

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

**Report and Group Financial Statements**  
**Year Ended 31 March 2016**

Registered number SC313851 (registered in Scotland)

Scottish Charity number SC 037844

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## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016**

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 2016. 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).

## **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**

We will encourage participation, involvement and engagement in culture and sport for all:

- to enhance the health and wellbeing of people who live, work and visit the City
- to create an environment where enterprise, work and skills development are encouraged
- to provide opportunities for making positive life choices in a safe, attractive and sustainable environment
- to create a culture of learning and creativity that lets people flourish in their personal, family, community and working lives
- to enhance and promote the City's local, national and international image, identity and infrastructure
- to demonstrate the ongoing improvement in the quality, performance and impact of the services and opportunities we provide.

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 18 March 2015

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

**Achievements and performance**

**2015/16 PERFORMANCE**

Across the organisation, our performance remains strong. Glasgow Life’s performance management framework continues to monitor the progress of all our services with a focus on meeting the city’s priorities and our strategic service. The specific focus is on:

- Glasgow Life’s Business and Service Plan
- Glasgow City Council’s Strategic Plan
- Glasgow’s Single Outcome Agreement
- Commonwealth Games Legacy Framework

With this in mind we ensure that SMART 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 2015-16 we agreed to report to Glasgow City Council on these three key areas of performance:

Measure	Target	Actual	Status
The number of attendances at Glasgow Life directly managed venues excluding festivals and events	16.9 million	17.5 million**	
Income generated through the company’s charity and CIC	£37 million (charity) £29.4 million (CIC) £7.6 million	£35.4 million* (charity) £28.8 million* (CIC) £6.6 million*	
Deliver against key themes set out in 2014 Commonwealth Games Legacy Framework	Active theme	On track	

\*The target here is focused on Income and not surplus or profit. The Charity shortfall was predominately in Sports Income and was offset by reductions in Expenditure. In the CIC the shortfall was as a result of offsetting Catering Income and Expenditure with the CIC making equivalent savings in expenditure.

\*\*A further 488,359 attendances were recorded at key events, festivals, musical performances. The total figure for all attendances at Glasgow Life services was **18,030,357**.

**Statutory Performance Indicators**

Three Statutory Performance Indicators (SPIs) are reported in line with our contractual agreement with Glasgow City Council. These are also reported to Glasgow Life’s Board.

Measure	Target	Actual	Status
Sport visits: the number of attendances per 1,000 population including pools	10,650	10,179	
The number of visits to/usages of council funded or part funded museums per 1,000 population	5,800	7,123	

The number of visits to libraries per 1,000 population	8,691	8,676	
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Performance is reported to Glasgow Life's Board throughout the year across a range of measures including financial performance, learning, employability and volunteering opportunities in the city. The Board pay particular attention to the annual attendance target and scrutinise the contribution of each individual service to this corporate indicator at every Board meeting.

Measure	Target	Actual	Status
Breakdown of the number of attendances at Glasgow Life directly managed venues, excluding festivals and events	16,891,411	17,541,998	
Glasgow Sport	6,458,518	6,171,652	
Glasgow Libraries	5,269,775	5,260,437	
Glasgow Museums	3,182,000	3,897,328	
Community Facilities	1,167,800	1,372,614	
Glasgow Arts, Music & Cultural Venues	813,318	839,967	

## Financial Review

### Review of the year

The results for the year are shown on page 12 in the group statement of financial activities.

The surplus on unrestricted funds for the year to 31 March 2016 before adjustments for FRS 17 and the taxation charge within the subsidiary company was £807,000 (2015: (£1,382,000)). After accounting for the group and the charity's participation in the Strathclyde Pension Fund and reflection of Employee Benefit Accrual required by FRS102, the overall unrestricted balance for the group at 31 March 2016 was a deficit of £48,383,000 (2015: £77,857,000). The group generated £8,998,000 (2015: £13,570,000) of restricted funds during the year, which after expenditure of £11,873,000 (2015: £15,782,000) had a closing balance of £4,013,000 (2015: £6,442,000).

The overall group reserve position is a deficit of £44,370,000 (2015: deficit of £71,415,000) as a result of the pension liability as at 31 March 2016 of £49,433,000 (2015: £77,617,000).

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 give 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 £6,583,000 (2015: £6,461,000) generating a profit before tax of £1,955,000 (2015: £1,530,000). The subsidiary company gifted £1,955,000 to the charitable company (2015: £1,530,000). 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 2016, 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 Trustees and that appropriate arrangements are established to mitigate identified risks. The Director of Finance has responsibility for ensuring all risks identified are managed to the agreed outcomes.

The top 5 risks identified are failure to secure a stable platform for records management and specialist archive databases; disruption to services while implementing organisational change; failure to meet income targets for Sport; constraints on capital investment in sustainable infrastructure resulting in insufficient funding to maintain property infrastructure and pressure to increase revenue generation results in increased risks around licencing, health and safety and general governance

## 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 2 December 2015, 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 as the business continues to develop and grow its proposition. General reserves, which are shown in the balance sheet as unrestricted funds, amount to £284,000 (2015: (£523,000)), before inclusion of the pension reserve. This amount represents 0.3% of total unrestricted income which is below the target of reserves. The Board are aware of this drop in reserves as a result of the reflection of Employee Benefit Accrual. The Board of Directors have approved a budget for 2016-17 which aims to generate a breakeven position.

In line with the charity's contract with Glasgow City Council and Service Fee received for the provision of services is agreed annually. In the year ended 31 March 2016 this amounted to £75,379,960 (2015: £77,547,397), which is the equivalent of eight months funding of expenditure (2015: 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 2016-17

A target of 17,659,828 has been approved for attendances at Glasgow Life directly managed venues for the financial year 2016-17. This takes into account a number of influencing factors, including the planned closure of venues for maintenance and refurbishment such as The Burrell Collection and also the re-opening of the Kelvin Hall.

Venue	Target
Glasgow Libraries	5,216,000
Glasgow Museums	3,300,786
Glasgow Arts, Music and Cultural Venues*	1,455,655
Glasgow Sport	6,428,687
Community Facilities	1,258,700
<b>Total</b>	<b>17,659,828</b>

\*Merchant City Festival (160,000) and Mela (45,000) have both been added to the Arts and Music target, as these are delivered from this service area. Additionally, Glasgow International, the biennial contemporary arts festival was held in April 2016 and normally attracts around 200,000 attendances.

The 2016-17 target for income generated through the company's charity and CIC is as follows:

Income generation	Target
Charity	£29.4 million
CIC	£7.6 million
<b>Total</b>	<b>£37.0 million</b>

On 1<sup>st</sup> May 2016 Culture and Sport Glasgow took ownership of Glasgow City Marketing Bureau (GCMB) following agreement from both organisations' boards and Glasgow City Council. GCMB is therefore a wholly owned subsidiary of Culture and Sport Glasgow. The wider benefits of this transfer will result from promoting the City internationally and across the UK, and as a consequence maximising participation by both citizens and visitors in the cultural and sporting assets and events that are part of Glasgow's unique selling points.

## Structure, Governance and Management

### Charitable status

The charity is limited by guarantee, governed by its memorandum and articles of association 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 guarantee to accept liability for any unfunded costs which may arise with regard to Culture and Sport Glasgow relating to their membership of the Local Government Pension Scheme (LGPS) administered by Glasgow City Council should they cease to exist, withdraw from LGPS or otherwise be unable to continue to cover and 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.

### Trustees

A list of current trustees, including those who served during the year, can be found on page 6. This represents a change to the composition of the board as a result of the takeover of Glasgow City Marketing Bureau to reflect the wider interests and responsibilities of the new group. The composition of the Board of Directors is as follows:

- The maximum number of trustees shall be fourteen (2015: twelve) of which: -
  - A maximum of five (2015: five) trustees shall be "Partner Directors" i.e. any elected member of Glasgow City Council who is willing to act as a trustee, be appointed by Glasgow City Council
  - A maximum of eight (2015: six) trustees shall be "Independent Directors"
  - A maximum of one (2015: 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 Trustees, at the first meeting of Trustees 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 trustees

An induction training process is in place for all new trustees, 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 every two months with Trustees and Senior Management present. Decisions are taken and set the overall strategy for the business as well as to monitor its activities. Senior Management are 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 trustee. 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. 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 trustees 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**

**Company number** SC 313851 (registered in Scotland)

**Charity number** SC 037844

**Registered Office** Culture & Sport Glasgow  
220 High Street  
Glasgow  
G4 0QW

**Independent Auditors** Scott-Moncrieff  
25 Bothwell Street  
Glasgow  
G2 6NL

**Solicitors** GCC Legal Services  
235 George Street  
Glasgow  
G1 1QZ

**Company Secretary** Martin Booth

**Bankers** Royal Bank of Scotland  
Kirkstane House  
139 St Vincent Street  
Glasgow  
G2 5JF

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

### Trustees

	Appointment date	Resignation date
Councillor Archie Graham OBE (Chair)		
Dr Bridget McConnell CBE (Chief Executive)		
Sir Angus Gossart		
Mr Mel Young		
Professor Lesley Sawers		
Mr Dilawer Singh MBE		
Mrs Lee Bonthron		
Councillor Helen Stephen	29 October 2015	
Mr Francis McAveety		29 October 2015
Councillor Soryia Siddique		
Councillor Emma Gillan		
Councillor David McDonald		
Mr John McCormick		
Ms Amanda McMillan	22 June 2016	
Professor Anton Muscatelli	22 June 2016	

### Key management personnel

Chief Executive	Dr B McConnell
Director of City Marketing & External Relations	S Deighan
Director of Finance & Corporate Services	M Booth
Director of Cultural Services	S Miller
Director of Sport & Infrastructure	I Hooper
Director of Policy & Research	M O'Neill

### Disclosure of information to auditors

The directors who held office at the date of the approval of this Trustees' 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 Trustees' report, on behalf of the Board of Directors

In approving the Trustees' Report, the trustees are also approving the Strategic Report in their capacity as company directors.

Approved by the Board on 07 September 2016 and signed on its behalf by:

**Archie Graham**  
*Chair*

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of Culture and Sport Glasgow for the purposes of company law) are responsible for preparing the Trustees' 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 trustees to prepare financial statements for each financial year. Under that law the trustees 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 trustees 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 trustees 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 trustees 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 trustees 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, 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 2016 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 Trustees at every Board Meeting.

The Charity 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, 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.

### **Martin Booth**

*Director of Finance and Corporate Services*  
07 September 2016

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

We have audited the financial statements of Culture and Sport Glasgow for the year ended 31 March 2016 which comprise the Group Statement of Financial Activities (incorporating the Income and Expenditure Account), Parent Charity Statement of Financial Activities, Group Balance Sheet, Charity Balance Sheet, Group Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' 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) (effective 1 January 2015)'.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed 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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

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 2016 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and parent 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 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).

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or

- the parent charitable company's financial statements are not in agreement with the accounting records or returns;  
or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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  
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 2016**

	Notes	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Unrestricted Pension/Employee Funds £000	Total Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Restated 2015 £000
<b>Income from:</b>								
Donations and legacies	8	2,291	100	-	2,391	6,949	9,340	12,291
Other trading activities								
<i>Commercial trading Company</i>	10	6,583	-	-	6,583	-	6,583	6,461
Investments	7	45	-	-	45	-	45	65
Charitable activities	9							
<i>Provision of leisure and cultural facilities</i>		26,071	67	-	26,138	2,049	28,187	29,668
<i>Service contract with Glasgow City Council</i>		75,380	-	-	75,380	-	75,380	77,547
<b>Total</b>		<b>110,370</b>	<b>167</b>	<b>-</b>	<b>110,537</b>	<b>8,998</b>	<b>119,535</b>	<b>126,032</b>
<b>Expenditure on:</b>								
Other trading activities								
<i>Commercial trading company</i>	10	(4,635)	-	-	(4,635)	-	(4,635)	(4,948)
Charitable activities								
<i>Provision of leisure and cultural facilities</i>	4	(104,282)	116	(7,038)	(111,204)	(11,873)	(123,077)	(129,678)
<b>Total</b>		<b>(108,917)</b>	<b>116</b>	<b>(7,038)</b>	<b>(115,839)</b>	<b>(11,873)</b>	<b>(127,712)</b>	<b>(134,626)</b>
<b>Net income/(expenditure)</b>		<b>1,453</b>	<b>283</b>	<b>(7,038)</b>	<b>(5,302)</b>	<b>(2,875)</b>	<b>(8,177)</b>	<b>(8,594)</b>
Transfers between funds		(646)	200	-	(446)	446	-	-
<b>Other recognised gains/(losses)</b>								
Actuarial gains/(losses) on defined benefit pension schemes	23	-	-	35,222	35,222	-	35,222	(20,773)
<b>Net movement in funds</b>		<b>807</b>	<b>483</b>	<b>28,184</b>	<b>29,474</b>	<b>(2,429)</b>	<b>27,045</b>	<b>(29,367)</b>
<b>Reconciliation of funds:</b>								
Total funds brought forward		(523)	283	(77,617)	(77,857)	6,442	(71,415)	(42,048)
<b>Total funds carried forward</b>		<b>284</b>	<b>766</b>	<b>(49,433)</b>	<b>(48,383)</b>	<b>4,013</b>	<b>(44,370)</b>	<b>(71,415)</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 2016**

	Notes	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Unrestricted Pension/Employee Funds £000	Total Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Restated 2015 £000
<b>Income from:</b>								
Donations and legacies	8	4,246	100	-	4,346	6,949	11,295	13,821
Investments	7	38	-	-	38	-	38	48
Charitable activities	9							
<i>Provision of leisure and cultural facilities</i>		26,071	67	-	26,138	2,049	28,187	29,668
<i>Service contract with Glasgow City Council</i>		75,380	-	-	75,380	-	75,380	77,547
<b>Total</b>		<b>105,735</b>	<b>167</b>	<b>-</b>	<b>105,902</b>	<b>8,998</b>	<b>114,900</b>	<b>121,084</b>
<b>Expenditure on:</b>								
Charitable activities								
<i>Provision of leisure and cultural facilities</i>	4	(104,282)	116	(7,038)	(111,204)	(11,873)	(123,077)	(129,678)
<b>Total</b>		<b>(104,282)</b>	<b>116</b>	<b>(7,038)</b>	<b>(111,204)</b>	<b>(11,873)</b>	<b>(123,077)</b>	<b>(129,678)</b>
Net income/(expenditure)		<b>1,453</b>	<b>283</b>	<b>(7,038)</b>	<b>(5,302)</b>	<b>(2,875)</b>	<b>(8,177)</b>	<b>(8,594)</b>
Transfers between funds		(646)	200	-	(446)	446	-	-
<b>Other recognised gains/(losses)</b>								
Actuarial gains/(losses) on defined benefit pension schemes	23	-	-	35,222	35,222	-	35,222	(20,773)
<b>Net movement in funds</b>		<b>807</b>	<b>483</b>	<b>28,184</b>	<b>29,474</b>	<b>(2,429)</b>	<b>27,045</b>	<b>(29,367)</b>
<b>Reconciliation of funds:</b>								
Total funds brought forward		(525)	283	(77,617)	(77,859)	6,442	(71,417)	(42,050)
<b>Total funds carried forward</b>		<b>282</b>	<b>766</b>	<b>(49,433)</b>	<b>(48,385)</b>	<b>4,013</b>	<b>(44,372)</b>	<b>(71,417)</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 2016

		Group		Charity	
		2016	2015	2016	2015
		£000	£000	£000	£000
	Note				
<b>Fixed Assets</b>					
Tangible assets	11	5,023	5,128	4,903	5,019
Investments	12	-	-	-	-
<b>Total fixed assets</b>		<b>5,023</b>	<b>5,128</b>	<b>4,903</b>	<b>5,019</b>
<b>Current Assets</b>					
Stock and work in progress	13	562	444	10	10
Debtors	14	5,252	10,336	6,951	12,248
Cash at bank and in hand		8,752	5,574	8,048	4,879
<b>Total current assets</b>		<b>14,566</b>	<b>16,354</b>	<b>15,009</b>	<b>17,137</b>
Creditors: amounts falling due in one year	15	(14,526)	(15,280)	(14,852)	(15,956)
<b>Net current assets</b>		<b>40</b>	<b>1,074</b>	<b>157</b>	<b>1,181</b>
<b>Total assets less current liabilities</b>		<b>5,063</b>	<b>6,202</b>	<b>5,060</b>	<b>6,200</b>
Defined benefit pension liability	23	(49,433)	(77,617)	(49,433)	(77,617)
<b>Net liabilities including pension deficit</b>		<b>(44,370)</b>	<b>(71,415)</b>	<b>(44,373)</b>	<b>(71,417)</b>
<b>The funds of the group:</b>					
Unrestricted income funds		1,050	(240)	1,047	(242)
Pension reserve deficit	23	(49,433)	(77,617)	(49,433)	(77,617)
<b>Total unrestricted income funds</b>		<b>(48,383)</b>	<b>(77,857)</b>	<b>(48,386)</b>	<b>(77,859)</b>
Restricted income funds	19	4,013	6,442	4,013	6,442
<b>Total charity funds</b>	21	<b>(44,370)</b>	<b>(71,415)</b>	<b>(44,373)</b>	<b>(71,417)</b>

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

Archie Graham  
Chair

07 September 2016

Registered number SC037844

**Group Statement of Cash Flows**

	<i>Note</i>	<b>2016</b>	<b>2015</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>	22	<b>4,092</b>	<b>(5,941)</b>
<b>Cash flows from investing activities:</b>			
Interest	7	45	65
Purchase and disposal of property, plant and equipment	11	(959)	(2,917)
		<hr/>	<hr/>
<b>Net cash provided by/(used in) investing activities</b>		<b>(914)</b>	<b>(2,852)</b>
		<hr/>	<hr/>
<b><i>Change in cash and cash equivalents in the reporting period</i></b>		<b>3,178</b>	<b>(8,793)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>5,574</b>	<b>14,367</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>8,752</b>	<b>5,574</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 trustees 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 3.

Before 2016 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006, and referred to as "previous UK GAAP". The financial effects of the transition to FRS 102 are set out in note 2 below.

***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 2016.

***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 trustees, 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 trustees.

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

***Incoming resources***

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

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

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.

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 4.

*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

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

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.

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 (2014: £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.

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

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 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. Transition to FRS 102**

These financial statements for the year ended 31 March 2016 are the charity's first financial statements that comply with the FRS 102. The charity's date of transition to FRS 102 is 1 April 2014. The charity's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 March 2015.

The transition to FRS 102 has resulted in a number of changes in the charity's accounting policies compared to those used when applying the previous UK GAAP.

The following explanatory notes to the financial statements describe the differences between the funds and income and expenditure presented under the previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended 31 March 2015 (i.e. comparative information), as well as the funds presented in the opening statement of balance sheet (i.e. at 1 April 2014). It also describes the changes in accounting policies made on first-time adoption of FRS 102.

In the table below, funds determined in accordance with FRS 102 are reconciled to funds determined in accordance with previous UK GAAP at both 1 April 2014 (the date of transition to FRS 102) and 31 March 2015.

	At 1 April 2014			At 31 March 2015		
	Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000	Previous UK GAAP £'000	Effect of transition £'000	FRS 102 £'000
<b>Fixed assets</b>						
Tangible assets	2,777		2,777	5,128		5,128
Investments	0		0	0		0
<b>Current assets:</b>						
Stocks and work in progress	477	-	477	444	-	444
Debtors	6,568	-	6,568	10,336	-	10,336
Cash at bank and in hand	14,367	-	14,367	5,574	-	5,574
<b>Liabilities:</b>						
Creditors: Amounts falling due within one year	(13,325)	(1,007)	(14,332)	(14,057)	(1,223)	(15,280)
<b>Net current assets</b>	<b>8,087</b>	<b>(1,007)</b>	<b>7,080</b>	<b>2,297</b>	<b>(1,223)</b>	<b>1,074</b>
<b>Total assets less current liabilities</b>	<b>10,864</b>	<b>(1,007)</b>	<b>9,857</b>	<b>7,425</b>	<b>(1,223)</b>	<b>6,202</b>
Pension fund liability	(51,905)	-	(51,905)	(77,617)	-	(77,617)
<b>Total net liabilities</b>	<b>(41,041)</b>	<b>(1,007)</b>	<b>(42,048)</b>	<b>(70,192)</b>	<b>(1,223)</b>	<b>(71,415)</b>
<b>The funds of the charity:</b>						
Unrestricted funds	2,656	(1,007)	1,649	983	(1,223)	(240)
Pension reserve	(51,905)	-	(51,905)	(77,617)	-	(77,617)
Restricted funds	8,208	-	8,208	6,442	-	6,442
<b>Total charity funds</b>	<b>(41,041)</b>	<b>(1,007)</b>	<b>(42,048)</b>	<b>(70,192)</b>	<b>(1,223)</b>	<b>(71,415)</b>

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

**Reconciliation of net movement in funds for the year ended 31 March 2015**

Notes	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Income from:</b>			
Donations and legacies	12,291		12,291
Charitable activities	107,215	-	107,215
Other trading activities	6,461	-	6,461
Investments	65		65
<b>Total</b>	<b>126,032</b>	<b>0</b>	<b>126,032</b>
<b>Expenditure on:</b>			
Charitable activities (a),(b)	125,912	3,766	129,678
Other trading activities	4,948		4,948
Other	-		0
<b>Total</b>	<b>130,860</b>	<b>3,766</b>	<b>134,626</b>
<b>Net income/(expenditure)</b>	<b>(4,828)</b>	<b>(3,766)</b>	<b>(8,594)</b>
<b>Other recognised gains/(losses):</b>			
<b>Actuarial gains/losses on defined benefit pension scheme</b>	(24,323)	3,550	(20,773)
<b>Net movement in funds</b>	<b>(29,151)</b>	<b>(216)</b>	<b>(29,367)</b>

(a) In accordance with FRS 102, a provision for paid annual leave and paid sick pay has been recognised at the date of transition, 1 April 2014. The movement in the provision for the year ended 31 March 2015 has also been recognised as an effect of transition.

(b) Recognition of the adjustments to the defined benefit pension scheme have been restated under FRS 102.

**3. Critical judgements and estimates**

In preparing the financial statements, trustees 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.

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

**4. Analysis of resources expended**

	<b>Charitable Activities 2016 £000</b>	<b>Support Costs 2016 £000</b>	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
<i>Unrestricted General funds – charitable activity/cost</i>				
Provision of leisure and cultural facilities (see below)	79,757	24,525	104,282	108,396
<i>Restricted funds – charitable activity / cost</i>				
Provision of leisure and cultural facilities (see below)	11,873	-	11,873	15,782
	<b>91,630</b>	<b>24,525</b>	<b>116,155</b>	<b>124,178</b>

**Analysis of charitable activities by objective**

	<b>Unrestricted General Funds 2016 £000</b>	<b>Restricted Funds 2016 £000</b>	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
Sports and Leisure Activities	38,709	6,286	44,995	42,860
Libraries and Community Facilities	11,929	1,986	13,915	13,187
Arts and Museums	13,554	2,289	15,843	16,286
Area Teams	13,428	784	14,212	14,900
Corporate Services	24,379	203	24,582	34,122
Music	2,283	325	2,608	2,823
	<b>104,282</b>	<b>11,873</b>	<b>116,155</b>	<b>124,178</b>

Expenditure on charitable activities in 2015 was £124,178,000 of which £108,396,000 was unrestricted and £15,782,000 was restricted.

	<b>2016 £000</b>	<b>2015 £000</b>
Depreciation	1,064	566
Auditors remuneration – see note 5	28	29

**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 2016 £000</b>	<b>Governance 2016 £000</b>	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
Finance, Procurement and Business Support	4,021	61	4,082	5,913
ICT	2,886	-	2,886	2,692
Human Resources	939	-	939	1,210
Marketing and Media	3,237	-	3,237	3,564
Administration and Management	12,982	399	13,381	14,044
	<b>24,065</b>	<b>460</b>	<b>24,525</b>	<b>27,423</b>

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

**5. Governance costs**

	Group			
	Unrestricted General Funds	Restricted Funds	Total	Total
	2016 £000	2016 £000	2016 £000	2015 £000
Strategic Planning Costs	399	-	399	440
External auditors' remuneration: Audit of these financial statements	23	-	23	23
Audit of financial statements of subsidiaries pursuant of legislation	2	-	2	3
Other services relating to taxation	3	-	3	3
Audit Fees – Internal	23	-	23	30
Directors and Officers Indemnity Insurance	10	-	10	10
	460	-	460	509

**6. Staff numbers and costs**

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

	Group		Charity	
	2016 £000	2015 £000	2016 £000	2015 £000
Wages and Salaries	53,266	55,213	52,263	54,225
Redundancy Costs	47	396	47	395
Social Security Costs	3,534	3,766	3,481	3,712
Other Pension Costs	12,251	10,280	12,113	10,153
Agency Costs	133	471	133	471
	69,231	70,126	68,037	68,956

30 members of staff were made redundant during the year and received lump sum payments totalling £1,447,288. The full cost of the lump sum redundancy payment is recognised in the year the redundancy occurred. The cost of these redundancies is fully funded by Glasgow City Council.

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

	Group and Charity	
	2016 Number	2015 Number
£130,000 - £139,999	1	1
£100,000 – £129,999	1	
£90,000 - £99,999	-	1
£80,000 - £89,999	3	3
£70,000 - £79,999	5	-
£60,000 - £69,999	5	6
	15	11

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

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

**Notes to the financial statements**  
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as an employee of £135,173 (2015: £134,864) plus an employer's contribution to the defined benefit pension scheme of £23,250 (2015: £23,025)

	<b>Group and Charity</b>	
	<b>2016</b>	<b>2015</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, Chief Operating Officer, Director of Finance & Corporate Services, Director of Cultural Services, Director of Sport & Infrastructure and Director of Policy & Research. The total employee benefits of the key management personnel were £730,223 (2015 £723,108)

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

	<b>Group</b>		<b>Charity</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
Area Teams	413	414	413	414
Libraries and Community Facilities	242	257	242	257
Arts and Museums	304	316	304	316
Sports and Events	872	917	872	917
Retail	39	37	39	37
Management and Administration	239	274	239	274
	<u>2,109</u>	<u>2,215</u>	<u>2,109</u>	<u>2,215</u>

**7. Investment Income**

	<b>Group</b>		<b>Charity</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Interest receivable	45	65	38	48
	<u>45</u>	<u>65</u>	<u>38</u>	<u>48</u>

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

<b>Group</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Contributions	545	2,767	3,312	4,569
Donations and Bequests	293	93	386	356
Grants	1,553	4,089	5,642	7,366
	<u>2,391</u>	<u>6,949</u>	<u>9,340</u>	<u>12,291</u>
<b>Charity</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Gift Aid from subsidiary company	1,955	-	1,955	1,530
Contributions	545	2,767	3,312	4,569
Donations and Bequest	293	93	386	356
Grants	1,553	4,089	5,642	7,366
	<u>4,346</u>	<u>6,949</u>	<u>11,295</u>	<u>13,821</u>

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

Voluntary Income from charitable activities in 2015 was £12,291,000 of which £2,521,000 was unrestricted and £9,770,000 was restricted.

**9. Incoming Resources from Charitable Activities**

	<b>Unrestricted 2016 £000</b>	<b>Restricted 2016 £000</b>	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
Sports and Leisure Activities	20,748	1,474	22,222	21,010
Libraries and Community Facilities	2,286	36	2,322	2,258
Arts and Museums	356	488	844	600
Area Teams	588	10	598	688
Corporate Services	788	34	822	3,644
Music	1,372	7	1,379	1,468
	<u>26,138</u>	<u>2,049</u>	<u>28,187</u>	<u>29,668</u>
Service contract with Glasgow City Council	<u>75,380</u>	<u>-</u>	<u>75,380</u>	<u>77,547</u>
	<u>101,518</u>	<u>2,049</u>	<u>103,567</u>	<u>107,215</u>

Income from charitable activities in 2015 was £107,215,000 of which £103,415,000 was unrestricted and £3,800,000 was restricted.

**10. 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 2016 £000</b>	<b>Total 2015 £000</b>
<b>Turnover</b>	6,583	6,461
Cost of Sales and Administration Costs	(4,635)	(4,948)
Interest receivable	<u>7</u>	<u>17</u>
<b>Net profit on ordinary activities before taxation</b>	<u>1,955</u>	<u>1,530</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>
<b>Profit for the year</b>	1,955	1,530
Gift Aid to charity	(1,955)	(1,530)
Retained in the subsidiary	<u>-</u>	<u>-</u>

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

Fixed Assets	120	109
Current Assets	4,584	4,114
Current Liabilities	<u>(4,701)</u>	<u>(4,220)</u>
Total New Assets	<u>3</u>	<u>3</u>
<b>Aggregate share capital and reserves</b>	<u><b>3</b></u>	<u><b>3</b></u>

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

**11. Tangible assets**

<b>Group</b>	<b>Leasehold</b>	<b>Plant &amp;</b>	<b>Total</b>
	<b>Improvements</b>	<b>Equipment</b>	
	<b>2016</b>	<b>2016</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<i>Cost</i>			
At the beginning of the year	4,623	4,719	9,342
Additions	677	394	1,071
Disposals	-	(112)	(112)
At end of year	<b>5,300</b>	<b>5,001</b>	<b>10,301</b>
<i>Accumulated Depreciation</i>			
At beginning of year	(2,072)	(2,142)	(4,214)
Charge of year	(472)	(704)	(1,176)
Disposals	-	112	112
At end of year	<b>(2,544)</b>	<b>(2,734)</b>	<b>(5,278)</b>
Net book value at 31 March 2016	<b>2,756</b>	<b>2,267</b>	<b>5,023</b>
Net book value at 31 March 2015	<b>2,551</b>	<b>2,577</b>	<b>5,128</b>

<b>Charity</b>	<b>Leasehold</b>	<b>Plant &amp;</b>	<b>Total</b>
	<b>Improvements</b>	<b>Equipment</b>	
	<b>2016</b>	<b>2016</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<i>Cost</i>			
At the beginning of year	4,473	4,712	9,185
Additions	668	377	1,045
Disposals	-	(112)	(112)
At end of year	<b>5,141</b>	<b>4,977</b>	<b>10,118</b>
<i>Accumulated Depreciation</i>			
At beginning of year	(2,029)	(2,137)	(4,166)
Charge of year	(457)	(704)	(1,161)
Disposals	-	112	112
At end of year	<b>(2,486)</b>	<b>(2,729)</b>	<b>(5,215)</b>
Net book value at 31 March 2016	<b>2,655</b>	<b>2,248</b>	<b>4,903</b>
Net book value at 31 March 2015	<b>2,443</b>	<b>2,576</b>	<b>5,019</b>

All assets owned are held for charitable use.

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

**12. Investments**

	<b>Charity</b>	<b>2015</b>
	<b>2016</b>	<b>£000</b>
	<b>£000</b>	<b>£000</b>
Investment in subsidiary undertaking	<u>-</u>	<u>-</u>

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

**13. Stocks and work in progress**

	<b>Group</b>		<b>Charity</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Merchandise for resale	562	444	10	10

**14. Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade debtors	2,870	3,400	1,737	2,917
Amounts owed by group undertakings	133	94	109	84
VAT	-	-	2,994	2,747
Prepayments and accrued income	2,249	6,842	2,111	6,500
	<u>5,252</u>	<u>10,336</u>	<u>6,951</u>	<u>12,248</u>

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

	<b>Group</b>		<b>Charity</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade creditors	2,137	2,377	2,039	2,240
Amounts owed by group undertakings	-	-	2,026	2,096
Accruals	7,796	8,305	7,703	8,159
Taxation and Social Security	1,642	1,676	1,648	1,683
VAT	1,308	934	-	-
Deferred Income	1,644	1,988	1,436	1,778
	<u>14,527</u>	<u>15,280</u>	<u>14,852</u>	<u>15,956</u>

**16. 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 2015	1,988	1,778
Amounts released during the year	(344)	(342)
<b>Balance at 31 March 2016</b>	<u><b>1,644</b></u>	<u><b>1,436</b></u>

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

**17. Financial assets and liabilities**

	Group		Charity	
	2016 £000	2015 £000	2016 £000	2015 £000
Financial assets measured at amortised cost	13,592	14,606	11,600	13,091
Financial liabilities measured at amortised cost	(9,933)	(10,682)	(3,638)	(3,823)
	<u>3,659</u>	<u>3,924</u>	<u>7,962</u>	<u>9,268</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.

**18. Designated income funds**

Group and Charity	Total £000
<b>Balance as at 1 April 2015</b>	<b>283</b>
Income	167
Expenditure	116
Transfers	200
<b>Balance at 31 March 2016</b>	<b><u>766</u></b>

Fund Name	Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2016 £000
Cycle to Work	59	33	(43)	-	49
IT Investment	119		(16)	200	303
Energy Efficiency	43	134	230	-	407
Other	62		(55)	-	7
	<b>283</b>	<b>167</b>	<b>116</b>	<b>200</b>	<b>766</b>

**FUND DESCRIPTION**

**Cycle to Work**

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

**IT Investment**

Improve/enhance IT infrastructure

**Energy Efficiency**

Implement new energy efficiency measures and reduce carbon emissions

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

**19. Restricted income funds**

<b>Group and Charity</b>	<b>Total £000</b>
Balance as at 1 April 2015	6,442
Income	8,998
Expenditure	(11,873)
Transfers	446
<b>Balance at 31 March 2016</b>	<b>4,013</b>

The other reserve represents a number of small funds received from external organisations for specific purposes.

Sufficient resources are held to enable each fund to be applied in accordance with all restrictions.  
Transfers between funds are not performed.

**Restricted Funds**

	<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	965	576	(785)	-	756
Arts	317	1,249	(1,444)	-	122
Corporate	270	59	(202)	-	127
Events	41	1,456	(1,912)	446	31
Libraries	1,031	1,349	(1,985)	-	395
Museums	554	816	(846)	-	524
Music	230	128	(325)	-	33
Sport and Leisure Activities	3,034	3,365	(4,374)	-	2,025
	<b>6,442</b>	<b>8,998</b>	<b>(11,873)</b>	<b>446</b>	<b>4,013</b>

**20. Restricted income funds**

Analysis by fund of amounts received during the year in excess of £50,000 or where the fund balance at 31 March 2016 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 2016 £000</b>
Area Teams	Youth Development Officer	59	68	(84)	-	43
	Swayed GHA	86	72	(154)	-	4
	Digital Volunteering	60	56	(54)	-	62
	North Glasgow Youth	30	20	(13)	-	37
	Central West Hubs	49	-	(12)	-	37
	West Hubs	55	28	(38)	-	45
	NE Volunteering Programme	25	11	(1)	-	35
	NEYP	4	95	(94)	-	5
	Knightwood Pool	56	(56)	-	-	-
	Mend Project	61	-	(29)	-	32

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

	ESOL	8	96	(48)	-	56
	Other	472	186	(258)	-	400
	<b>Total Area Teams</b>	<b>965</b>	<b>576</b>	<b>(785)</b>	<b>-</b>	<b>756</b>
<b>Arts</b>	Arts Grants Payments	11	92	(103)	-	-
	Velocity	-	69	(69)	-	-
	MCF 2016	-	45	(1)	-	44
	Age Creative	38	-	(7)	-	31
	GI 2016	-	462	(441)	-	21
	Turner Prize	120	557	(674)	-	3
	Other	148	24	(149)	-	23
	<b>Total Arts</b>	<b>317</b>	<b>1,249</b>	<b>(1,444)</b>	<b>-</b>	<b>122</b>
<b>Corporate</b>	Energy Projects	-	(49)	(201)	-	(250)
	BT Contr To Telecoms	101	-	(15)	-	86
	Development Income	-	38	(5)	-	33
	Facility ENV2 Funding	114	35	-	-	149
	Facilities Mgt Rest	71	-	(4)	-	67
	Marketing Kelvinhall	20	17	-	-	37
	Other	(36)	18	23	-	5
	<b>Total Corporate</b>	<b>270</b>	<b>59</b>	<b>(202)</b>	<b>-</b>	<b>127</b>
<b>Events</b>	IRB Rugby 7s	-	323	(573)	250	-
	MCF 2015	-	371	(371)	-	-
	Homeless World Cup	-	74	(74)	-	-
	BBC Proms 2015	-	161	(161)	-	-
	World Pipe Band	-	483	(648)	196	31
	Other	41	44	(85)	-	-
	<b>Total Events</b>	<b>41</b>	<b>1,456</b>	<b>(1,912)</b>	<b>446</b>	<b>31</b>
<b>Libraries</b>	Aye Write Festival	8	183	(155)	-	36
	Welfare Reform Digital Inclusion	159	-	(85)	-	74
	MacMillan at CCLB	2	619	(620)	-	1
	Ftre Family-Clyde Gtw	55	50	(31)	-	74
	James Moir Fund	609	363	(971)	-	1
	Barlinnie Prison Lib	16	15	(2)	-	29
	Family Futures	34	(3)	(1)	-	30
	Other	148	122	(120)	-	150
	<b>Total Libraries</b>	<b>1,031</b>	<b>1,349</b>	<b>(1,985)</b>	<b>-</b>	<b>395</b>
<b>Museums</b>	Acquisitions	-	42	-	-	42
	Burrell Tour Develop	(105)	(77)	(6)	-	(188)
	Burrell Tapestries	70	-	(17)	-	53
	Our Museum (Hamlyn)	-	67	(67)	-	-
	Exhibitions	82	100	(93)	-	89
	Italian Art Tour	106	164	-	-	270
	Altogether Glasgow	222	122	(12)	-	332
	Host City Volunteers	(78)	-	(129)	-	(207)

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

	Burrell Renaissance	-	4	(183)	-	(179)
	JD Campbell Bequest	50	50	-	-	100
	West Court Redisplay	-	67	(74)	-	(7)
	Nathan Coley Claim	-	98	(98)	-	-
	Other	207	179	(167)	-	219
	<b>Total Museums</b>	<b>554</b>	<b>816</b>	<b>(846)</b>	<b>-</b>	<b>524</b>
<b>Music</b>	Big Big Sing	143	71	(189)	-	25
	Other	87	57	(136)	-	8
	<b>Total Music</b>	<b>230</b>	<b>128</b>	<b>(325)</b>	<b>-</b>	<b>33</b>
						30
<b>Sport</b>	Walk Glasgow	90	5	(2)	-	93
	Active Living Development	38	6	(13)	-	31
	Netball Super League	62	-	(33)	-	29
	COPD	30	27	(30)	-	27
	Obesity	81	31	(51)	-	61
	Active ABC	-	135	(100)	-	35
	Sports Grants	32	61	(73)	-	20
	Active Ageing Week	191	5	(36)	-	160
	2015 Gymnastics Championships	1,323	1,200	(2,523)	-	-
	Indoor Athletics Res	-	270	(264)	-	6
	2017 Badminton World Health Referrals	-	210	(33)	-	177
	Park Lives	69	-	(2)	-	67
	IPC World Championships	-	300	(300)	-	-
	Commercial Sports Pr	33	4	(6)	-	31
	CRF	162	4	(26)	-	140
	Community Sports Hub	320	126	(116)	-	330
	Sport Spaces	33	-	-	-	33
	Teen Girls Dance	45	(15)	(4)	-	26
	ESC2018	-	194	(194)	-	-
	Badminton Grand Prix	-	110	(110)	-	-
	Coach Core	20	280	(100)	-	200
	Revitalise	92	-	-	-	92
	Silver Deal – GHA	135	51	(102)	-	84
	Swimming Events	-	99	-	-	99
	Spirit of 2012	21	44	(29)	-	36
	Other	257	118	(185)	-	190
	<b>Total Sport</b>	<b>3,034</b>	<b>3,365</b>	<b>(4,374)</b>	<b>-</b>	<b>2,025</b>
	<b>Total Restricted Funds</b>	<b>6,442</b>	<b>8,998</b>	<b>(11,873)</b>	<b>446</b>	<b>4,013</b>

**FUND DESCRIPTION**

**Youth Development Officer**

Fund a Youth Development officer post within Glasgow Life

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

**Swayed GHA**

Engaging young people in diverse activities in SW Glasgow

**Digital Volunteering**

To fund Digital Volunteer Co-ordinator post

**North Glasgow Youth**

Activities programme for 11 – 16 year olds with behavioural problems

**ESOL**

National grant from Scottish Funding Council to support ESOL learning

**Knightswood Pool**

Refurbishment of Knightswood Pool

**Central West Hubs**

Community Learning and Development Programmes in the North West

**West Hubs**

Youth Programmes in West

**NEYP**

Youth safety and diversionary youth work programme

**NE Volunteering Programme**

Programme to support volunteering in the community

**Mend Project**

Physical activity programme for 2-5 year olds and their families

**Arts Grants Payments**

Grants from GCC distributed to Arts Bodies in the city by Arts Development Team

**Velocity**

Collective and cultural response to the impact of the Glasgow 2014 Commonwealth Games on the city

**Merchant City Festival 2016**

Scottish and international art and entertainment event

**Age Creative**

Art activities for older people

**GI 2016**

Bi-annual arts festivals

**Turner**

Annual Turner Prize

**Facility ENV2 Funding**

Funding for grounds maintenance and management facility services

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

**Facilities Management**

Bequests to be used for refurbishment of various Glasgow Life properties

**Development Income**

Fundraising activities/Individual Giving

**Energy Projects**

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

**BT Cont. To Telecoms**

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

**Marketing Kelvinhall**

Stages 2 and 3 of Kelvinhall marketing campaign

**IRB Rugby 7s**

SRU 7 a side rugby tournament at Scotstoun Stadium.

**BBC Proms 2015**

Bringing people together in a night of music.

**World Pipe Band**

Pipe Band competition with bands from across the world competing.

**Merchant City Festival 2015**

Scottish and international art and entertainment event

**Homeless World Cup**

Sporting event bringing homeless people from across the world together

**Aye Write Festival**

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

**Welfare Reform Digital Inclusion**

To promote and facilitate local community access to computers.

**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).

**James Moir Fund**

Moir Bequest fund to be used for rare and costly books for Mitchell Library.

**Barlinnie Prison Lib**

Provision of library service

**Family Futures**

Participation programmes for parents/children e.g. Bounce & Rhyme, Toddler's Tales

## **Notes to the financial statements**

*(forming part of the financial statements)*

### **Burrell Tour Development**

To promote Burrell Collection and development tour. Offset by Italian Art Tour.

### **Altogether Glasgow**

Flexible learning programme that aims to enable Glasgow's communities to better engage with the city's cultural/sporting opportunities.

### **Acquisitions**

Challenge fund created for funding acquisitions/projects within Museums

### **Burrell Tapestries**

This fund (resulting from a generous donation from Esmee Fairbairn Trust) helps provide research and conservation reports on the 200 tapestries in the Burrell Collection.

### **Exhibitions**

Museums general exhibitions.

### **Our Museum (Hamlyn)**

3 year organisational project encompassing community engagement and staff development

### **Italian Art Tour**

Italian Art Exhibition on tour to England and various in USA.

### **Host City Volunteers**

Volunteer Programme to maximise opportunities for local people to feel connected to and play an active part in the Games. Offset by Altogether Glasgow.

### **JD Campbell Bequest**

To support young artists in their work

### **Burrell Renaissance**

Tour and fundraising elements of Burrell Project

### **West Court Redisplay**

Bequest fund for projects/acquisitions that support young artists in their work. Funding due 16/17 Friends of Glasgow Museums

### **Nathan Coley**

Replacement funding for damaged artwork

### **Big Big Sing**

To inspire thousands of people across the UK to sing, celebrate the Glasgow 2014 Commonwealth Games

### **Walk Glasgow**

Walking Programme.

### **Active Living Development**

Activities designed for older adults.

### **Commercial Sports**

NHS funding for sporting activities

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

**COPD**

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

**Netball Super League**

Development of Glasgow Wildcats netball team.

**Obesity**

NHS funded project addressing obesity in children and young people.

**Health Referrals**

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

**CRF**

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

**Community Sports Hubs**

Community sports development programme.

**Sport Spaces**

To identify sporting spaces throughout Glasgow for 2014 and 2018.

**Active Ageing Week**

A week of activities tailored towards older people in Glasgow.

**2015 Gymnastic Championships**

Gymnastics Championships to be held in 2015 at Emirates Stadium.

**Active ABC**

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

**Indoor Athletics Championships**

Glasgow Sainsbury's Indoor Athletics Championships

**Coach Core**

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

**2017 Badminton World Championships**

2017 World Badminton Championships

**Park Lives**

Funding from Coca Cola to hold free activities in parks

**Silver Deal**

Promote health and exercise amongst the over 50's.

**Teen Girls Dance**

NHS funding to develop physical activity opportunities for teenage girls.

**Sports grants**

Talented Sports Performer scheme to subsidise cost of certain sports.

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

**Revitalise**

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

**IPC World Championships**

International Paralympic European Championships

**ESC2018**

2018 European Sport Championships

**Badminton Grand Prix**

Scottish Badminton Open

**Swimming Events**

2016 British Olympic Trials and 2017 Duel in the Pool

**Spirit of 2012**

Funding from Youth Sport Trust for a leadership and volunteering initiative for young people, with a special emphasis on inclusion.

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

<b>Group</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total £000</b>
<b>Fund balances at 31 March 2016 are represented by:</b>			
Tangible fixed assets	5,023	-	5,023
Current assets	10,553	4,013	14,566
Current liabilities	(14,526)	-	(14,526)
Pension Deficit	(49,433)	-	(49,433)
<b>Total net assets</b>	<b>(48,383)</b>	<b>4,013</b>	<b>(44,370)</b>
<b>Charity</b>			
	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total £000</b>
<b>Fund balances at 31 March 2016 are represented by:</b>			
Tangible fixed assets	4,903	-	4,903
Current assets	10,996	4,013	15,009
Current liabilities	(14,852)	-	(14,852)
Pension Deficit	(49,433)	-	(49,433)
	<b>(48,386)</b>	<b>4,013</b>	<b>(44,373)</b>

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

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

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

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Net income/(expenditure) for the reporting period	(8,177)	(8,595)
Depreciation	1,064	566
Retirement benefit scheme	7,038	4,939
Interest received	(45)	(65)
Decrease/(increase) in stocks	(118)	33
(Increase)/decrease in debtors	5,084	(4,999)
(Increase)/decrease in creditors and provisions	(754)	2,180
<b>Net cash used in operating activities</b>	<b>4,092</b>	<b>(5,941)</b>

**Analysis of cash and cash equivalents**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	5,252	3,574
Notice deposits (less than 3 months)	3,500	2,000
<b>Net cash used in operating activities</b>	<b>8,752</b>	<b>5,574</b>

**23. 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 Trustees. 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 2014 and following this valuation employer's contributions increased to 19.3% for the years ended 31 March 2015 and 2016 -2018 respectively. Employer's contributions for the period 31 March 2016 amounted to £8,356,000 and was based on a 19.3% contribution.

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

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

	31 March 2016 £'000	31 March 2015 £'000
Opening defined benefit obligation	315,004	257,691
Current service cost	12,073	10,256
Interest cost	10,246	11,268
Contributions by members	2,595	2,677
Actuarial losses/(gains)	(36,660)	36,880
Past service costs	1,183	679
Benefits paid	(5,008)	(4,121)
Unfunded benefits paid	(417)	(326)
<b>Closing defined benefit obligation</b>	<b>299,016</b>	<b>315,004</b>

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

	31 March 2016 £'000	31 March 2015 £'000
Opening fair value of plan assets	237,387	205,786
Interest income on plan assets	7,691	8,981
Contributions by members	2,595	2,677
Contributions by the employer	8,356	7,957
Contributions in respect of unfunded benefits	417	326
Actuarial loss/gain	(1,438)	16,107
Estimated unfunded benefits paid	(5,008)	(4,121)
Estimated benefits paid	(417)	(326)
<b>Closing fair value of plan assets</b>	<b>249,583</b>	<b>237,387</b>

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

	31 March 2016 £'000	31 March 2015 £'000
Current service cost	(12,073)	(10,256)
Past Service Cost (including curtailment)	(1,183)	(679)
<b>Total service cost</b>	<b>(13,256)</b>	<b>(10,935)</b>
<b>Net interest</b>		
Interest income on plan assets	7,691	8,981
Interest cost on defined benefit obligation	(10,246)	(11,268)
<b>Total service cost</b>	<b>(2,555)</b>	<b>(2,287)</b>
<b>Total defined benefit cost recognised in net income/expenditure per the SOFA</b>	<b>(15,811)</b>	<b>(13,222)</b>

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

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

	<b>31 March 2016</b>	<b>31 March 2015</b>
	%	%
Equities	72	75
Bonds	16	13
Property	12	11
Cash	0	1

The estimated employer contributions for the year to 31 March 2017 are £8,176,000.

The bid value of the Fund's assets as at 31 March 2016 is estimated to be £16,005,000,000 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 2016</b>	<b>31 March 2015</b>
	% per annum	% per annum
Pension Increase Rate	2.2	2.4
Salary Increase Rate	4.2	4.3
Discount Rate	3.5	3.2

**Mortality**

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2012 model assuming current rates of improvements have peaked and will converge to a long term rate 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	22.1 years	23.6 years
Future Pensioners	24.8 years	26.2 years

**24. Operating leases**

The Charity utilises 1,126 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 was £249,361 (2015: £151,256). 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>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
No later than one year	308	191
Later than one year and not later than five	569	457
<b>Total</b>	<b>877</b>	<b>648</b>

**25. 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 2016 GCC provided funds of £75.3m (2015: £77.5m) to the charity in respect of the services undertaken by the charity on its behalf. At 31 March 2016 GCC owed the charity £0.5m (2015: £3.5m) in relation to normal trading activities.

### **Notes to the financial statements**

*(forming part of the financial statements)*

The charity supplied goods and services amounting to £78,630 (2015: £37,911) and purchased goods and services of £113,113 (2015: £92,183) for Jobs and Business Glasgow of which Emma Gillan is a director. During 2015/16 Martin Booth, Director of Finance & Corporate Services, was appointed as Interim Chief Executive of Jobs and Business Glasgow.

The charity provided goods and services amounting to £845,836 (2015: £615,196) and purchased goods and services amounting to £24,294 (2015: £71,088) from Glasgow City Marketing Bureau of which Professor Lesley Sawers is a Director. The charity also provided goods and services of £124,425 to Glasgow Caledonian University of which Lesley Sawers was Vice-Principal.

The charity provided goods and services amounting to £72,825 to City Property of which Councillor Helen Stephen is a board member.

The charity provided goods and services of £96,875 to Sport Scotland of which Mel Young is Chair.

### **26. Post Balance Sheet Events**

On 01 May 2016 following decisions made by the Boards of both organisations and Glasgow City Council, ownership of Glasgow City Marketing Bureau (GCMB) transferred to Glasgow Life.

### **27. 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.