- Glasgow citizens will flourish in their personal, family and community life (through regular participation in learning, sport, cultural and creative opportunities).
- Enhanced skills and learning among (and contribute to the employability of) our citizens.
- Glasgow's local, national and international image, identity and infrastructure are enhanced.
- (Contribute to) Glasgow is a safer, greener and more sustainable city.
- Glasgow Life is a continuously improving, effective and efficient organisation providing high quality services.
- Glasgow's cultural heritage is protected and shared with its citizens and visitors.
- Reduced inequalities in Glasgow (relative to Scotland and between Glasgow Citizens).
- Enhanced health and wellbeing for all those who live and work in Glasgow.

The Company Business and Service Plan which includes our Strategic Context and Strategic Outcomes is approved by the Board on an annual basis. This was last approved by the Board on the 29th March 2019.




**STRATEGIC REPORT – the headings ‘achievements and performance, financial review and plans for future periods’ form the Strategic Report.**

**Achievements and performance**



Glasgow Life’s performance management framework monitors the progress of all our services with a focus on meeting the city’s priorities and our charitable objectives. To support this approach our focus is underpinned by:

- Glasgow Life’s Business and Service Plan (annual)
- Glasgow City Council’s Strategic Plan (2017-2022)
- Commonwealth Games Legacy Framework (2009-2019)








We ensure that SMART (specific, measurable, attainable, realistic and timely) measures are adopted when setting targets for performance indicators and we use Audit Scotland’s system to demonstrate progress against targets:

-  More than 5% below targeted performance
-  2.5% to 4.9% below targeted performance
-  Performance between -2.49% and target(or better)





During 2018/19 we agreed to report to Glasgow City Council on these three key areas:

Measure	Target	Actual	Status
Total no of attendances at Glasgow Life directly managed venues excluding festivals and events	18.2 million	18.9 million	
Income generated through the company’s charity and CIC	£38.7 million (charity) £31.3 million (CIC) £7.4 million	£38.4 million (charity) £31.1 million (CIC) £7.3 million	

Performance is reported to Glasgow Life’s Board throughout the year across a range of measures including a breakdown of usage of every Glasgow Life service area.

Measure	Target	Actual	Status
Total no of attendances at Glasgow Life directly managed venues, including festivals and events	18,203,470	18,893,058	
Glasgow Communities	1,406,235	1,446,648	
Glasgow Arts, Music & Cultural Venues*	1,357,563	1,637,323	
Glasgow Libraries	4,853,666	4,659,445	
Glasgow Museums	3,655,225	3,826,273	
Glasgow Sport	6,503,226	6,941,711	
Glasgow Events	427,555	381,658	

\* Includes attendances to Celtic Connections, Merchant City Festival, Mela and Glasgow International

Glasgow Convention Bureau	Year end 2017/18	Target 2018/19	Actual 2018/19	Status
Economic Value of Conferences	123,713,904	130,000,000	150,198,377	
Actual conference delegate nights in the city	344,690	370,000	423,709	
No of delegate days for future years	390,000	305,000	394,077	
Economic value of conference sales won for future years	143,228,607	130,000,000	134,651,368	

## Financial Review

### Review of the year

The results for the year are shown on page 14 in the group statement of financial activities.

The surplus on unrestricted general funds for the year to 31 March 2019 was £21,000 (2018: surplus £19,000). After accounting for the group and the charity's participation in the Strathclyde Pension Fund and movement on unrestricted designated funds, the overall unrestricted balance for the group at 31 March 2019 was a deficit of £79,031,000 (2018: £40,941,000). The group generated £16,380,000 (2018: £12,773,000) of restricted funds during the year, which after expenditure of £12,503,000 (2018: £12,121,000) and transfer of funds of £511,000 (2018: £663,000) had a closing balance of £15,670,000 (2018: £11,282,000).

The overall group reserve position is a deficit of £63,361,000 (2018: deficit of £29,659,000) as a result of the pension liability as at 31 March 2019 of £80,555,000 (2018: £42,660,000).

The financial statements have been prepared on the going concern basis as management believe that the group has sufficient net assets, post balance sheet date, to meet the annual cash commitments required to service the long term pension liability for a period in excess of 12 months from the signing of the financial statements given that the long term pension liability will not fall due in any one year.

The subsidiary company, Culture and Sport Glasgow (Trading) CIC, has a turnover of £10,045,000 (2018: £9,794,000) generating a profit before tax of £1,730,000 (2018: £1,930,000). The subsidiary company gifted £1,730,000 to the charitable company (2018: £1,931,000). It is intended that the subsidiary company will gift aid or covenant all future profits generated to the parent charitable company.

The key performance indicators used by management during the year have been included within the performance review section of this report.

### Investment policy

The charity had substantial cash balances as at 31 March 2019, primarily as a result of timing differences in respect of payments to the parent organisation, and other creditors. Free reserves of the charity and the trading subsidiary will be invested in external cash term deposits where cash flow projections permit, to maximise the rate of return while minimising the risk.

### Risk Assessment

The company applies a significant level of corporate governance to the identification and management of business risk. A detailed risk register is maintained and reviewed regularly by the Senior Management Team and includes amongst others, areas ranging from employee engagement and management, health and safety, financial risk, corporate compliance, service delivery and property management.

The risk register has been presented to the Audit Committee for scrutiny during the year to ensure that risk is drawn to the attention of the Directors and that appropriate arrangements are established to mitigate identified risks. The Director of Finance & Corporate Services has responsibility for ensuring all risks identified are managed to the agreed outcomes.

The top 5 risks identified are disruption to services while implementing organisational change; impact of change programme across Glasgow Life; ability to deliver a sustainable budget; ability to deliver the savings required over the next 3 years and the impact of economic constraint on capital investment in property infrastructure.

### Reserves policy

The charity holds restricted and unrestricted reserves. Within unrestricted reserves, the charity has designated within the pension reserve the long term pension liabilities arising from its participation in the Strathclyde Pension Fund. The Board of Directors' intention is to accumulate an undesignated reserve fund which is sufficient to allow the charity protection against future adverse economic conditions or investment challenges. The Audit Committee reviews the reserves Policy on an annual basis and at its meeting on 6<sup>th</sup> December 2018, agreed to continue the reserves policy of a target of between 1.5% and 2.5% of turnover to provide protection against future adverse economic conditions. The Board continues to review this position on an ongoing basis. General reserves, which are shown in the balance sheet as unrestricted funds, amount to £594,000 (2018: £573,000), before inclusion of the pension reserve. This amount represents 0.5% of total unrestricted income which is below the target of reserves. The Board is aware that this remains below the target for reserves and will aim to rebuild reserves steadily when finances permit. The drop in reserves was a result of the change to Accounting Policies in 2016/17 which required the inclusion of an Employee Benefit Accrual. The Board of Directors has approved a budget for 2019-20 which aims to generate a breakeven position.

In line with the charity's contract with Glasgow City Council the Service Fee received for the provision of services is agreed annually. In the year ended 31 March 2019 this amounted to £73,375,000 (2017: £73,549,000), which is the equivalent of eight months funding of expenditure (2018: eight months). The Directors will continue to monitor the funding position as the year progresses. The significant deficit on the designated pension reserve will be serviced through contributions to the scheme as determined by the actuaries on the basis of the triennial funding valuation.

### Plans for future periods

#### Targets for 2019-20

A target of 18,018,392 has been approved for attendances at Glasgow Life directly managed venues, events and festivals for the financial year 2019/20. This takes into account a number of influencing factors, including the planned closure of venues for maintenance and refurbishment and a planned investment programme for Glasgow Sport, Communities and Libraries.

Service	Target
Community Facilities	1,363,581
Glasgow Arts, Music, Cultural Venues and Festivals*	1,105,000
Glasgow Events	439,284
Glasgow Libraries	4,703,027
Glasgow Museums	3,519,500
Glasgow Sport	6,888,000
<b>Total</b>	<b>18,018,392</b>

\*Includes attendances at Celtic Connections, Merchant City Festival, Mela and Glasgow International

**Glasgow Convention Bureau Finance targets for 19/20:**

<b>Glasgow Conventions</b>	<b>Target</b>
Economic value of conference sales won for future years	£130 million
Actual economic value of conferences taking place in the city during this financial year	£130 million
<b>Total</b>	<b>£260 million</b>

**Income generated through the company's charity and CIC targets:**

<b>Income generation</b>	<b>Target</b>
Charity	£32.2 million
CIC	£6.9 million
<b>Total</b>	<b>£39.1 million</b>

## **Structure, Governance and Management**

### **Charitable status**

The charity is limited by guarantee, governed by its memorandum and articles of association and consequently it does not have a share capital. Each member has undertaken to contribute an amount not exceeding one pound towards any deficit arising in the event of the charity being wound up. Glasgow City Council guarantees to accept liability for any unfunded costs which may arise with regard to Culture and Sport Glasgow relating to its membership of the Strathclyde Pension Fund, a Local Government Pension Scheme (LGPS) administered by Glasgow City Council should it cease to exist, withdraw from LGPS or otherwise be unable to continue to cover any unfunded liabilities. The charity has charitable status under Section 505 of the income and Corporation Taxes Act 1988 and the Scottish Charity Number is SC037844.

### **Directors**

A list of current directors, including those who served during the year, can be found on page 7. The composition of the Board of Directors is as follows:

- The maximum number of directors shall be fourteen (2018: fourteen) of which: -
  - A maximum of five (2018: five) directors shall be “Partner Directors” i.e. any elected member of Glasgow City Council who is willing to act as a director, appointed by Glasgow City Council
  - A maximum of eight (2018: eight) directors shall be “Independent Directors”
  - A maximum of one (2018: one) shall be the Executive Director

Glasgow City Council, so long as it remains a member of the Company, shall appoint both Partner and Independent Directors to the Board. In the case of Independent Directors, the Council shall be guided by a Nominations Committee, established by the Board of Culture and Sport Glasgow, in relation to the selection of appropriate individuals for appointment. With regard to the Executive Director, it is for the Directors, at the first meeting of Directors to be held after the appointment of any individual to the post of Chief Executive of the Company, to appoint that individual as an Executive Director.

### **Policies and procedure for induction and training of directors**

An induction training process is in place for all new directors, and this covers both the strategic and operational issues affecting the charity. The ongoing training needs of the directors are considered by the board and where appropriate internal and external training is provided.

### **Organisation Structure**

The Board of Directors meets ordinarily every two months with Senior Management present. Decisions are taken and set the overall strategy for the business as well as to monitor its activities. Senior Management is charged with the task of implementing these decisions. Responsibility for day to day operations of the charity has been delegated to the Chief Executive, who is also a director. The Audit Committee meets to consider the strategic management of the charity's financial resources, both capital and revenue. This includes liaison with internal and external auditors and consideration of risks.

The charity has a trading subsidiary, Culture and Sport Glasgow (Trading) CIC, the results of which are consolidated into the charity's financial statements. The subsidiary company provides services such as catering facilities and the provision of retail shopping in the venues operated by the charity. Following the integration of Glasgow City Marketing Bureau during 16/17 CIC activity also now includes the work of the Glasgow Convention Bureau and Destination Marketing who contribute to the delivery of Glasgow's Tourism and Visitor Plan. Surpluses generated from these activities are paid over by gift aid to the charity during the year.

The ultimate parent undertaking, who consolidate the results of the charity and its group, is Glasgow City Council.

### **Employees**

The charity maintains a policy of regularly providing all employees and, where represented, trade unions with information on the charity's performance. It is the charity's policy to give full consideration to applicants with a disability and we have a variety of policies, procedures and guidance to support them in the workplace.



## Directors' Indemnities

The directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 243 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The charity also purchased and maintained throughout the financial year, Directors' and Officers' liability insurance in respect of itself and its directors.

## Reference and administrative information

<b>Company number</b>	SC 313851 (registered in Scotland)
<b>Charity number</b>	SC 037844
<b>Registered Office</b>	Culture & Sport Glasgow 220 High Street Glasgow G4 0QW
<b>Independent Auditors</b>	Scott-Moncrieff 25 Bothwell Street Glasgow G2 6NL
<b>Solicitors</b>	GCC Legal Services 235 George Street Glasgow G1 1QZ
<b>Bankers</b>	Royal Bank of Scotland Kirkstane House 139 St Vincent Street Glasgow G2 5JF
<b>Company Secretary</b>	Jan Buchanan

The directors of the charity (who are also the trustees of the charity for the purposes of charity law) who were in office during the year and up to the date of signing of the financial statements were:

## Directors

	Appointment date	Resignation date
Councillor David McDonald (Chair)		
Dr Bridget McConnell CBE (Chief Executive)		
Sir Angus Grossart		
Professor Lesley Sawers OBE		
Mr Dilawer Singh MBE		
Mrs Lee Bonthron		
Bailie Annette Christie	14 Sept 2018	16 May 2019
Councillor Michael Cullen	23 Nov 2018	
Mr John McCormick		
Professor Sir Anton Muscatelli		
Bailie Norman MacLeod		
Bailie Elaine Ballantyne		14 Sept 2018
Councillor Christina Cannon		01 Nov 2018
Councillor Maureen Burke		
Mr Benny Higgins		
Mr Iain MacRitchie	20 April 2018	
Councillor Francis Scally	21 May 2019	

## **Key management personnel**

Chief Executive	Dr B McConnell
Director of City Marketing & External Relations	S Deighan
Director of Finance & Corporate Services	J Buchanan
Director of Cultural Services	S Miller
Director of Sport and Events	W Garrett

## **Disclosure of information to auditors**

The directors who held office at the date of the approval of this Annual Report confirm that, so far as each director is aware, there is no relevant audit information of which the auditors are unaware; and each director has taken the appropriate steps that they ought to have taken as a director to make themselves aware of any such information and to establish that the auditors are aware of it.

## **Approval of the Annual report, on behalf of the Board of Directors**

In approving the Annual Report, the directors are also approving the Strategic Report in their capacity as company directors.

Approved by the Board on 18<sup>th</sup> September 2019 and signed on its behalf by:

**David McDonald**  
*Chair*

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors (who are also trustees of Culture and Sport Glasgow for the purposes of charity law) are responsible for preparing the Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the director to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the directors are required to:

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

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

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

## **STATEMENT OF INTERNAL CONTROL**

### **Scope of Responsibility**

As Director of Finance and Corporate Services, I have responsibility for maintaining a sound system of internal control that supports the Charity in delivering its Objectives and Activities, while safeguarding the assets and their use for charitable purposes.

### **Purpose of the System of Internal Control**

The system of internal control is designed to minimise rather than eliminate the risk of failure to achieve the charity's objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system is based on an ongoing process designed to identify the principal risks to the achievement of the charity's objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The process is consistent with guidance in the Scottish Public Finance Manual (SPFM) and has been in place for the year ended 31 March 2019 and up to the date of approval of the annual report and financial statements.

### **Risk and Control Framework**

Our Risk Management process is also consistent with the key principles for a successful risk management strategy as set out in the SPFM. The Risk Register undergoes a major review on a six monthly basis with the outcomes of the review being reported directly to the Senior Management Team and the Audit Committee. The top five risks are also reported to the Board of Directors at every meeting.

Glasgow Life is committed to a process of continuous development and improvement in this area and is open to all developments in best practice in this area. We continue to engage with our Internal Auditors and our Insurance Brokers to share best practice in the review and development of our Risk Register.

### **Review of Effectiveness**

As Director of Finance and Corporate Services, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by: -

- the management within the organisation who have responsibility for the development and maintenance of the internal control framework;
- the work of our internal auditors, who submit to the Audit Committee regular reports which include the Chief Internal Auditors independent and objective opinion on the adequacy and effectiveness of the organisations systems of internal control along with recommendations for improvement;
- comments made by the external auditors in their management letters and other reports.

Appropriate action is in place to address any weaknesses identified and we work closely with management and our auditors to ensure the continuous improvement of the system.

**Jan Buchanan**

*Director of Finance and Corporate Services*

## **INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF CULTURE AND SPORT GLASGOW**

### **Opinion**

We have audited the financial statements of Culture and Sport Glasgow (the parent charitable company) and its subsidiary (the group) for the year ended 31 March 2019 which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2019 and of the group's and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the Annual Report (incorporating the Strategic Report), which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Annual Report (incorporating the Strategic Report) have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report (incorporating the Strategic Report).

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of the directors**

As explained more fully in the directors' responsibilities statement set out on page 9, the directors (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**Use of our report**

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's directors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the parent charitable company's members, as a body, and the charitable company's directors, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, the parent charitable company's members, as a body, and the parent charitable company's directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Nick Bennett (Senior Statutory Auditor)  
For and on behalf of Scott-Moncrieff, Statutory Auditor  
Scott-Moncrieff is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006  
Allan House  
25 Bothwell Street  
Glasgow  
G4 0QW

Date.....

**Group Statement of Financial Activities**  
**(incorporating a group income and expenditure account)**  
**For the year ended 31 March 2019**

	Notes	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Unrestricted Pension/Employee Funds £000	Total Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
<b>Income from:</b>								
Donations and legacies	7	2,911	-	-	2,911	13,192	16,103	11,958
Other trading activities								
Commercial trading Company	9	7,292	-	-	7,292	834	8,126	7,669
Glasgow City Marketing Bureau								
Investments	6	42	-	-	42	22	64	65
Charitable activities	8							
Provision of leisure and cultural facilities		28,116	-	-	28,116	2,332	30,448	28,241
Service contract with Glasgow City Council		73,375	-	-	73,375		73,375	73,549
<b>Total</b>		<b>111,736</b>	<b>-</b>	<b>-</b>	<b>111,736</b>	<b>16,380</b>	<b>128,116</b>	<b>121,482</b>
<b>Expenditure on:</b>								
Other trading activities								
Commercial trading company	9	(7,558)	-	-	(7,558)	(761)	(8,319)	(7,868)
Glasgow City Marketing Bureau								
Charitable activities								
Provision of leisure and cultural facilities	3	(103,629)	(233)	(18,822)	(122,684)	(11,742)	(134,426)	(123,496)
<b>Total</b>		<b>(111,187)</b>	<b>(233)</b>	<b>(18,822)</b>	<b>(130,242)</b>	<b>(12,503)</b>	<b>(142,745)</b>	<b>(131,364)</b>
<b>Net income/(expenditure)</b>		<b>549</b>	<b>(233)</b>	<b>(18,822)</b>	<b>(18,506)</b>	<b>3,877</b>	<b>(14,629)</b>	<b>(9,882)</b>
Transfers between funds		(528)	17	-	(511)	511	0	-
<b>Other recognised gains/(losses)</b>								
Actuarial gains/(losses) on defined benefit pension schemes	21	-	-	(19,073)	(19,073)	-	(19,073)	71,837
Balance on GCMB defined benefit pension scheme								
<b>Net movement in funds</b>		<b>21</b>	<b>(216)</b>	<b>(37,895)</b>	<b>(38,090)</b>	<b>4,388</b>	<b>(33,702)</b>	<b>61,955</b>
<b>Reconciliation of funds:</b>								
Total funds brought forward		573	1,146	(42,660)	(40,941)	11,282	(29,659)	(91,614)
<b>Total funds carried forward</b>		<b>594</b>	<b>930</b>	<b>(80,555)</b>	<b>(79,031)</b>	<b>15,670</b>	<b>(63,361)</b>	<b>(29,659)</b>

All of the activities are continuing. All gains and losses in the current and prior years are included in the Statement of Financial Activities.



**Parent Charity Statement of Financial Activities  
(incorporating an income and expenditure account)  
For the year ended 31 March 2019**

	Notes	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Unrestricted Pension/Employee Funds £000	Total Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
<b>Income from:</b>								
Donations and legacies	7	4,641	-	-	4,641	13,192	17,833	13,888
Investments	6	38	-	-	38	22	60	61
Charitable activities	8							
<i>Provision of leisure and cultural facilities</i>		28,116	-	-	28,116	2,332	30,448	28,241
<i>Service contract with Glasgow City Council</i>		71,383	-	-	71,383		71,383	71,180
<b>Total</b>		<b>104,178</b>	<b>-</b>	<b>-</b>	<b>104,178</b>	<b>15,546</b>	<b>119,724</b>	<b>113,370</b>
<b>Expenditure on:</b>								
Charitable activities								
<i>Provision of leisure and cultural facilities</i>	3	(103,629)	(233)	(18,822)	(122,684)	(11,742)	(134,426)	(126,206)
<b>Total</b>		<b>(103,629)</b>	<b>(233)</b>	<b>(18,822)</b>	<b>(122,684)</b>	<b>(11,742)</b>	<b>(134,426)</b>	<b>(126,206)</b>
Net income/(expenditure)		<b>549</b>	<b>(233)</b>	<b>(18,822)</b>	<b>(18,506)</b>	<b>3,804</b>	<b>(14,702)</b>	<b>(12,836)</b>
Transfers between funds		(528)	17	-	(511)	511	-	-
<b>Other recognised gains/(losses)</b>								
Actuarial gains/(losses) on defined benefit pension schemes	21	-	-	(19,073)	(19,073)	-	(19,073)	71,837
<b>Net movement in funds</b>		<b>21</b>	<b>(216)</b>	<b>(37,895)</b>	<b>(38,090)</b>	<b>4,315</b>	<b>(33,775)</b>	<b>59,001</b>
<b>Reconciliation of funds:</b>								
Total funds brought forward		491	1,146	(42,660)	(41,023)	11,038	(29,985)	(88,986)
Total funds brought forward GCMB		77	-	-	77	-	77	77
<b>Total funds carried forward</b>		<b>589</b>	<b>930</b>	<b>(80,555)</b>	<b>(79,036)</b>	<b>15,353</b>	<b>(63,683)</b>	<b>(29,908)</b>

All of the activities are continuing. All gains and losses in the current and prior years are included in the Statement of Financial Activities.

## Balance Sheets

At 31 March 2019

		Group		Charity	
		2019	2018	2019	2018
		£000	£000	£000	£000
	Note				
<b>Fixed Assets</b>					
Tangible assets	10	4,037	4,187	3,902	4,042
Investments	11	-	-	-	-
<b>Total fixed assets</b>		<b>4,037</b>	<b>4,187</b>	<b>3,902</b>	<b>4,042</b>
<b>Current Assets</b>					
Stock and work in progress	12	633	720	11	15
Debtors	13	9,624	8,926	14,083	12,498
Cash at bank and in hand		20,737	15,066	18,882	14,513
<b>Total current assets</b>		<b>30,994</b>	<b>24,712</b>	<b>32,976</b>	<b>27,026</b>
Creditors: amounts falling due in one year	14	(17,837)	(15,898)	(20,006)	(18,316)
<b>Net current assets</b>		<b>13,157</b>	<b>8,814</b>	<b>12,970</b>	<b>8,710</b>
<b>Total assets less current liabilities</b>		<b>17,194</b>	<b>13,001</b>	<b>16,872</b>	<b>12,752</b>
Defined benefit pension liability	21	(80,555)	(42,660)	(80,555)	(42,660)
<b>Net liabilities including pension deficit</b>		<b>(63,361)</b>	<b>(29,659)</b>	<b>(63,683)</b>	<b>(29,908)</b>
<b>The funds of the group:</b>					
Unrestricted income funds	17	1,524	1,719	1,519	1,714
Pension reserve deficit	21	(80,555)	(42,660)	(80,555)	(42,660)
<b>Total unrestricted income funds</b>		<b>(79,031)</b>	<b>(40,941)</b>	<b>(79,036)</b>	<b>(40,946)</b>
Restricted income funds	18	15,670	11,282	15,353	11,038
<b>Total charity funds</b>	19	<b>(63,361)</b>	<b>(29,659)</b>	<b>(63,683)</b>	<b>(29,908)</b>

The financial statements were approved and authorised for issue by the Board and signed on its behalf by:

David McDonald  
Chair

18 September 2019

Registered number SC037844

**Group Statement of Cash Flows**

	<i>Note</i>	<b>2019</b>	<b>2018</b>
		<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities:</b>			
<b><i>Net cash provided by (used in) operating activities</i></b>	<i>20</i>	<b>6,665</b>	<b>(397)</b>
<b>Cash flows from investing activities:</b>			
Interest		64	65
Purchase and disposal of property, plant and equipment		(1,058)	(848)
		<hr/>	<hr/>
<b>Net cash provided by/(used in) investing activities</b>		<b>(994)</b>	<b>(783)</b>
		<hr/>	<hr/>
<b><i>Change in cash and cash equivalents in the reporting period</i></b>		<b>5,671</b>	<b>(1,180)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>15,066</b>	<b>16,246</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>20,737</b>	<b>15,066</b>
		<hr/>	<hr/>

**Notes to the financial statements**  
(forming part of the financial statements)

**1. Accounting policies**

***Basis of accounting***

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

The charity meets the definition of a public benefit entity under FRS 102 and has taken advantage of paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgements in the process of applying accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2 (page 21).

***Basis of consolidation***

The consolidated financial statements include the financial statements of the charitable company and its subsidiary undertaking Culture and Sport Glasgow (Trading) CIC made up to 31 March 2019.

***Income and expenditure***

Owing to the special nature of the business of the charity and in the interests of presenting the results clearly to the members, it is considered inappropriate to adhere to the income and expenditure format described under section 400 of the Companies Act 2006. A statement of financial activities has been prepared in a form which is considered to give the members a true and fair view of the results for the period and which also complies with the requirements of Section 400 of the Act and Statement of Recommended Practice applicable to charities (Charities SORP (FRS 102)).

***Going concern***

The financial statements have been prepared on the going concern basis as management believe that the charity has sufficient new assets, post balance sheet date, to meet the annual cash commitments required to service the long term pension liability for a period in excess of 12 months from the signing of the financial statements given that the long term pension liability will not fall due in any one year.

***Fund Accounting***

*General Funds* are restricted funds which have not been designated for other purposes and which are available for use at the discretion of the directors, in furtherance of the general objectives of the charity and as such, transfers between these unrestricted funds, may be freely made at the discretion of the directors.

*Restricted funds* are funds which are restricted in how they may be used by the directors.

***Incoming resources***

Activities for generating income are accounted for on an accruals basis.

Income (including income from grants) is recognised in the accounting period when there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Income from Glasgow City Council is accounted for on an accruals basis and is agreed in advance based on the level of service provided.

**Notes to the financial statements**  
(forming part of the financial statements)

Investment Income is accounted for on an accruals basis.

**Resources Expended**

All expenditure is accounted for on an accruals basis. Where costs cannot be directly attributed to a cost heading, they have been allocated on a basis consistent with use of the resources.

*Costs of generating funds*

Costs of generating funds represents the direct operational costs involved within the subsidiary undertaking to provide services such as catering facilities, hire of conference facilities and the provision of retail shopping in the venues and events operated by the parent company.

*Costs of charitable activities*

Costs of charitable activities represent the direct operational costs expended on the provision of cultural, recreational and leisure facilities in accordance with the company's charitable objectives.

Support costs relate to corporate services costs and are not allocated to specific service areas but are shown across functions, as outlined in Note 3.

*Governance costs*

Governance costs are those cost incurred in compliance with constitutional and statutory requirements including related professional fees.

**Leases**

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease. All buildings operated by the charity are leased from Glasgow City Council for a peppercorn rental.

**Stocks**

Stocks of materials and consumables are stated at the lower of cost and net realisable value in the ordinary course of operating.

**Debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

**Cash and Liquid resources**

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

**Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

**Financial assets and financial liabilities**

Financial instruments are recognised in the statement of financial activities when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payment discounted at the market rate of interest for similar debt instrument.

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

**Notes to the financial statements**  
(forming part of the financial statements)

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

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

**Depreciation**

Assets are held at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows with no depreciation charged in the month of acquisition:

- Plant and equipment 3 to 7 years
- Leasehold improvement 10 years

The de-minimis applied, when considering capitalisation of expenditure, is £1,000 (2018: £1,000).

**Taxation**  
Group

The charge for corporation taxation is based on the taxable profit for the year. Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

*Charitable company*

Culture and Sport Glasgow is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Pensions**

Culture and Sport Glasgow is a member of the Strathclyde Pension Fund, a Local Government Pension Scheme, which is a defined benefit pension scheme. The Fund is administered by Glasgow City Council in accordance with the Local Government Scheme (Scotland) Regulations 1998 as amended. All existing and new employees have the option of joining the Fund. The assets and liabilities of the scheme are held separately from those of the Trust in an independently administered fund.

The pension costs charged in the period are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service life of employees in the scheme, so as to ensure that the regular pension costs represent a substantially level percentage of the current and expected future pensionable payroll. Variations from regular costs are spread over the remaining service lives of current employees in the scheme.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in the Statement of Financial Activities. All costs related to the defined benefit scheme are recognised in the Statement of Financial Activities.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any asset resulting from the calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

**Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognised in the statement of financial activities when it is demonstrably committed to either (i) terminating the employment of current

**Notes to the financial statements**  
(forming part of the financial statements)

employees according to a detailed formal plan without possibility of withdrawal, or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

**2. Critical judgements and estimates**

In preparing the financial statements, directors make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Critical judgements are made in the application of income recognition accounting policies, and the timing of the recognition of income in accordance with the Charities SORP (FRS 102).

**Defined benefit pension and other post-employment benefits**

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and other post-employment benefits include the discount rate. Any changes in these assumptions will have an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, management determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

**3. Analysis of resources expended**

	<b>Charitable Activities 2019 £000</b>	<b>Support Costs 2019 £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
<i>Unrestricted General funds – charitable activity/cost</i>				
Provision of leisure and cultural facilities (see below)	80,920	22,709	103,629	101,167
<i>Restricted funds – charitable activity / cost</i>				
Provision of leisure and cultural facilities (see below)	11,742	0	11,742	11,394
	<b>92,662</b>	<b>22,709</b>	<b>115,371</b>	<b>112,561</b>

**Notes to the financial statements**  
(forming part of the financial statements)

**Analysis of charitable activities by objective**

	<b>Unrestricted General Funds 2019 £000</b>	<b>Restricted Funds 2019 £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Sports and Leisure Activities	40,692	6,881	47,573	46,326
Libraries and Cultural Venues	9,700	438	10,138	9,786
Arts and Museums	13,749	2,856	16,605	15,727
Area Teams/Learning	14,212	1,172	15,384	15,067
Corporate Services	22,709	334	23,043	23,326
Music	2,567	61	2,628	2,329
	<b><u>103,629</u></b>	<b><u>11,742</u></b>	<b><u>115,371</u></b>	<b><u>112,561</u></b>

Expenditure on charitable activities in 2018 was £112,561,000 of which £101,167,000 was unrestricted and £11,394,000 was restricted.

	<b>2019 £000</b>	<b>2018 £000</b>
Depreciation	1,208	1,032
Auditors remuneration – see note 4	25	24

**Net incoming resources are stated after charging:**

Depreciation charge is shown net of write back of charge attributable to fixed asset disposals

**Allocation of Support Costs**

	<b>Charitable Activities 2019 £000</b>	<b>Governance 2019 £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Finance, Procurement and Business Support	3,912	69	3,981	4,034
ICT	3,497	-	3,497	2,796
Human Resources	897	-	897	850
Marketing and Media	2,369	-	2,369	2,559
Administration and Management	11,667	298	11,965	12,533
	<b><u>22,342</u></b>	<b><u>367</u></b>	<b><u>22,709</u></b>	<b><u>22,772</u></b>



**Notes to the financial statements**  
(forming part of the financial statements)

**4. Governance costs**

	Group		Total 2019 £000	Total 2018 £000
	Unrestricted General Funds 2019 £000	Restricted Funds 2019 £000		
Strategic Planning Costs	298	-	298	313
External auditors' remuneration: Audit of these financial statements	21	-	21	21
Audit of financial statements of subsidiaries pursuant of legislation	4	-	4	3
Other services relating to taxation	-	-	-	-
Audit Fees – Internal	30	-	30	35
Directors and Officers Indemnity Insurance	14	-	14	12
	<b>367</b>	<b>-</b>	<b>367</b>	<b>384</b>

In 2018 all governance costs were unrestricted.

**5. Staff numbers and costs**

The remuneration and associated costs of the group and the charity were:

	Group		Charity	
	2019 £000	2018 £000	2019 £000	2018 £000
Wages and Salaries	56,819	55,396	54,641	53,244
Redundancy Costs	94	178	94	169
Social Security Costs	4,887	4,796	4,723	4,651
Other Pension Costs	26,166	18,949	25,863	18,664
Agency Costs	120	161	120	160
	<b>88,086</b>	<b>79,480</b>	<b>85,441</b>	<b>76,888</b>

26 members of staff were made redundant during the year and received lump sum payments totalling £94,458.

**Employees receiving salaries, plus benefits in kind, more that £60,000 were in the following bands:**

	Group and Charity	
	2019 Number	2018 Number
£130,000 - £139,999	1	1
£100,000 – £129,999	2	1
£90,000 - £99,999	1	1
£80,000 - £89,999	3	3
£70,000 - £79,999	10	9
£60,000 - £69,999	3	4
	<b>20</b>	<b>19</b>

Retirement benefits are accruing to these members of staff under the defined benefit pension scheme.

No remuneration or expenses were paid to directors in their capacity as directors. However, one of the directors, Dr Bridget McConnell, was employed by the company as Chief Executive and received total remuneration in her capacity

**Notes to the financial statements**  
(forming part of the financial statements)

as an employee of £138,325 (2018: £136,801) plus an employer's contribution to the defined benefit pension scheme of £23,705 (2018: £23,479)

	<b>Group and Charity</b>	
	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
£130,000 - £139,000	1	1
	<u>1</u>	<u>1</u>

The key management personnel of the Group comprise the Chief Executive, Director of City Marketing & External Relations, Director of Finance & Corporate Services, Director of Cultural Services and Director of Sport & Events. The total employee benefits of the key management personnel were £629,979 (2018 £676,017)

The average monthly full-time equivalent number of employees of the group during the year was:

	<b>Group</b>		<b>Charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
External Relations & Infrastructure	94	106	94	106
Arts & Music	135	127	135	127
Museums & Collections	276	281	276	281
Communities & Libraries	470	468	470	468
Sport & Events	909	921	909	921
Management and Administration	147	156	147	156
Retail	43	42		
	<u>2,074</u>	<u>2,101</u>	<u>2,031</u>	<u>2,059</u>

During the year Glasgow Life also employed staff relating to Burrell Project - 24 (2018: 21) and European Championships – 23 (2018: 41) which are not included in figures above.

**6. Investment Income**

	<b>Group</b>		<b>Charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Interest receivable	64	65	60	61
	<u>64</u>	<u>65</u>	<u>60</u>	<u>61</u>

**7. Voluntary Income: grants and donations**

<b>Group</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Contributions	464	1,672	2,136	1,578
Donations and Bequests	345	3,452	3,797	1,855
Grants	2,102	8,068	10,170	8,525
	<u>2,911</u>	<u>13,192</u>	<u>16,103</u>	<u>11,958</u>

**Notes to the financial statements**  
(forming part of the financial statements)

<b>Charity</b>	<b>Unrestricted 2019 £000</b>	<b>Restricted 2019 £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Gift Aid from Trading CIC	1,730	-	1,730	1,930
Contributions	464	1,672	2,136	1,578
Donations and Bequest	345	3,452	3,797	1,855
Grants	2,102	8,068	10,170	8,525
	<b>4,641</b>	<b>13,192</b>	<b>17,833</b>	<b>13,888</b>

Voluntary Income from charitable activities in 2018 was £11,958,000 of which £1,474,000 was unrestricted and £10,484,000 was restricted.

**8. Incoming Resources from Charitable Activities**

	<b>Unrestricted 2019 £000</b>	<b>Restricted 2019 £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Sports and Leisure Activities	22,076	1,039	23,115	22,159
Libraries and Community Facilities	3,544	13	3,557	2,554
Arts and Museums	408	1,234	1,642	713
Area Teams/Learning	535	22	557	580
Corporate Services	3	20	23	606
Music	1,550	4	1,554	1,629
	<u>28,116</u>	<u>2,332</u>	<u>30,448</u>	<u>28,241</u>
Service contract with Glasgow City Council	73,375	-	73,375	73,549
	<u>101,491</u>	<u>2,332</u>	<u>103,823</u>	<u>101,790</u>

Income from charitable activities in 2018 was £101,790,000 of which £100,497,000 was unrestricted and £1,293,000 was restricted.

**9. Activities for Generating Funds**

The wholly owned trading subsidiary Culture and Sport Glasgow Trading (Community Interest Company) Limited, which is incorporated in the United Kingdom, pays all of its profits to the charity by Gift Aid. Culture and Sport Glasgow Trading (Community Interest Company) Limited operates all the commercial trading operations carried out at premises managed by the charity. The charity owns the entire share capital of 100 ordinary shares of £1 each. A summary of the trading results is shown below.

	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
<b>Turnover</b>	10,045	9,794
Cost of Sales and Administration Costs	(8,319)	(7,868)
Interest receivable	4	4
	<u>1,730</u>	<u>1,930</u>
<b>Net profit on ordinary activities before taxation</b>	1,730	1,930
Taxation on profit on ordinary activities	-	-
	<u>1,730</u>	<u>1,930</u>
<b>Profit for the year</b>	1,730	1,930
Gift Aid to charity	(1,730)	(1,930)
Retained in the subsidiary	-	-

**Notes to the financial statements**  
(forming part of the financial statements)

**The assets and liabilities of the subsidiary were:**

Fixed Assets	135	145
Current Assets	7,277	6,434
Current Liabilities	(7,411)	(6,578)
	<hr/>	<hr/>
Total Net Assets	1	1
	<hr/>	<hr/>
<b>Aggregate share capital and reserves</b>	<b>1</b>	<b>1</b>
	<hr/>	<hr/>

**10. Tangible assets**

Group	Leasehold	Plant &	Total
	Improvements	Equipment	
	2019	2019	2019
	£000	£000	£000
<i>Cost</i>			
At the beginning of the year	5,992	4,788	10,780
Additions	805	253	1,058
Disposals	-	(62)	(62)
At end of year	<hr/> <b>6,797</b>	<hr/> <b>4,979</b>	<hr/> <b>11,776</b>
<i>Accumulated Depreciation</i>			
At beginning of year	(3,558)	(3,035)	(6,593)
Charge of year	(515)	(693)	(1,208)
Disposals	-	62	62
At end of year	<hr/> <b>(4,073)</b>	<hr/> <b>(3,666)</b>	<hr/> <b>(7,739)</b>
Net book value at 31 March 2019	<hr/> <b>2,724</b>	<hr/> <b>1,313</b>	<hr/> <b>4,037</b>
Net book value at 31 March 2018	<hr/> <b>2,434</b>	<hr/> <b>1,753</b>	<hr/> <b>4,187</b>
Charity	Leasehold	Plant &	Total
	Improvements	Equipment	
	2019	2019	2019
	£000	£000	£000
<i>Cost</i>			
At the beginning of year	5,757	4,763	10,520
Additions	787	253	1,040
Disposals	-	(62)	(62)
At end of year	<hr/> <b>6,544</b>	<hr/> <b>4,954</b>	<hr/> <b>11,498</b>
<i>Accumulated Depreciation</i>			
At beginning of year	(3,457)	(3,021)	(6,478)
Charge of year	(490)	(690)	(1,180)
Disposals	-	62	62
At end of year	<hr/> <b>(3,947)</b>	<hr/> <b>(3,649)</b>	<hr/> <b>(7,596)</b>
Net book value at 31 March 2019	<hr/> <b>2,597</b>	<hr/> <b>1,305</b>	<hr/> <b>3,902</b>
Net book value at 31 March 2018	<hr/> <b>2,300</b>	<hr/> <b>1,742</b>	<hr/> <b>4,042</b>

All assets owned are held for charitable use.

**Notes to the financial statements**  
(forming part of the financial statements)

**11. Investments**

	<b>Charity</b>	<b>2018</b>
	<b>2019</b>	<b>£000</b>
	<b>£000</b>	<b>£000</b>
Investment in subsidiary undertaking	-	-

Glasgow Life holds full share capital of £100 of Culture and Sport Glasgow (Trading) CIC

**12. Stocks and work in progress**

	<b>Group</b>		<b>Charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Merchandise for resale	633	720	11	15

**13. Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade debtors	3,240	4,298	2,853	3,807
Amounts owed by group undertakings	202	82	179	70
VAT	-	-	5,159	4,320
Prepayments and accrued income	6,182	4,546	5,892	4,301
	<u>9,624</u>	<u>8,926</u>	<u>14,083</u>	<u>12,498</u>

**14. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade creditors	2,989	2,414	2,532	2,109
Amounts owed by group undertakings	-	-	4,096	4,426
Accruals	10,078	8,433	9,921	8,043
Taxation and Social Security	1,904	1,921	1,910	1,928
VAT	1,099	1,111	-	-
Deferred Income	1,767	2,019	1,547	1,810
	<u>17,837</u>	<u>15,898</u>	<u>20,006</u>	<u>18,316</u>

**15. Deferred income**

Deferred income comprises advanced ticket sales, occupancy income and venue hire deposit income.

	<b>Group</b>	<b>Charity</b>
	<b>£000</b>	<b>£000</b>
Balance as at 1 April 2018	2,019	1,810
Amounts released during the year	(252)	(263)
<b>Balance at 31 March 2019</b>	<b><u>1,767</u></b>	<b><u>1,547</u></b>

**Notes to the financial statements**  
(forming part of the financial statements)

**16. Financial assets and liabilities**

	Group		Charity	
	2019 £000	2018 £000	2019 £000	2018 £000
Financial assets measured at amortised cost	28,187	22,703	25,830	21,470
Financial liabilities measured at amortised cost	(13,066)	(10,847)	(16,548)	(14,578)
	<u>15,121</u>	<u>11,856</u>	<u>9,282</u>	<u>6,892</u>

Group financial assets comprise of trade debtors, accrued income, other debtors, all due within one year and cash and bank balances. Company financial assets also include an intercompany balance due from the wholly owned subsidiary.

Financial liabilities comprise of trade creditors and other creditors and accruals.

**17. Unrestricted income funds**

	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Total 2019 £000
<b>Group - 2019</b>			
<b>Balance as at 1 April</b>	<b>573</b>	<b>1,146</b>	<b>1,719</b>
Income	111,736	-	111,736
Expenditure	(111,187)	(233)	(111,420)
Transfers	(528)	17	(511)
<b>Balance at 31 March</b>	<b>594</b>	<b>930</b>	<b>1,524</b>
	<b>Unrestricted General Funds £000</b>	<b>Unrestricted Designated Funds £000</b>	<b>Total 2019 £000</b>
<b>Charity - 2019</b>			
<b>Balance as at 1 April</b>	<b>568</b>	<b>1,146</b>	<b>1,714</b>
Income	104,178	-	104,178
Expenditure	(103,629)	(233)	(103,862)
Transfers	(528)	17	(511)
<b>Balance at 31 March</b>	<b>589</b>	<b>930</b>	<b>1,519</b>

**Notes to the financial statements**  
(forming part of the financial statements)

	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Total 2018 £000
<b>Group - 2018</b>			
<b>Balance as at 1 April</b>	<b>554</b>	<b>1,805</b>	<b>2,359</b>
Income	108,651	58	108,709
Expenditure	(108,308)	(378)	(108,686)
Transfers	(324)	(339)	(663)
<b>Balance at 31 March</b>	<b>573</b>	<b>1,146</b>	<b>1,719</b>

	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Total 2019 £000
<b>Charity - 2018</b>			
<b>Balance as at 1 April</b>	<b>549</b>	<b>1,805</b>	<b>2,354</b>
Income	101,510	58	101,568
Expenditure	(101,167)	(378)	(101,545)
Transfers	(324)	(339)	(663)
<b>Balance at 31 March</b>	<b>568</b>	<b>1,146</b>	<b>1,714</b>

<b>Designated income funds</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
<b>Group and Charity</b>		
<b>Balance as at 1 April</b>	<b>1,146</b>	<b>1,805</b>
Income	-	58
Expenditure	(233)	(378)
Transfers	17	(339)
<b>Balance at 31 March</b>	<b>930</b>	<b>1,146</b>

**Group and Charity - 2019 detail of designated funds**

Fund Name	Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2019 £000
Cycle to Work	48	0	(14)	0	34
Transition	0	0	0	130	130
IT Investment	334	0	0	35	369
City Hall Maintenance	349	0	(150)	0	199
Energy Efficiency	322	0	(5)	(148)	169
Tourism Strategy	93	0	(64)	0	29
	<b>1,146</b>	<b>0</b>	<b>(233)</b>	<b>17</b>	<b>930</b>

**Notes to the financial statements**  
(forming part of the financial statements)

**FUND DESCRIPTION**

**Cycle to Work**

Glasgow Life employee Cycle to Work which fits with Government Green Travel Plan

**Transition**

GL transformation programme

**IT Investment**

Improve/enhance IT infrastructure

**Energy Efficiency**

Implement new energy efficiency measures and reduce carbon emissions

**City Hall Maintenance Fund**

Funding for works at City Hall

**Tourism Strategy**

Promoting the city as a visitor destination.

**18. Restricted income funds**

	<b>Group 2019 £000</b>	<b>Charity 2019 £000</b>
<b>2019</b>		
<b>Balance as at 1 April</b>	<b>11,282</b>	<b>11,038</b>
Income	16,380	15,546
Expenditure	(12,503)	(11,742)
Transfers	511	511
<b>Balance at 31 March</b>	<b>15,670</b>	<b>15,353</b>
	<b>Unrestricted General Funds £000</b>	<b>Unrestricted Designated Funds £000</b>
<b>2018</b>		
<b>Balance as at 1 April</b>	<b>9,967</b>	<b>9,967</b>
Income	12,773	11,802
Expenditure	(12,121)	(11,394)
Transfers	663	663
<b>Balance at 31 March</b>	<b>11,282</b>	<b>11,038</b>



**Notes to the financial statements**  
(forming part of the financial statements)

**Restricted Funds**

**2019 - Group**

	<b>Fund Balance Brought Forward £000</b>	<b>Incoming Resources £000</b>	<b>Outgoing Resources £000</b>	<b>Transfers £000</b>	<b>Fund Balances Carried Forward £000</b>
Area Teams	999	1,683	(1,173)	78	1,587
Arts	282	1,178	(993)	62	529
Corporate	544	562	(299)	114	921
Events	321	2,083	(1,911)	30	523
Libraries	155	457	(436)	0	176
Museums	6,536	4,780	(1,898)	0	9,418
Music	30	47	(61)	0	16
Sport and Leisure Activities	2,171	4,756	(4,971)	227	2,183
CIC	244	834	(761)	-	317
	<b>11,282</b>	<b>16,380</b>	<b>(12,503)</b>	<b>511</b>	<b>15,670</b>

**2018 - Group**

	<b>Fund Balance Brought Forward £000</b>	<b>Incoming Resources £000</b>	<b>Outgoing Resources £000</b>	<b>Transfers £000</b>	<b>Fund Balances Carried Forward £000</b>
Area Teams	839	1,377	(1,238)	2	980
Arts	157	635	(1,049)	446	189
Corporate	233	415	(513)	379	514
Events	178	2,581	(1,954)	(484)	321
Libraries	283	723	(738)	-	268
Museums	5,427	1,938	(838)	35	6,562
Music	23	36	(29)	-	30
Sport and Leisure Activities	2,827	4,097	(5,035)	285	2,174
CIC	-	971	(727)	-	244
	<b>9,967</b>	<b>12,773</b>	<b>(12,121)</b>	<b>663</b>	<b>11,282</b>

**Notes to the financial statements**  
(forming part of the financial statements)

**Restricted income funds - 2019 detail**

Analysis by fund of amounts received during the year in excess of £50,000 or where the fund balance at 31 March 2019 is greater than £25,000.

<b>Service Area</b>	<b>Fund Name</b>	<b>Balance at Beginning of Year £000</b>	<b>Incoming Resources £000</b>	<b>Outgoing Resources £000</b>	<b>Transfers £000</b>	<b>Balance at 31 March 2019 £000</b>
<b>Area Teams</b>	Glasgow Digital Skill Prog	208	(20)	(79)	-	109
	ESOL	57	15	(26)	-	46
	Youth Dev Officer	14	55	(20)	-	49
	South Youth Prog	24	114	(131)	-	7
	Central West Hubs	35	0	0	-	35
	North Glasgow Youth	49	28	(12)	-	65
	West Hubs	87	50	(33)	-	104
	NE Volunteering Prog	30	0	(5)	-	25
	Family Learning	95	385	(420)	-	60
	Adult Learning NE	17	38	(7)	-	48
	North East Youth Programme	14	110	(63)	-	61
	St Francis Community Project	36	6	(10)	(2)	30
	Volunteering at GL	0	0	(7)	35	28
	Universal Credit Digital Support	0	634	(94)	-	540
	ALN Family Literacies Grant	25	14	(4)	-	35
	Learning Connections	15	0	0	15	30
	Gaelic Development	12	38	(19)	-	31
	Fab Life Changes Trust	0	45	(5)	-	40
	Other	281	171	(238)	30	244
	<b>Total Area Teams</b>	<b>999</b>	<b>1,683</b>	<b>(1,173)</b>	<b>78</b>	<b>1,587</b>
<b>Arts</b>	Arts Grants Payments	11	83	(76)	-	18
	Artist in Residence	0	400	(89)	-	311
	GI 2018	29	155	(234)	50	0
	GI 2020	0	85	(85)	-	0
	East End Residency	0	79	(76)	-	3
	Aye Write Festival	92	229	(194)	-	127
	Other	150	147	(239)	12	70
	<b>Total Arts</b>	<b>282</b>	<b>1,178</b>	<b>(993)</b>	<b>62</b>	<b>529</b>
<b>Corporate</b>	Energy Projects	(201)	0	148	-	(53)
	City Centre Strategy	21	302	(269)	-	54
	BT Contr To Telecoms	58	0	(16)	-	42
	Development Income	100	20	0	-	120
	Facility ENV2 Funding	158	49	0	-	207
	Facilities Mgt Rest	67	0	0	-	67
	SEEP Pathfinder	0	231	(195)	(2)	34
	Salix Fund	278	0	33	150	461
	Other	63	(40)	0	(34)	(11)
	<b>Total Corporate</b>	<b>544</b>	<b>562</b>	<b>(299)</b>	<b>114</b>	<b>921</b>

**Notes to the financial statements**  
(forming part of the financial statements)

<b>Service Area</b>	<b>Fund Name</b>	<b>Balance at Beginning of Year £000</b>	<b>Incoming Resources £000</b>	<b>Outgoing Resources £000</b>	<b>Transfers £000</b>	<b>Balance at 31 March 2019 £000</b>
<b>Events</b>	Christmas Lights	0	115	(107)	-	8
	GLW Fireworks	0	126	(129)	-	(3)
	Subvention – Major Events	110	1,255	(630)	(426)	309
	BBC Proms 2018	0	173	(171)	-	2
	Tour of Britain	70	40	(81)	50	79
	World Pipe Band	138	374	(790)	406	128
	Other	3	0	(3)	-	0
	<b>Total Events</b>	<b>321</b>	<b>2,083</b>	<b>(1,911)</b>	<b>30</b>	<b>523</b>
<b>Libraries</b>	MacMillan at CCLB	0	272	(272)	-	0
	Future Families –Clyde Gtw	41	50	(43)	-	48
	Barlinnie Prison Lib.	20	13	(7)	-	26
	MacMillan – West Dunbarton.	0	65	(65)	-	0
	Other	94	57	(49)	-	102
	<b>Total Libraries</b>	<b>155</b>	<b>457</b>	<b>(436)</b>	<b>-</b>	<b>176</b>
<b>Museums</b>	Exhibitions	81	105	(124)	-	62
	Burrell Renaissance	6,138	3,531	(367)	-	9,302
	Khall Capital Charge	0	52	(52)	-	0
	Burrell Capital Project	0	848	(848)	-	0
	Tcone Re-design	54	0	(17)	-	37
	C R Mackintosh Tour	(4)	0	(102)	-	(106)
	T Rex at Kelvin Hall	0	0	(119)	-	(119)
	Touring Exhn. Devpt	63	10	(35)	-	38
	Other	204	234	(234)	-	204
<b>Total Museums</b>	<b>6,535</b>	<b>4,780</b>	<b>(1,898)</b>	<b>-</b>	<b>9,418</b>	
<b>Music</b>	UNESCO	25	37	(53)	-	9
	GRCH Organ	5	0	(2)	-	3
	Scale Up Scale Down	0	10	(6)	-	4
	<b>Total Music</b>	<b>30</b>	<b>47</b>	<b>(61)</b>	<b>-</b>	<b>16</b>
<b>CIC</b>	Conventions Subvention	244	700	(628)	-	316
	Mackintosh Growth	0	60	(59)	-	1
	Other	0	74	(74)	-	0
	<b>Total CIC</b>	<b>244</b>	<b>834</b>	<b>(761)</b>	<b>-</b>	<b>317</b>

**Notes to the financial statements**  
(forming part of the financial statements)

<b>Service Area</b>	<b>Fund Name</b>	<b>Balance at Beginning of Year £000</b>	<b>Incoming Resources £000</b>	<b>Outgoing Resources £000</b>	<b>Transfers £000</b>	<b>Balance at 31 March 2019 £000</b>
<b>Sport</b>	Walk Glasgow	130	0	(2)	-	128
	Active Living Development	43	4	0	-	47
	Keep Well Project	59	0	0	-	59
	Netball Super League	99	65	(40)	-	124
	COPD	31	20	(11)	-	40
	Obesity	39	0	(2)	-	37
	Activity Work	0	0	(1)	30	29
	Active ABC	50	0	0	-	50
	Sports Grants	42	73	(63)	-	52
	Active Ageing Week	164	0	0	(3)	161
	Euro Short Course	44	571	(247)	-	368
	Indoor Athletics Res	4	8	0	80	92
	Health Referrals	68	0	0	-	68
	Park Lives	114	0	(74)	-	40
	CRF	157	(23)	1	-	135
	Community Sport Hubs	453	269	(243)	-	479
	ESC2018	0	1,431	(1,431)	-	0
	Coach Core	130	110	(92)	-	148
	Revitalise	139	6	0	(48)	97
	HWC Volunteer Legacy	95	0	(18)	-	77
Europe Indoor Ath	189	2,074	(2,536)	120	(153)	
Silver Deal – GHA	0	41	(89)	48	0	
Other	121	107	(123)	-	105	
<b>Total Sport</b>		<b>2,171</b>	<b>4,756</b>	<b>(4,971)</b>	<b>227</b>	<b>2,183</b>
<hr/>						
<b>Total Restricted Funds</b>		<b>11,282</b>	<b>16,380</b>	<b>(12,503)</b>	<b>511</b>	<b>15,670</b>

**FUND DESCRIPTION**

**Glasgow Digital Skills Programme**

Promote and support Digital Skills

**ESOL (English as a second language)**

National grant from Scottish Funding Council to support ESOL learning

**Youth Development Officer**

Toryglen Youth Development Project

**South Youth Programme**

Engaging young people in diverse activities

**Central West Hubs**

Community Learning and Development Programmes in the North West

**North Glasgow Youth**

Activities programme for 11 – 16 year olds with behavioural problems

**Notes to the financial statements**  
*(forming part of the financial statements)*

**West Hubs**

Youth Programmes in West

**NE Volunteering Programme**

Programme to support volunteering in the community

**Family Learning**

Support literacy and numeracy for parents and children

**Adult Learning NE**

Support literacy and numeracy in North East

**North East Youth Programme**

Activities programme for 11-16 year olds in North East

**St Francis Community Project**

Repair of community centre windows in line with HES and delivery of workshops/activities

**Volunteering at GL**

Big Lottery funding to support GL volunteer programmes

**Universal Credit Digital Support**

GCC funding to support roll out of Universal Credit

**ALN Family Literacies Grant**

Delivery of family literacy programmes across the city

**Learning Connections**

Engage and teach literacies across the city

**Gaelic Development**

Raising awareness and development of Gaelic

**Fab Life Changes Trust**

Youth, cultural and sporting activities for care experienced young people

**Arts Grants Payments**

Grants from Glasgow City Council distributed to Arts Bodies in the city by Arts Development Team

**Artist in Residence**

Community engagement through Artists in Residence programme

**East End Residency**

Community engagement in the East End of Glasgow

**GI 2018**

Bi-annual arts festival

**Aye Write Festival**

Literary event with a programme of speakers and workshops to promote reading

**Notes to the financial statements**  
*(forming part of the financial statements)*

**Energy Projects**

Central Energy Efficiency Fund (CEEF) which is a Public Sector Energy Efficiency Initiative. Upfront costs offset by long term efficiency savings.

**City Centre Strategy**

Marketing and promotion of City Centre Strategy & Action Plan

**BT Cont. To Telecoms**

Partnership arrangement with BT supplying and funding 10 year's broadband connectivity at 31 community facilities

**SEEP Pathfinder**

Funding to improve energy efficiency, carbon emissions etc.

**Development Income**

Fundraising activities/Individual Giving

**Facility ENV2 Funding**

Funding for grounds maintenance and management facility services

**Facilities Management**

Bequests to be used for refurbishment of various Glasgow Life properties

**Salix Fund**

Government funding to improve energy efficiency, carbon emissions etc.

**Christmas Lights**

Christmas light switch on in George Square

**Fireworks**

Fireworks display at Glasgow Green

**Major Events – Subvention**

Culture & Rec Funding for events across Glasgow

**BBC Proms 2018**

Bringing people together in a night of music.

**Tour of Britain**

UK wide cycling event

**World Pipe Band**

Pipe Band competition with bands from across the world competing.

**MacMillan at CCLB**

Delivery of Cancer support groups/services.

**Future Family – Clyde Gateway**

Supporting 865 parenting and communication sessions for Clyde Gateway residents (3 year project).

**Barlinnie Prison Lib**

Provision of library service at Barlinnie Prison

**Notes to the financial statements**  
(forming part of the financial statements)

**Exhibitions**

Museums general exhibitions.

**Kelvin Hall Capital Programme**

Development of Kelvin hall site

**Burrell Capital Project**

Development of Burrell site

**Burrell Renaissance**

Tour and fundraising elements of Burrell Project

**Tcone Redesign**

Funding from The Hunter Foundation for educational wing at Kelvingrove

**CR Mackintosh Tour**

Touring Exhibition

**T-Rex at Kelvin Hall**

Temporary exhibition at Kelvin Hall

**Touring Exhibition Dev**

Seed funding for the development of future touring exhibitions

**UNESCO**

Music programme related to Glasgow being a Unesco City of Music

**GRCH Organ**

Funding for organ in Glasgow Royal Concert Hall

**Scale Up Scale Down**

Celebration of diversity through arts and music

**Active Living Development**

Activities designed for older adults.

**Walk Glasgow**

Walking Programme.

**Keep Well Project**

NHS funding for sporting activities

**Netball Super League**

Development of Glasgow Wildcats netball team.

**COPD**

Pulmonary rehabilitation service providing a 6 week group based exercise programme operating 50 weeks a year.

**Obesity**

NHS funded project addressing obesity in children and young people.

**Notes to the financial statements**

*(forming part of the financial statements)*

**Active ABC**

Funded by MacMillan Cancer support to develop range of classes for people living with and beyond cancer.

**Sports grants**

Talented Sports Performer scheme to subsidise cost of certain sports.

**Active Ageing Week**

A week of activities tailored towards older people in Glasgow.

**Health Referrals**

Scottish Government funding, as part of the 2010 project, to help 45 – 64 year olds who are at high risk of contracting coronary heart disease.

**Indoor Athletics**

Glasgow Sainsbury's Indoor Athletics Championships

**Activity Work**

Promoting healthy activities for employees

**Park Lives**

Funding from Coca Cola to hold free activities in parks

**CRF**

Sportscotland funding for delivery of Active Schools programme and Coaching Network.

**Community Sports Hubs**

Community sports development programme.

**Euro Short Course**

LEN 2019 European Short Course Swimming Championships

**European Indoor Athletics**

2019 Championships 1-3 March 2019

**ESC2018**

2018 European Sport Championships

**Silver Deal**

Coach led physical activity and art sessions for older adults

**HWC Volunteer Legacy**

Big Lottery funding to support Homeless World Cup (HWC) legacy project

**Coach Core**

Programme where young people are given a fixed term training contract with GL funded by Royal Foundation.

**Revitalise**

GHA funding to support easy exercise, dance or craft classes.

**Mackintosh Growth**

Promotion of Mackintosh through marketing activity



**Notes to the financial statements**  
*(forming part of the financial statements)*

**Conventions Subvention**

Funding for conferences across Glasgow

**19. Analysis of net assets between funds**

<b>Group</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
<b>Fund balances at 31 March are represented by:</b>				
Tangible fixed assets	4,037	-	4,037	4,187
Current assets	15,324	15,670	30,994	24,956
Current liabilities	(17,837)	-	(17,837)	(16,142)
Pension Deficit	(80,555)	-	(80,555)	(42,660)
<b>Total net assets</b>	<b>(79,031)</b>	<b>15,670</b>	<b>(63,361)</b>	<b>(29,659)</b>

The 2018 figures include restricted funds balances of £11,282,000, all of which are deemed to be current assets

<b>Charity</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
<b>Fund balances at 31 March are represented by:</b>				
Tangible fixed assets	3,902	-	3,902	4,042
Current assets	17,623	15,353	32,976	27,026
Current liabilities	(20,006)	-	(20,006)	(18,315)
Pension Deficit	(80,555)	-	(80,555)	(42,660)
	<b>(79,036)</b>	<b>15,353</b>	<b>(63,683)</b>	<b>(29,908)</b>

The 2018 figures include restricted funds balances of £11,038,000, all of which are deemed to be current assets

**Notes to the financial statements**  
(forming part of the financial statements)

**20. Notes to the cash flow statement**

**Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Net income/(expenditure) for the reporting period	(14,629)	(9,882)
Depreciation	1,208	1,211
Loss on disposal	-	-
Retirement benefit scheme	18,822	10,557
Interest received	(64)	(65)
Decrease/(increase) in stocks	87	(158)
(Increase)/decrease in debtors	(698)	(1,875)
Increase/(decrease) in creditors and provisions	1,939	(185)
<b>Net cash used in operating activities</b>	<b>6,665</b>	<b>(397)</b>

**Analysis of cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	9,237	5,566
Notice deposits (less than 3 months)	11,500	9,500
<b>Net cash used in operating activities</b>	<b>20,737</b>	<b>15,066</b>

**21. Pension Scheme**

Group and Charity

Culture and Sport Glasgow participates in the Local Government Pension Scheme, which is administered by Strathclyde Pension Fund and is a defined benefit pension scheme. The assets are held separately from those of the charity in investments and are under the supervision of the Fund Directors. The fund includes both a funded and an unfunded portion.

The Strathclyde Pension Fund is a defined benefit scheme into which employee' and employer's contributions, and interest and dividends from investments are paid and from which pensions, lump sums and superannuation benefits are paid out. Employees' contributions are tiered and employer's basic contributions are assessed every three years by an actuary and are fixed to ensure the fund remains solvent and in a position to meet its future liabilities. The actuarial method used is known as Projected Unit Credit Method. The last actuarial valuation was at 31 March 2017 and following this valuation employer's contributions remained at 19.3% for the years ended 31 March 2017 and 2018 -2021 respectively. Employer's contributions for the period 31 March 2019 amounted to £8,410,000 and were based on a 19.3% contribution.

The pension results for 2018/19 have taken into account the financial effects of the McCloud judgement and General Minimum Pension (GMP) equalisation.

When the LGPS Scotland benefit structure was reformed in 2015, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2015 by these members are subject to an

**Notes to the financial statements**  
(forming part of the financial statements)

'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme. In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling are expected to apply to the LGPS (and other public service schemes) as well.

Guaranteed minimum pension (GMP) was accrued by members of the Local Government Pension Scheme (LGPS) between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women. However overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension. The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men's and women's benefits. As an interim solution to avoid this problem, GMP rules were changed so that the responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes themselves for members reaching state pension age between 6 April 2016 and 5 April 2021. This new responsibility leads to increased costs for schemes (including the LGPS) and hence scheme employers. The financial effects of this in the 2018/19 accounts is to increase the total liabilities by £1,440,000.

The financial effect of these pension issues has resulted in an increase in the net pension liability of £6,911,000.

The movement in the defined benefit obligation over the year is as follows:

	31 March 2019 £'000	31 March 2018 £'000
Opening defined benefit obligation	384,522	425,932
Current service cost	19,326	15,981
Interest cost	10,687	11,238
Contributions by members	2,945	2,859
Actuarial losses/(gains)	30,258	(65,779)
Past service costs	6,857	-
Benefits paid	(5,500)	(5,570)
Unfunded benefits paid	(333)	(322)
Effect of business combinations and disposals		183
<b>Closing defined benefit obligation</b>	<b>448,762</b>	<b>384,522</b>

The movement in the fair value of plan assets in the year is as follows:

	31 March 2019 £'000	31 March 2018 £'000
Opening fair value of plan assets	341,862	321,992
Interest income on plan assets	9,302	8,435
Contributions by members	2,945	2,859
Contributions by the employer	8,413	8,088
Contributions in respect of unfunded benefits	333	322
Actuarial loss/gain	11,185	6,058
Benefits paid	(5,500)	(5,570)
Unfunded benefits paid	(333)	(322)
Effect of business combinations and disposals	-	
<b>Closing fair value of plan assets</b>	<b>368,207</b>	<b>341,862</b>

**Notes to the financial statements**  
(forming part of the financial statements)

**Amounts recognised in net income/expenditure (per SOFA):**

	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	(19,326)	(15,981)
Past Service Cost (including curtailment)	(6,857)	-
<b>Total service cost</b>	<b>(26,183)</b>	<b>(15,981)</b>
<b>Net interest</b>		
Interest income on plan assets	9,302	8,435
Interest cost on defined benefit obligation	(10,687)	(11,238)
<b>Total net interest</b>	<b>(1,385)</b>	<b>(2,803)</b>
<b>Total defined benefit cost recognised in net income/expenditure per the SOFA</b>	<b>(27,568)</b>	<b>(18,784)</b>

The major categories of plan assets as a % of the total plan assets are as follows:

	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>%</b>	<b>%</b>
Equities	64	62
Bonds	24	23
Property	10	11
Cash	2	4

The estimated employer contributions for the year to 31 March 2020 are £9,210,000.

The bid value of the Fund's assets as at 31 March 2019 is estimated based on information provided by the Administering Authority, index returns where necessary and estimated adjustments for the difference between the mid-market (as supplied) and bid (as required) value of assets.

The principal actuarial assumptions used in the calculations are:

	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>% per annum</b>	<b>% per annum</b>
Pension Increase Rate	2.4	2.3
Salary Increase Rate	3.6	3.5
Discount Rate – Culture and Sport Glasgow	2.5	2.7
Discount Rate - GCMB	-	-

**Mortality**

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2016 model with an allowance for smoothing of recent mortality experience and long term rates of 1.5% p.a for males and 1.25% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	<b>Males</b>	<b>Females</b>
Current Pensioners	21.4 years	23.7 years
Future Pensioners	23.4 years	25.8 years

**Notes to the financial statements**  
(forming part of the financial statements)

**22. Operating leases**

The Charity utilises 2,057 items of plant and equipment under the terms of operating leases. Lease rental payments charged to the Statement of Financial Activities in the year for such assets were £467,530. (2018: £410,494). The future minimum lease payments due under non-cancellable leases in future years and in cash terms are as follows:

<b>Operating lease commitments</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
No later than one year	381	468
Later than one year and not later than five	542	752
<b>Total</b>	<b>923</b>	<b>1,220</b>

**23. Related Party**

Culture and Sport Glasgow is contracted to provide cultural, community, recreation and leisure services by Glasgow City Council (GCC). In the year to 31 March 2019 GCC provided funds of £73.4m (2018: £73.5m) to the charity in respect of the services undertaken by the charity on its behalf. At 31 March 2019 GCC owed the charity £4.2m (2018: £1.1m) in relation to normal trading activities.

The charity purchased goods and services of £110,066 from City Property (Glasgow) LLP of which Bailie Norman MacLeod is a Board Member. The charity also purchased goods and services of £325 and provided goods and services of £4,416 to Hidden Gardens Trust of which Bailie Norman MacLeod is also a Board Member.

The charity provided goods and services amounting to £1,312 to and purchased goods and services of £1,000 from University of Strathclyde of which Benny Higgins is a visiting professor. The charity also purchased goods and services of £1,048 from National Galleries of Scotland of which he is Chair.

The charity provided goods and services amounting to £1,830 to Murray International Holdings of which Sir Angus Grossart is a Director.

The charity provided goods and services amounting to £1,124 to Sports Council for Glasgow of which Dilawer Singh is vice-chair.

The charity provided goods and services of £522,094 to and purchased goods and services of £37,581 from Glasgow University of which Professor Sir Anton Muscatelli is Principal. The charity also provided goods and services amounting to £4,231 to High School of Glasgow of which Professor Sir Anton Muscatelli is Director.

The charity provided goods and services of £5,163 to Bees Knees Media of which Iain MacRitchie is a non-executive director.

**24. Contingent Liabilities and Assets**

In May 2017, Glasgow City Council recognised equal pay obligations following the Court of Session's judgement in relation to its pay protection arrangements. In January 2018, Glasgow City Council decided not to appeal a Court of Session ruling on its job evaluation scheme and instead address equal pay claims through negotiation with claimants' representatives. Glasgow City Council continues to engage with claimants' representatives in relation to the wider aspect of equal pay. While these claims pre-date Glasgow Life, a number of the current workforce are affected. It is too early to assess the specific financial implications.

Glasgow City Council has agreed to meet any financial liability.

**25. Ultimate Holding Organisation**

The ultimate holding organisation of the Group is Glasgow City Council. The financial statements of Glasgow City Council, which consolidate the results of Culture and Sport Glasgow, are available from Glasgow City Council, City Chambers, George Square, Glasgow G2 1DU.