

Culture and Sport Glasgow
(a charity limited by guarantee)

Report and Group Financial Statements
Year Ended 31 March 2014

Registered number SC 313851 (registered in Scotland)

Scottish Charity number SC 037844

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Trustees' Report for the year ended 31 March 2014

The Directors, who are the Trustees for the purposes of charity law, are pleased to present their annual report and group financial statements for the year ended 31 March 2014. 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.

Reference and administrative information

The trustees of the charity who were in office during the year and up to the date of signing of the financial statements were:

Trustees

Councillor Archie Graham (Chair)
Dr Bridget McConnell (Chief Executive)
Sir Angus Grossart
Rt Hon George Reid (resigned 23/09/2013)
Mr Mel Young
Sir Duncan Rice (resigned 28/08/2013)
Dr Lesley Sawers
Mr Dilawer Singh
John McCormick (appointed 14/11/2013)
Councillor Frank McAveety
Councillor Soryia Siddique
Councillor Emma Gillan
Councillor David McDonald (appointed 12/09/2013)

Registered office

Culture and Sport Glasgow
220 High Street
Glasgow
G4 0QW

Independent Auditors

PricewaterhouseCoopers LLP
141 Bothwell Street
Glasgow
G2 7EQ

Solicitors & Company Secretary

Burness
120 Bothwell Street
Glasgow
G2 7JL

Bankers

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

Company number

SC 313851 (registered in Scotland)

Scottish Charity number

SC 037844

Trustees' Report for the year ended 31 March 2014 (continued)

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 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 SC 037844.

Trustees

A list of current trustees, including those who served during the year, can be found on page 1. The composition of the Board of Directors is as follows;

- The maximum number of trustees shall be twelve of which: -
 - A maximum of 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 six trustees shall be "Independent Directors"
 - A maximum of 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 procedures 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 to 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, hire of conference 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.

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.

Trustees' Report for the year ended 31 March 2014 (continued)

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.

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.

A Vision Statement and revised Strategy Objectives were agreed by the Board on 28 October 2009. These were most recently reaffirmed by the Board on 27 March 2012.

Strategic Report 2013/14 Achievements and Performance

Our performance management framework ensures we continually review all our services, measuring them against their contribution to Glasgow Life's strategic objectives – and supporting the priorities set out in:

- Glasgow City Council's Strategic Plan
- Single Outcome Agreement
- Commonwealth Games Legacy Framework
- Statutory Performance Indicators (SPIs)

We set SMART targets for all performance measures, and we use Audit Scotland's National Performance Framework, traffic light system to demonstrate progress against target:

-  More than 5% below targeted performance
-  2.5% to 4.9% below targeted performance
-  Meets or exceeds targeted performance

During 2013/14 we agreed to report the on the following three areas of activity to Glasgow City Council:

Measure	Target	Actual	Status
The number of attendances at Glasgow Life directly managed venues excluding festivals and events	16.1 million	17.2* million	
Income generated through the company's charity and CIC	£33 million (charity) £27.6 million (CIC) £5.4 million	£37.2 million	
Contribution to the XX 2014 Commonwealth Games and the Legacy Framework	Lead on the <i>Active</i> theme Develop the <i>Cultural Plan</i>	On track On track	 

*17.9 million recorded attendances include 700,000 attendances at key events, festivals and musical performances.

Early legacy from hosting the XX Commonwealth Games

Although the delivery of legacy associated with large sporting events is a relatively recent phenomenon, Glasgow has benefited enormously since winning the bid to host the Games.

Since 2009 there has been £196 million investment in sporting venues across the city, including:

- Emirates Arena
- Kelvingrove Lawn Bowls refurbishment
- National Hockey Centre
- Scotstoun Leisure Centre and Stadium
- Tollcross International Swimming Centre
- Toryglen Regional Football Centre

Strategic Report (continued)

This investment has led to the city securing some high profile national and international events in 2013/14:

- British Swimming Championships (2014)
- BWF Badminton Grand Prix (2014)
- IPC European Swimming Championships (2015)
- FIG World Gymnastics Championships (2015)

All new and refurbished venues meet long-term national and civic needs. Unlike the majority of previous games, all the new venues have been open to the public at least one year before the games begin.

Manchester (host city 2002) showed that the legacy effect can be short lived. In particular, if the voluntary sports sector can't respond to a surge in interest from young people, the demand quickly evaporates. So we've placed additional emphasis on leading the City's Strategic Volunteering Framework and the Host City Volunteering programme.

By supporting clubs to recruit more volunteers, raise their standards, train more coaches – and by enhancing school-to-club links – we're supporting the voluntary sector to capitalise on any upsurge in demand.

Glasgow Life is responsible for the Active theme within the Legacy Framework. Progress is reported to the Glasgow 2014 Group and is monitored by the Sport and Active Glasgow Group. Performance is reported to the 2014 team on a bi-annual basis.

By providing a range of new and improved world-class venues across the city, alongside increased support for sports clubs and physical activity classes, more people than ever before are being encouraged to adopt more active lifestyles. Growing club membership is increasing the talent pool from which world-class athletes are emerging.

The indicators of early legacy success are:

- The number of clubs working with Glasgow Life has almost doubled from 327 in 2009/10 to 636 in 2013/14. This growth in clubs has resulted in a corresponding increase in the number of volunteers (rising from 2,139 to 3,848), coaches (up from 2,018 to 3,963) and club members (more than tripling from 4,485 to 16,535) which are eligible for, and benefiting from, Glasgow Life's support.
- New member recruitment and retention, has been supported, through club showcase events and taster sessions in Glasgow schools, with 3,778 school-to-clubs links created since 2009.
- Since 2009, participants have completed 14,783 coaching courses, positively impacting on their performance. Glasgow Life supported 112 clubs to achieve quality scheme accreditation - a significant increase from the 34 which were accredited in 2009.
- Through the development of Community Sport Hubs (CSH), clubs are being encouraged to undertake joined up promotion activity and to develop and share community sports facilities. Eight CSH have been developed at Drumchapel, Whiteacres, Easterhouse, Eastbank, Hillhead, Scotstoun, Croftfoot and Kings Park. In conjunction with SportsScotland, a review of the utilisation of school estates, community centres and church halls has been completed with a view to widening access and developing more sports hubs based around these facilities.
- In partnership with National Governing Bodies and citywide sport organisations, Glasgow Life has developed Whole Sports Plans (WSPs) for 15 sports. The delivery of these plans will strengthen and develop citywide competition pathways and sports squad structures. A commitment to sports development has seen increasing numbers of Glasgow-based athletes in performance programmes each year - from 316 in 2009/10 to 453 in 2013/14.
- The effectiveness of performance programmes is evidenced by the 77 Glasgow athletes achieving selection to the Scottish Institute of Sport during 2013/14 - more than doubling the 2009/10 baseline of 34.
- During 2013/14, 60 young people participated in the Playground to Podium Initiative which nurtures disabled young people and disabled athletes through sporting pathways. A Disability WSP is currently under development with implementation beginning in August 2014.

Strategic Report (continued)

- In addition to PE provision, during 2013/14, almost 30,000 physical activity extra-curricular opportunities (breakfast, lunch and after school) were provided across Glasgow's schools, supported by 804 trained volunteers – more than double the 384 volunteers in 2012.
- In 2013/14, 1,303 young people received Sports Leadership Awards – a huge increase from the 250 receiving an award in the 2009/10 baseline year.
- A range of programmes to get the adult population more active has been developed including Silver Deal Active, Vitality, Live Active GP Referral Scheme, Movemore and Running, and Walking Networks. These projects have recorded 614,725 attendances since 2009. Throughout 2014, the Evening Times has been helping to promote these participation programmes and sports facilities via its year-long Active 2014 campaign.
- 2,157 diversionary programme sessions in a variety of sports were delivered in areas of high crime in 2013/14, resulting in 40,867 attendances.
- Since 2009, some £200 million has been invested in sports facilities across the city including those which will serve as Games venues. Over this period, attendances across all of Glasgow Life's sports facilities have grown from 5.4 to 6.6 million. Unlike other mega events, all new or upgraded Games venues, were designed around the community's use and needs, were completed on budget and were open for use before the Games began.

Statutory Performance Indicators

Glasgow Life reports performance against five Statutory Performance Indicators (SPIs). This is part of our contractual agreement with Glasgow City Council, and we report them every year to Glasgow Life's Board and Glasgow City Council.

The figures below will be audited by Glasgow City Council, and then submitted by the Council to the Improvement Service in June 2014.

Measure	Target	Actual	Status
Sport and leisure: the number of attendances per 1,000 population for all pools	2,913	2,634	
Indoor sport and leisure facilities: the number of attendances per 1,000 population	6,007	7,853	
The number of visits to/usages of council funded or part funded museums per 1,000 population	5,407	6,020	
The number of visits in person to council funded or part funded museums per 1,000 population	5,303	5,832	
The number of visits to libraries per 1,000 population	8,773	9,305	

The number of attendances per 1,000 population for all pools is below target. The reasons: unplanned closure of North Woodside Pool for extensive renovations, and the closure of Tollcross International Swimming Centre to prepare for the 2014 Commonwealth Games.

The Board monitor the annual attendance target and scrutinise the contribution of each individual service to this corporate indicator.

Strategic Report (continued)

Measure	Target	Actual	Status
Breakdown of the number of attendances at Glasgow Life directly managed venues, excluding festivals and events	16,137,000	17,158,167	
• Glasgow Libraries	5,253,500	5,537,154	
• Glasgow Museums	3,001,000	3,196,637	
• Glasgow Art	300,000	351,432	
• Glasgow Sport	6,266,500	6,599,174	
• Community Facilities	1,316,000	1,473,770	

There were a further 712,416 attendances recorded at key events, festivals and musical performances in Glasgow during 2013/14. The total figure for attendances across all Glasgow Life services was 17,870,583 – a 1.7% increase on the previous year.

Targets for 2014/15

A target of 16,692,500 has been approved for attendances at Glasgow Life directly managed venues for the next financial year.

This target takes into account a number of factors, including:

- Planned handover of eight sport venues to the Commonwealth Games Organising Committee
- Opening two super gyms at Gorbals and Bellahouston
- New operating arrangements for Glasgow Libraries and Glasgow Communities
- A series of planned closures for maintenance and refurbishment including the GOMA and Possilpark library
- Planned programme of maintenance for Community Facilities

Venue	Target
Glasgow Libraries	5,574,000
Glasgow Museums	3,053,900
Glasgow Art	350,000
Glasgow Sport	6,313,000
Community Facilities	1,401,600

Strategic Report (continued)

The 2014/15 target for income generated through the company's charity and CIC is as follows:

Income generation	Target
Income generated through the Company's charity and CIC	£33.5 million
Charity	£28.3 million
CIC	£5.2 million

Glasgow Life will continue to lead on the Active theme for the Glasgow 2014 XX Commonwealth Games. We monitor our progress against project activity and output indicators, covering:

- Club coaching and volunteering
- Whole sports plans
- Active health
- The cycling strategy
- PEPASS (Physical Education, Physical Activity, School Sport)
- City sports facilities

Our progress is monitored by the *Sport and Active Glasgow Group*, and reported quarterly to the city's Glasgow 2014 Group.

The Cultural Programme was launched at the People's Palace and Winter Gardens on 16 July 2013. The Glasgow 2014 Cultural Programme will be a key part of the Games experience for spectators and visitors. Running until the end of August 2014, it will showcase the best of Scottish culture, alongside creative work from across the Commonwealth.

- **Culture 2014** is the Scotland-wide cultural countdown to the Games and extending beyond the Closing Ceremony. Many events will happen from mid-June to tie-in with the Queen's Baton Relay, the global precursor to the Games, as Scotland's towns and communities celebrate as the baton passes through.
- **Festival 2014** is the massive Games-time celebration in Glasgow running alongside the sporting action. It will transform the city from 19 July to 3 August, with an exhilarating mix of entertainment, and culture filling the streets, spaces and stages of Glasgow.

Highlights of the Glasgow 2014 Cultural Programme include:

- **Big Big Sing** – Produced by Glasgow Unesco City of Music a range of inspiring singing events taking place across Scotland from October 2013 including 'Big Sings', an online Commonwealth choir, and staged events in Glasgow during the Games.
- **Perch** – A spectacular global performance on multiple stages, high above the streets in Scotland, Australia, and Brazil. Perch brings together aerial theatre, street theatre, community participation, music and media broadcast.
- **Blueblock Studio** – An interactive pop-up space for children aged 4 and under to enjoy energetic and immersive storytelling performances linked to Commonwealth values of friendship and understanding.
- **Julia Donaldson Cycling Marathon** – acclaimed actor and theatre maker Tam Dean Burn will travel by bicycle to locations across Scotland, reading all of Julia Donaldson's 167 books to children.

To find out more, visit www.glasgow2014.com/culture

Strategic Report (continued)

Our contribution

Glasgow City Council has set the strategic priorities which will deliver real progress and achievement in Glasgow over the next five years. Glasgow Life aligns its services to these strategic priorities to ensure that we can demonstrate how we deliver for citizens and visitors alike.

This report begins the process of moving to an outcome focussed framework for Glasgow Life. Over the past six years Glasgow Life has grown attendances across our venues by 28% to 17.9 million in 2013/14. We're moving beyond what we do well locally, to evaluating the impact of our work on both Glasgow's citizens and visitors. This annual review is the first to publish information and evidence showing how Glasgow Life has contributed towards the Strategic Priorities of Glasgow Life, Glasgow City Council and other key community partners, as set out in their strategic plans.

We firmly believe that culture and sport contribute significantly to most of the local community issues. However, we need to do more to measure and communicate these effects. That's why we're now measuring our performance using the logic model framework:

- Logic Models map how inputs (resources and assets) generate activities which produce quantifiable outputs (numbers of services and service users) and how these outputs are designed to deliver our outcomes.
- RE AIM tests these models against the available evidence to see that we reach the right people, in sufficient numbers and frequently enough to make a real difference.

We'll continue to gather evidence to demonstrate Glasgow Life's contribution to Glasgow City Council's broader agenda. It can take many years – and even decades – to see marked changes in public health. However, our early work provides solid evidence of the impact of Glasgow Life's work.

Economic growth

We're committed to improving opportunities for all and the City's economic growth through employment, sectoral leadership and high profile national and international events.

Last year, we supported 22 modern apprenticeships across our services, and 120 school placements. We've helped 42 young unemployed people to get work in new facilities, such as the Emirates Arena, delivering on the city's priority to get more people into training and work.

Glasgow Life is the main provider of both introductory digital learning and free internet access in the City. In 2013/14 our Digital Learning team introduced almost 10,500 attendees to 2,200 digital learning opportunities across our network of 32 community libraries and the Mitchell Library.

On top of this, library users accessed over one million hours of free internet access, using the 625 terminals in our learning centres.

Due to welfare reforms and the move to encourage job seekers to seek and apply for jobs online, many more people need digital skills. A major challenge is that many of those most affected by these changes fall into the demographic groups least likely to have the digital skills required to apply for benefits or seek jobs online. To meet these challenges and ensure that we are reaching the people who are currently furthest from the digital realm we have:

- Increased digital learning hours
- Introduced new 'online job seeking' course
- Established referral routes with local jobcentres
- Developed a three hour 'Digital Crash Course', to help those with little or no digital skills through the new online Universal Credit forms
- Developed a self-help guide for Universal Job Match clients

Strategic Report (continued)

- Developed a new outreach approach using tablet computers (and 3G/Wifi connectivity) to target excluded groups and take digital learning beyond its traditional delivery setting in libraries, launched in December 2013.
- Worked with City partners and community groups to deliver basic digital skills to those most in need. For example we have recently established a strategic partnership with Queens Cross Housing Association.

The work on digital learning and welfare reform also aligns with, and contributes to, the wider Digital Glasgow strategy in particular increasing the uptake of digital participation in partnership with other key learning providers in Glasgow.

Glasgow Life leads the city's Strategic Volunteering Framework, and leads the Host City Volunteering programme for the Commonwealth Games 2014, ensuring that Glaswegians can participate in the games.

All volunteering opportunities are accessible on the Glasgow Life website, and through a Freephone number. Our opportunities are also promoted via partnerships with Volunteer Glasgow, SportsScotland, Event Scotland and other national bodies. We remain committed to showcasing the benefits of volunteering and increasing the range of volunteer opportunities we offer.

In economic terms the World Pipe Band Championships generate a substantial return on investment with the event worth £4.81 million to Glasgow's economy and £5.23 million to Scotland's economy in net expenditure terms. Similarly an economic impact assessment revealed that the Merchant City Festival generated £0.6 million for the city economy and supports 12 Full Time Equivalent (FTE) jobs.

A World Class City

Glasgow Life, through its Chief Executive, leads the World Class City priority as outlined in Glasgow City Council's Strategic Plan.

In 2013/14 with more than 17.9 million attendances at venues, events, festivals and concerts, the people of Glasgow and visitors to the city are engaging with our services in record numbers.

Glasgow Life, in partnership with Glasgow 2014 and Creative Scotland, has led on the planning and delivery of one of the most ambitious cultural celebrations Glasgow has ever seen. The Cultural Programme commenced in July 2013 and has excited and energised communities across the country with the arrival of the Queens Baton Relay.

As the baton reaches the Host City, Festival 2014 will transform the city from 19 July to 3 August with an invigorating mix of entertainment, and culture filling the streets, spaces and stages with a programme featuring theatre, dance, music, visual arts, comedy and multi-media; intimate shows and outdoor spectaculars; work in theatres, community centres, public spaces and much more.

The city of Glasgow owns one of the richest collections in Europe, displayed in nine world class museums across the city, two of which hold the Scottish tourist board five star awards. They are important centres for scholarship and research, enriching people's lives and educating in equal measure. There are over 1.4 million objects of national and international significance in the collections ranging from art, human history, natural history and transport and our free entry policy ensures that this national inheritance is accessible to everyone.

In 2013/14 the Riverside Museum was named European Museum of the Year, it celebrated winning the MuseIL prize, and in March 2013 it recorded its three millionth visit since it opened in July 2011.

The Jack Vettriano exhibition at the Kelvingrove exceeded all expectations by attracting 132,502 people, which broke the previous attendance record set by Glasgow Boys in 2010, making the Vettriano exhibition the most popular art exhibition ever staged at Kelvingrove. The Museum was among the ten finalists for the Art Fund Prize for Museum of the Year in June 2013, the UK's largest arts prize. The venue attracts 1 million visits per year.

Strategic Report (continued)

The Scottish Parliament backed plans to allow items from the Burrell Collection to be toured internationally for the first time, while the city looks at options for a refurbishment and redisplay of the gallery. Glasgow City Council introduced the Private Bill to secure a legal solution to lift current restrictions on overseas lending which were included in Sir William Burrell's original bequest. The principles of a tour package have been proposed, comprising of a single international tour, supported by loans to selected institutions to raise the status of the collection. Major museums and galleries in the US, Europe and Asia have shown interest to display the treasures of Glasgow's Burrell Collection. Work is progressing on the objects that will form the basis of the core tour package with a focus on the core theme of Sir William Burrell the collector, with objects selected across the entire collection to show its quality and strength.

Glasgow is ranked eighth in the SportBusiness Ultimate Sports City 2014. Since 2009, Glasgow have invested over £196 million improving our sports infrastructure such as Tollcross International Swimming Centre, and opening up world class venues such as the £113 million Emirates Arena, incorporating the Sir Chris Hoy Velodrome.

In 2013/14 12,566 rounds of free golf were enjoyed by under 18's and over 60's, the same groups enjoyed free swimming, with approximately 240,000 free swims. We continue to offer free bowling and outdoor tennis for all in new and improved facilities, such as the £1.3 million Kelvingrove Lawn Bowls complex. Across our portfolio of five-a-side pitches, we've also introduced a 'happy hour' for exclusive, free use by under-18s as part of the Football Action Plan.

Our Chief Executive is the project sponsor for the Community Facilities Review, which supports residents who want to manage a local community facility. Progress to date includes a pilot with Knightswood Community Centre, research into models of delivery and associated cost savings and establishment of systems, processes and guidance to support communities applying for community asset transfer. Glasgow Life is working in partnership with Third Sector, Community Enterprise in Scotland (CeIS), Glasgow Council for the Voluntary Sector (GCVS), Corporate Services and Jobs and Business Glasgow including several Council departments to deliver the programme.

A sustainable city

Glasgow Life has a strong energy efficiency programme – targeting a 10% reduction in consumption for next year.

All Glasgow Life buildings now have automatic meter reading technology. The facilities manager and the service energy champion monitor consumption patterns to identify how to be more efficient. Energy consumption reports are distributed to building energy representatives every four weeks, tracking consumption against the 10% reduction target. These reports include data on each building's carbon emissions.

To comply with the Waste (Scotland) Regulations, pilot recycling projects are underway in partnership with Land & Environmental Services, Cordia and with support from Resource Efficient Scotland.

A city that looks after its vulnerable people

Glasgow Life provides a unique base for partnerships with Glasgow City Council, the NHS and other public agencies to support vulnerable people.

The Silver Deal Active is a programme designed to get older people more active to create health improvement, confidence and reduce social isolation. In 2013/14 there were almost 35,000 attendances. The project is in partnership with NHSGGC and Glasgow Housing Association.

The programme of Health Walks across Glasgow is supported by a range of partners including Paths for All, North Glasgow Healthy Living Community, NHSGGC and Glasgow Life. In 2013/14 there were 19,626 participants. A Walk Glasgow co-ordinator develops connections with organisations who work with communities likely to experience health inequalities.

Strategic Report (continued)

Glasgow Life continues to work in partnership with Macmillan Cancer Support to provide the Macmillan @ Glasgow Libraries service. The service is available to every cancer patient in the city and provides access to specialised help within their local community. The initiative was the first of its kind and has provided a model of best practice for the rest of the UK.

Our *Home Library Service* helps people who are housebound through ill health or limited mobility. Supported by 41 volunteers, there were 1,100 home visits last year – offering books and a friendly face.

A learning city

Glasgow Life is developing a five-year strategy to support Glasgow in its ambition to provide a city where prevention, early years and lifelong learning are strong features of the learning approach.

Our learning offer ranges from helping people to learn to read and write, to supporting people at the highest levels of academia. Our offers are externally evaluated, credit-rated and benchmarked by bodies such as Education Scotland, Scottish Credit and Qualifications Framework, Scottish Qualifications Authority, and sports governing bodies.

Glasgow Life is the key referral agency for city learning partners. Examples include referrals from job centres and other employment agencies, as well as GCC Social Work Criminal Justice where we are helping to improve literacy amongst offenders. In 2013/14, Glasgow Life and our partners supported almost 13,000 people to improve their reading, writing and numeracy in over 140 venues.

Our community-based teams delivered 289 programmes which supported learning, with 7,101 young people and recorded 79,158 attendances in 2013/14.

Glasgow Life has an area team staff member aligned to each secondary school in the city. This forged strong local links with education, and ensures the delivery of the Curriculum for Excellence outside school – with 163 programmes delivered which engaged 3,129 pupils and recorded 39,829 attendances in 2013/14. This allows us to tailor our support to the individual, and offer quality-accredited courses which give young people transferable skills for employment.

Since March 2013, Glasgow Life has trained 63 people to deliver Youth Achievement Awards and inducted eight new organisations as participating units. This means that 221 young people have received ASDAN (Award Scheme and Accreditation Network) certificates this year.

Financial Review

Review of the year

The results for the year are shown on page 21 in the group statement of financial activities.

The deficit on unrestricted funds for the year to 31 March 2014 was £957,000 (2013: surplus of £853,000). After accounting for the group and the charity's participation in the Strathclyde Pension Fund, the overall unrestricted fund balance for the group at 31 March 2014 was a deficit of £49,249,000 (2013: £36,665,000). The group generated £12,917,000 (2013: £8,002,000) of restricted funds during the year, which after expenditure of £8,960,000 (2013: £7,268,000) had a closing balance of £8,208,000 (2013: £3,674,000).

The overall group reserve position is a deficit of £41,041,000 (2013: deficit of £32,991,000) as a result of the pension liability as at 31 March 2014 of £51,905,000 (2012: £40,535,000).

Glasgow City Council guarantees to accept any liability of Culture and Sport Glasgow arising out of our membership and participation in the Local Government Pension Scheme.

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, had a turnover of £6,797,000 (2013: £5,840,000) generating a profit before tax and gift aid of £2,086,000 (2013: £1,659,000). The subsidiary company gifted £2,086,000 to the charitable company (2013: £1,659,000). 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 2014, 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.

Reserves policy

The charity holds restricted and unrestricted reserves. Within unrestricted reserves, the charity has designated within the pension reserve the long term net 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 at its meeting on 5th August 2011, agreed to amend the reserves policy to a target of between 1.5% and 2.5% of turnover to provide more 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 £1,866,000 (2013: £2,823,000), before inclusion of the pension reserve. This amount represents 1.6% (2013: 2.6%) of total unrestricted income which is within the target for reserves. The Board of Directors have approved a budget for 2014-15 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 2014 this amounted to £78,096,276 (2013: £78,207,000), which is the equivalent of eight months funding of expenditure (2013: 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.

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 applications for employment from disabled persons, bearing in mind their particular aptitudes and abilities.

Plans for future periods

As a consequence of continuing pressure on public finances it is recognised that there is a requirement to continue to deliver efficiencies to produce balanced budgets in the future. Measures have been implemented to deliver the savings required to deliver the 2014/15 budget. Discussions are underway with key partners and staff groups on potential saving options for 2015/16. These will be fully discussed and agreed by the Board at the earliest opportunity.

The charity continues to face considerable financial challenges moving forward but remains highly optimistic about its ability to deliver high quality services.

Glasgow 2014 Cultural Programme

Glasgow 2014 will be Scotland's largest ever combined sporting and cultural celebration, and the shared vision is to stage an outstanding Glasgow 2014 XX Commonwealth Games that will be celebrated both at home and across the Commonwealth.

Teams across Glasgow Life are playing an integral part in the Games and as well as providing support for venues, Glasgow Life leads the Cultural Programme for the Games, Festival 2014 and the delivery of Cultural Events in the lead up to, during and after the Games.

The Cultural Programme commenced in July 2013 and will continue up to and after the Games with a fantastic array of cultural events across the city. Up and coming events that are included in the cultural programme are Glasgow International Festival, Celtic Connections Festival, Merchant City Festival and the Glasgow Mela.

Festival 2014 will transform the city from 19 July to 3 August with an invigorating mix of entertainment and culture. The Festival 2014 programme will feature theatre, dance, music, visual arts, comedy and multi-media, from intimate shows to outdoor spectacles.

The Burrell Collection

The Burrell Bill received Royal Assent on 25 February 2014. This has opened the way for more detailed discussion of the proposed tour. Feasibility studies and business plans will now be prepared for a major tour to North America, China and Japan. This will support the profile we are seeking to develop for the Collection.

Burrell Renaissance Project

A museum plan for the redisplay of the Burrell Collection will provide the basis for the development of the Burrell Renaissance Project. The key aspirations of the project are to place the internationally significant collection and the needs of visitors at the heart of its development.

Kelvin Hall International Sports Arena

Glasgow Life has been working with our partners, The University of Glasgow, the National Library of Scotland and Glasgow City Council on a phased redevelopment of Kelvin Hall. Kelvin Hall will be remodelled to provide a mixed use building that will reinforce its status as one of Glasgow's most loved venues. Phase One incorporates a modern community sports centre, a collections study centre that will improve access to collections held by the City Council, the University of Glasgow's Hunterian Collection and the Scottish Screen Archive held by National Libraries of Scotland. A joint partnership application was recently awarded a grant of just under £5 million by the Heritage Lottery Fund.

Plans for future periods (continued)

Re-development of Royal Concert Hall

The £17 million plan to refurbish the Royal Concert Hall will see the construction of a new purpose-built rehearsal and recording facility for the Royal Scottish National Orchestra, and a new 600 seat music venue. Work commenced in January 2014 and was due for completion in the summer of 2014. However, due to a series of delays the contractor is advising a revised completion date of winter of 2014.

Turner Prize 2015

Tramway has been selected to host the 2015 Turner Prize, which comes to a Scottish city for the first time. Glasgow's winning bid was based on its reputation as a centre for excellence for international visual arts. A significant number of Glasgow-based artists have won – or been nominated for – the Turner Prize.

Glasgow Events

Glasgow Life leads the strategic development of Glasgow's Sports Events Strategy which is delivered in partnership with Glasgow City Marketing Bureau and EventScotland, with support from UK Sport and individual sports governing bodies. As a result of work over the past year, Glasgow has secured impressive world-class events, including:

- British Swimming Championships (2014)
- BWF Badminton Grand Prix (2014)
- IPC European Swimming Championships (2015)
- FIG World Gymnastics Championships (2015)

These events will bring economic benefits to the city, as well as supporting an infrastructure that will attract local people, sports people and spectators.

Glasgow Museums

Ahead of the Glasgow 2014 Commonwealth Games, Kelvingrove Art Gallery and Museum has undertaken an ambitious redisplay of the Glasgow Stories Gallery. It shares the story of Glasgow from the 12th Century to present day post-industrial Glasgow. The displays will give an overview of the history of Glasgow to local people and also to the thousands of tourists expected to make their first visit to Kelvingrove this summer.

Risk Management

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 and Governance has responsibility for ensuring all risks identified are managed to the agreed outcomes.

The top 5 risks identified as at the date of this report are;

- Facilities Management - Prevailing economic conditions may constrain capital investment in sustainable infrastructure and result in insufficient funding available to maintain and upgrade property infrastructure. Many of our buildings are ageing and require significant ongoing investment to maintain them in a reasonable condition. Glasgow City Council does provide resources to support this but funding has to be prioritised to maintain basic Health and Safety and to maintain the buildings as wind and watertight. There are ongoing discussions with Glasgow City Council regarding options to deal with this risk and secure additional funds.
- Museums – A lack of investment to address design and maintenance issues at the Burrell Collection resulting in damage to the building, infrastructure and the collection – stored and displayed. Funding Streams to support this issue are being investigated and some short term works have been carried out. Consultants have been appointed to develop an options appraisal for a major capital refurbishment project. The consultants will also support a future bid to the Heritage Lottery Fund.
- Commonwealth Games 2014 – Failure to capitalise on the benefits associated with the XX Commonwealth Games. The Glasgow 2014 Legacy Framework will focus on meeting targets for increased participation and to support the Voluntary Sector to increase their capacity. Community Engagement and liaison with key partners also forms a key element of this strategy alongside the development of facilities for our communities.
- Cultural Venues - Delay to the Completion of the Glasgow Royal Concert Hall. This project will create a new home for the Royal Scottish National Orchestra, provide enhanced facilities and deal with some infrastructure issues at the GRCH. Project delays mean that we will not receive the completed building until December 2014 with the existing building handed back in June. This will have an impact on our short term revenue but the earlier hand back of the existing building will minimise this and will accommodate the buildings use as part of Festival 2014 for the Commonwealth Games.
- Sport – Failure to meet targets for income in Sport in financial year 2014/15. Project and implementation plans in place to support these challenging targets and early indications are positive that targets will be met. Due to the significance of this target this will be maintained on the risk register particularly given the challenges of closure of some venues during the Commonwealth Games.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Approval of the Trustees' annual report, on behalf of the Board of Directors



A Graham
Chair

3 September 2014

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 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 which 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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.

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on 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 2014 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 Governance
3 September 2014

Independent auditors' report to the members and trustees of Culture and Sport Glasgow Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Culture and Sport Glasgow Limited, comprise:

- the group and parent's Balance Sheet as at 31 March 2014;
- the group and parent's Statement of Financial Activities for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and parent charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report and Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Martin Pitt (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
3 September 2014

- (a) The maintenance and integrity of the Culture and Sport Glasgow Limited website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Group Statement of Financial Activities
(incorporating a group income and expenditure account)
For the year ended 31 March 2014

	Notes	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Unrestricted Pension Funds £000	Total Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Incoming resources								
<i>Incoming resources from generated funds</i>								
Voluntary income, grants and donations	7	3,576	122	-	3,698	11,463	15,161	10,838
<i>Activities for generating funds</i>								
Commercial trading Company	10	6,797	-	-	6,797	-	6,797	5,840
Investment income	6	137	-	-	137	-	137	238
<i>Incoming resources from charitable activities</i>								
Provision of leisure and cultural facilities	8	26,362	41	-	26,403	1,454	27,857	23,445
Service contract with Glasgow City Council		78,096	-	-	78,096	-	78,096	78,207
Total incoming resources		114,968	163	-	115,131	12,917	128,048	118,568
Resources Expended								
<i>Cost of generating funds</i>								
Commercial trading company	10	(4,723)	-	-	(4,723)	-	(4,723)	(4,187)
<i>Charitable activities</i>								
Provision of leisure and cultural facilities	2	(110,059)	(420)	(2,553)	(113,032)	(8,960)	(121,992)	(111,695)
Governance costs	4	(566)	-	-	(566)	-	(566)	(604)
Total resources expended		(115,348)	(420)	(2,553)	(118,321)	(8,960)	(127,281)	(116,486)
Net (outgoing)/incoming resources		(380)	(257)	(2,553)	(3,190)	3,957	767	2,082
Gross transfers between funds		(577)	-	-	(577)	577	-	-
Actuarial loss on defined benefit pension scheme	19	-	-	(8,817)	(8,817)	-	(8,817)	(15,495)
Net movement in funds		(957)	(257)	(11,370)	(12,584)	4,534	(8,050)	(13,413)
Fund balances brought forward at 1 April		2,823	1,047	(40,535)	(36,665)	3,674	(32,991)	(19,578)
Fund balances carried forward at 31 March		1,866	790	(51,905)	(49,249)	8,208	(41,041)	(32,991)

Gross transfer between funds represents contributions made by Glasgow Life to Restricted funds.

All of the activities are continuing. There is no difference between the historical cost result and the net income for the year as shown above. As permitted by Section 408 of the Companies Act 2006 a statement of financial activities for the charitable company is not presented. The net incoming resources before taxation for the charitable company are shown in Note 9.

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

Balance Sheets
At 31 March 2014

	Note	Group		Charity	
		2014 £000	2013 £000	2014 £000	2013 £000
Fixed assets					
Tangible Assets	11	2,777	3,414	2,684	3,320
Total fixed assets		<u>2,777</u>	<u>3,414</u>	<u>2,684</u>	<u>3,320</u>
Current assets					
Stocks	13	477	446	-	-
Debtors	14	6,568	6,666	8,418	7,753
Cash at bank and in hand		14,367	14,275	13,451	13,193
Total current assets		<u>21,412</u>	<u>21,387</u>	<u>21,869</u>	<u>20,946</u>
Creditors: amounts falling due within one year	15	(13,325)	(17,257)	(13,691)	(16,725)
Net current assets		<u>8,087</u>	<u>4,130</u>	<u>8,178</u>	<u>4,221</u>
Total assets less current liabilities		<u>10,864</u>	<u>7,544</u>	<u>10,862</u>	<u>7,541</u>
Defined benefit pension liability	19	(51,905)	(40,535)	(51,905)	(40,535)
Net liabilities including pension liability		<u>(41,041)</u>	<u>(32,991)</u>	<u>(41,043)</u>	<u>(32,994)</u>
Funds					
Unrestricted income funds		2,656	3,870	2,654	3,867
Pension reserve deficit	19	(51,905)	(40,535)	(51,905)	(40,535)
Total unrestricted funds	17	<u>(49,249)</u>	<u>(36,665)</u>	<u>(49,251)</u>	<u>(36,668)</u>
Restricted income funds	16	8,208	3,674	8,208	3,674
Total funds	17	<u>(41,041)</u>	<u>(32,991)</u>	<u>(41,043)</u>	<u>(32,994)</u>

The financial statements on pages 14 to 44 were approved and authorised for issue by the Board on 3 September 2014 and signed on its behalf by:



A Graham
Chair

Registered number: SC 037844

Group Cash flow statement

For the year ended 31 march 2014

	<i>Note</i>	2014 £000	2013 £000
Net cash outflow from operating activities	<i>18(a)</i>	(184)	(1,434)
Returns on investments and servicing of finance			
Interest received	<i>6</i>	137	238
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	<i>11</i>	139	(1,165)
Increase/(decrease) in cash in the year		<u>92</u>	<u>(2,361)</u>

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

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost basis of accounting and in accordance with applicable accounting standards in the United Kingdom, the Statement of Recommended Practice: Accounting and Reporting by Charities approved by the Accounting Standards Board in April 2005, and the Companies Act 2006. Accordingly, the arrangements and headings have been adapted as provided for in the Companies Act 2006.

The financial statements have been prepared on the going concern basis as management believe that the charity 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.

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 2014.

Under Section 408 of the Companies Act 2006, the charitable company is exempt from the requirement to present its own statement of financial activities.

Fund Accounting

General Funds are unrestricted 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 they may be used by the trustees.

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, certainty 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 3.

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

1 Accounting policies (continued)

Governance costs

Governance costs are those costs 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.

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.

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 improvements	10 years

The de-minimis applied, when considering capitalisation of expenditure, is £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 19.

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 Pension 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.

Pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. Current service costs are recorded within provision of leisure and cultural facilities within resources expended. The

Notes to the financial statements (continued)

(forming part of the financial statements)

net return obtained on scheme assets is recorded as investment income. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

2 Analysis of resources expended

	Charitable Activities 2014 £000	Support Costs 2014 £000	Total 2014 £000	Total 2013 £000
<i>Unrestricted funds – charitable activity / cost</i>				
Provision of leisure and cultural facilities (see below)	84,307	25,752	110,059	104,427
<i>Restricted funds – charitable activity / cost</i>				
Provision of leisure and cultural facilities (see below)	8,960	-	8,960	7,268
	<u>93,267</u>	<u>25,752</u>	<u>119,019</u>	<u>111,695</u>

Analysis of charitable activities by objective

	Unrestricted Funds 2014 £000	Restricted Funds 2014 £000	Total 2014 £000	Total 2013 £000
Sports and Leisure Activities	41,291	4,677	45,967	41,529
Libraries and Community Facilities	12,610	806	13,416	16,083
Arts and Museums	14,081	1,969	16,051	16,398
Area Teams	13,646	703	14,349	11,210
Corp	410	522	932	1,025
Music	2,269	283	2,552	2,481
	<u>84,307</u>	<u>8,960</u>	<u>93,267</u>	<u>88,726</u>
Plus support costs excluding governance costs	<u>25,752</u>	<u>-</u>	<u>25,752</u>	<u>22,969</u>
	<u>110,059</u>	<u>8,960</u>	<u>119,019</u>	<u>111,695</u>

2014 £000	2013 £000
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Net incoming resources are stated after charging:

Depreciation	498	951
Auditors remuneration – see note 4	28	28

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

3 Allocation of Support Costs

	Charitable Activities 2014 £000	Governance 2014 £000	Total 2014 £000	Total 2013 £000
Finance, Procurement and Business Support	3,110	66	3,176	3,024
ICT	2,755	-	2,755	2,859
Human Resources	1,362	-	1,362	1,381
Marketing and Media	3,751	-	3,751	3,563
Administration and Management	14,774	500	15,274	12,746
	<u>25,752</u>	<u>566</u>	<u>26,318</u>	<u>23,573</u>

4 Governance

	Group			
	Unrestricted Fund 2014 £000	Restricted Fund 2014 £000	Total 2014 £000	Total 2013 £000
Strategic Planning Costs	500	-	500	535
External auditors' remuneration:				
Audit of these financial statements	22	-	22	25
Audit of financial statements of subsidiaries pursuant to legislation	3	-	3	3
Other services relating to taxation	3	-	3	3
Audit Fees – Internal	28	-	28	28
Directors and Officers Indemnity Insurance	10	-	10	10
	<u>566</u>	<u>-</u>	<u>566</u>	<u>604</u>

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

5 Staff numbers and costs

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

	Group		Charity	
	2014 £000	2013 £000	2014 £000	2013 £000
Wages and salaries	55,091	50,633	54,168	49,762
Redundancy Costs	357	79	357	79
Social Security Costs	3,748	3,507	3,698	3,462
Other Pension Costs	9,362	7,118	9,247	6,994
	<u>68,558</u>	<u>61,337</u>	<u>67,470</u>	<u>60,297</u>

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

	Group and Charity	
	2014 Number	2013 Number
£130,000 - £139,999	1	1
£90,000 - £99,999	1	1
£80,000 - £89,999	3	3
£70,000 - £79,999	-	-
£60,000 - £69,999	5	5
	<u>10</u>	<u>10</u>

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 (2003: £nil). However, one of the trustees, Dr Bridget McConnell, was employed by the company as Chief Executive and received total remuneration in her capacity as an employee of £134,911 (2013: £132,051) plus an employer's contribution to the defined benefit pension scheme of £23,448 (2013: £25,486)

	Group and Charity	
	2014 Number	2013 Number
£130,000 - £139,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

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

5 Staff numbers and costs (continued)

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

	Group		Charity	
	2014 FTE	2013 FTE (restated)	2014 FTE	2013 FTE (restated)
Area Teams	378	251	378	251
Libraries and Community Facilities	282	377	282	377
Arts and Museums	308	242	308	242
Sports and Events	897	753	897	753
Retail	39	38	-	-
Management and Administration	352	321	352	321
	<u>2,256</u>	<u>1,982</u>	<u>2,217</u>	<u>1,944</u>

2013 figures have been restated as they included bank staff.

6 Investment income

	Group		Charity	
	2014 £000	2013 £000	2014 £000	2013 £000
Interest receivable	137	238	126	232
	<u>137</u>	<u>238</u>	<u>126</u>	<u>232</u>

7 Voluntary Income

Group	Unrestricted	Restricted	Total	Total
	2014 £000	2014 £000	2014 £000	2013 £000
Contributions	1,031	2,544	3,575	4,657
Donations and Bequests	302	886	1,188	341
Grants	2,365	8,033	10,398	5,840
	<u>3,698</u>	<u>11,463</u>	<u>15,161</u>	<u>10,838</u>
Charity	Unrestricted	Restricted	Total	Total
	2014 £000	2014 £000	2014 £000	2013 £000
Gift aid from subsidiary company	2,086	-	2,086	1,659
Contributions	1,031	2,544	3,575	4,657
Donations and Bequests	302	886	1,188	341
Grants	2,365	8,033	10,398	5,840
	<u>5,784</u>	<u>11,463</u>	<u>17,247</u>	<u>12,497</u>

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

8 Incoming Resources from Charitable Activities

	Unrestricted 2014 £000	Restricted 2014 £000	Total 2014 £000	Total 2013 £000
Sports and leisure	19,265	589	19,854	17,553
Hires and lettings of facilities	2,660	8	2,668	2,654
Other	4,478	857	5,335	3,238
	<u>26,403</u>	<u>1,454</u>	<u>27,857</u>	<u>23,445</u>
Service contract with Glasgow City Council	78,096	-	78,096	78,207
	<u>104,499</u>	<u>1,454</u>	<u>105,953</u>	<u>101,652</u>

9 Financial Activities of the Charity

The financial activities shown in the consolidated statement includes those of the charity's wholly owned subsidiary, Culture and Sport Glasgow Trading (Community Interest Company) Limited. A summary of the financial activities undertaken by the charity is set out below:

	Total 2014 £000	Total 2013 £000
Gross incoming resources	124,629	114,380
Total expenditure on charitable activities	(123,295)	(111,695)
Governance costs	(566)	(604)
Net incoming resources	<u>768</u>	<u>2,081</u>
Actuarial gain on defined benefit pension scheme	(8,817)	(15,450)
Total funds brought forward	<u>(32,994)</u>	<u>(19,625)</u>
Total funds carried forward	<u>(41,043)</u>	<u>(32,994)</u>
Represented by:		
Restricted income funds	8,208	3,674
Unrestricted income funds	<u>(49,251)</u>	<u>(36,668)</u>
	<u>(41,043)</u>	<u>(32,994)</u>

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

10 Incoming Resources from 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.

	Total 2014 £000	Total 2013 £000
Turnover	6,797	5,840
Cost of sales and administration costs	(4,722)	(4,187)
Gift aid to charity	(2,086)	(1,659)
Interest receivable	<u>11</u>	<u>6</u>
Net profit on ordinary activities before taxation	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
Fixed Assets	94	94
Current Assets	4,872	4,187
Current Liabilities	<u>(4,963)</u>	<u>(4,278)</u>
Total Net Assets	<u>3</u>	<u>3</u>
Aggregate share capital and reserves	<u>3</u>	<u>3</u>

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

11 Tangible fixed assets

Group	Leasehold Improvements	Plant & Equipment	Total
	2014	2014	2014
	£000	£000	£000
<i>Cost</i>			
At the beginning of year	3,079	3,485	6,564
Additions	377	623	1,000
Disposals	-	(1,139)	(1,139)
At end of year	<u>3,456</u>	<u>2,969</u>	<u>6,425</u>
<i>Accumulated Depreciation</i>			
At beginning of year	(1,269)	(1,881)	(3,150)
Charge for year	(397)	(463)	(860)
Disposals	-	362	362
At end of year	<u>(1,666)</u>	<u>(1,982)</u>	<u>(3,648)</u>
Net book value at 31 March 2014	<u>1,790</u>	<u>987</u>	<u>2,777</u>
Net book value at 31 March 2013	<u>1,810</u>	<u>1,604</u>	<u>3,414</u>
Charity			
	Leasehold Improvements	Plant & Equipment	Total
	2014	2014	2014
	£000	£000	£000
<i>Cost</i>			
At the beginning of year	2,971	3,479	6,450
Additions	365	623	988
Disposals	-	(1,139)	(1,139)
At end of year	<u>3,336</u>	<u>2,963</u>	<u>6,299</u>
<i>Accumulated Depreciation</i>			
At beginning of year	(1,252)	(1,877)	(3,129)
Charge for year	(386)	(462)	(848)
Disposals	-	362	362
At end of year	<u>(1,638)</u>	<u>(1,977)</u>	<u>(3,615)</u>
Net book value at 31 March 2014	<u>1,698</u>	<u>986</u>	<u>2,684</u>
Net book value at 31 March 2013	<u>1,718</u>	<u>1,602</u>	<u>3,320</u>

All assets owned are held for charitable use.

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

12 Fixed asset investments

	Charity	2013
	2014	£000
	£000	£000
Investment in subsidiary undertaking	-	-

Glasgow Life holds full share capital of £100 of CIC

13 Stocks

	Group		Charity	
	2014	2013	2014	2013
	£000	£000	£000	£000
Merchandise for resale	477	446	-	-

14 Debtors

	Group		Charity	
	2014	2013	2014	2013
	£000	£000	£000	£000
Trade debtors	6,150	6,492	5,279	5,941
Amounts owed by parent organisation	83	78	78	73
VAT	-	-	2,738	1,643
Prepayments and accrued income	335	96	323	96
	<u>6,568</u>	<u>6,666</u>	<u>8,418</u>	<u>7,753</u>

15 Creditors: amounts falling due within one year

	Group		Charity	
	2014	2013	2014	2013
	£000	£000	£000	£000
Trade creditors	3,096	4,176	2,928	4,011
Amounts due to subsidiary company	-	-	1,286	796
Other creditors	6,321	8,625	6,233	8,560
Other taxation and social security	1,743	1,739	1,750	1,725
VAT	463	891	-	-
Accruals and deferred Income	1,702	1,826	1,494	1,633
	<u>13,325</u>	<u>17,257</u>	<u>13,691</u>	<u>16,725</u>

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

16. Restricted income funds

Group and Charity	Total £000
Balance as at 1 April 2013	3,674
Income	12,917
Expenditure	(8,960)
Transfers	577
Balance at 31 March 2014	<u>8,208</u>

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.

Restricted income funds	Fund Balance Brought Forward £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Fund Balances Carried Forward £000
Area Teams	685	992	(703)	13	987
Arts	291	908	(1,147)	91	143
Corporate	294	3,704	(522)	(245)	3,231
Events	433	2,310	(3,172)	446	17
Libraries	248	1,487	(806)	-	929
Museums	568	685	(822)	78	509
Music	29	176	(283)	150	72
Sport and Leisure Activities	1,126	2,655	(1,505)	44	2,320
	<u>3,674</u>	<u>12,917</u>	<u>(8,960)</u>	<u>577</u>	<u>8,208</u>

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

16 Restricted income funds (continued)

Analysis by fund of amounts received during the year in excess of £50,000 or where the fund balance at 31 March 2014 is greater than £25,000.

Service Area	Fund Name	Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2014 £000	
Area Teams	Youth Development Officer	51	77	(60)	-	68	
	Swayed GHA	45	160	(128)	-	77	
	ESOL	18	38	(16)	-	40	
	North Glasgow Youth	22	59	(16)	(13)	52	
	SE Vibrancy Action Programme	16	54	(61)	(2)	7	
	Central West Hubs	17	39	(8)	-	48	
	West Hubs	2	107	(44)	-	65	
	SE Comm Engage Off	10	46	(7)	-	49	
	Knightswood Pool	56	-	-	-	56	
	NEYP	14	180	(148)	-	46	
	Smoke Free Play	24	40	-	-	64	
	Other	410	192	(215)	28	415	
	Total Area Teams		685	992	(703)	13	987
	Arts	MC Public Art	40	-	(1)	-	39
Arts Grants Payments		21	95	(111)	-	5	
GI Festival 2014		-	377	(391)	81	67	
Velocity		10	304	(314)	-	-	
Other		220	132	(330)	10	32	
Total Arts			291	908	(1,147)	91	143
Corporate	Commonwealth CCQ Festops	169	1,310	494	15	1,988	
	Commonwealth CCQ Content	-	2,207	(1,015)	(96)	1,096	
	Facilities Mgt Rest	-	196	-	(68)	128	
	Other	125	(9)	(1)	(96)	19	
Total Corporate		294	3,704	(522)	(245)	3,231	
Events	2013 Road Cycling	-	350	(350)	-	0	
	Merchant City Festival 2013	16	176	(204)	12	0	
	IRB Rugby 7s	-	366	(584)	236	18	
	Youth Olympic Games	34	93	(127)	-	0	
	BBC Proms 2013	-	103	(103)	-	0	
	2013 World Youth Netball	207	334	(541)	-	0	
	2013 UCI Junior Cycling	175	294	(469)	-	0	
	World pipe Band	-	574	(770)	195	(1)	
	Other	1	20	(24)	3	0	
Total Events		433	2,310	(3,172)	446	17	
Libraries	Aye Write Festival	-	186	(186)	-	-	
	Class Connections	30	35	(40)	-	25	
	MacMillan at CCLB	-	574	(500)	-	74	
	Future Family – Clyde Gateway	30	15	(10)	-	35	
	James Moir Fund	-	609	-	-	609	
	Family Futures	17	15	20	-	52	
	Other	171	53	(90)	-	134	
	Total Libraries		248	1,487	(806)		929

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

16 Restricted income funds (continued)

Service Area	Fund Name	Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2014 £000
Museums	Renew (Art Fund)	-	71	(71)	-	0
	Comm Heritage Mgr	-	30	(59)	30	1
	Acquisitions	-	50	(110)	60	0
	Burrell Tapestries	115	9	(47)	-	77
	Exhibitions > 13/14	-	119	(85)	17	51
	Italian Art Tour	-	63	(24)	-	39
	Clothworkers Project	28	40	(32)	-	36
	Special Collections Survey	145	-	(34)	-	111
	History Hub Display	25	15	(26)	15	29
	Host City Volunteers	-	100	(95)	-	5
	Other	255	188	(239)	(44)	160
Total Museums	568	685	(822)	78	509	
Music	Big Big Sing	-	122	(161)	100	61
	Other	29	54	(122)	50	11
	Total Music	29	176	(283)	150	72
Sport	Keep Well Project	23	62	(49)	-	36
	Active Living Development	39	-	1	-	40
	City Tennis Club	11	52	(40)	-	23
	COPD	17	45	(36)	-	26
	Netball Super League	-	65	(3)	-	62
	Obesity	171	129	(159)	(4)	137
	Active ABC	9	69	(41)	-	37
	Sports Grants	20	75	(72)	(1)	22
	Active Ageing Week	4	300	(40)	(12)	252
	2015 Gymnastic Champions	-	830	(167)	-	663
	Badminton Grand Prix	-	110	(110)	-	-
	Greater E'hse Arts	-	55	(59)	-	(4)
	Health Referrals	67	31	(27)	-	71
	CRF	152	-	5	(3)	154
	Community Sports Hubs	173	78	(116)	50	185
	Sport Spaces	35	-	(2)	-	33
	Football Youth	148	-	(64)	-	84
	Holiday Programme NOF	41	-	(3)	-	38
	NHS Active Staff	-	52	(8)	-	44
	Coach Core	-	106	(106)	-	-
Silver Deal GHA	39	460	(222)	-	277	
Other	177	136	(187)	14	140	
Total Sport	1,126	2,655	(1,505)	44	2,320	
Total Restricted Funds		3,674	12,917	(8,960)	577	8,208

There were no gains or losses during the year.

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

16 Restricted income funds (continued)
FUND DESCRIPTION

Youth Development Officer

Fund a Youth Development officer post within Glasgow Life

Swayed GHA

Engaging young people in diverse activities in SW Glasgow

ESOL

To provide additional learning opportunities for English Speakers of Other Languages

North Glasgow Youth

Activities programme for 11-16 year olds with behavioural problems.

SE Vibrancy Action Programme

Assist communities in SE area to participate in arts and environmental issues

SE Comm Engage Off

Supporting the role of the Legacy and Engagement Co-ordinator

Knightswood Pool

Refurbishment of Knightswood Pool

Central West Hubs

Community Learning and Development Programmes in the North West

West Hubs

Youth Programmes in West

Smoke Free Play

Partnership with NHS Health Improvement Team to research and develop Youth Programmes

NEYP

Programme to provide youth work activities involving local external organisations

MC Public Art

Pilot scheme to commission public art

Arts Grants Payments

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

Velocity

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

GI Festival 2014

Bi-annual arts festival

Facilities Mgt Rest

Bequests to be used for refurbishment of various Glasgow Life properties

Commonwealth CCQ Festops

Ceremonies & relay costs for the opening & closing of Commonwealth Games 2014.

Commonwealth CCQ Content

Programme of performances and events across the city before and during Games time

2013 Road Cycling

Road Cycling Competition

Merchant City Festival 2013

Celebrating the Arts programme in Merchant City area of Glasgow – 2013 festival

IRB Rugby 7s

SRU 7 a side rugby tournament at Scotstoun Stadium.

Youth Olympic Games

Preparation for Glasgow's bid for the 2018 Youth Olympic Games.

BBC Proms 2013

Bringing people together in a night of music

2013 World Youth Netball

World Championships final at the Emirates Stadium.

2013 UCI Junior Cycling

Junior Cycling World Championships in Sir Chris Hoy Velodrome August 2013.

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

16 Restricted income funds (continued)

World Pipe Band

Pipe Band competition with bands from across the world competing

Aye Write Festival

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

Class Connections

Transport initiative aimed at encouraging schools to give young children access to libraries.

MacMillan at CCLB

Delivery of Cancer Support groups/services

Future Family – Clyde Gateway

Supporting 865 parenting & communications 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

Family Futures

Funding to support lets and crèche costs in relation to the Triple P parenting programme

Renew (Art Fund)

Funding to develop a collection of South Asian Art

Community Heritage Mgr

Conducting funded research into the city's history collection; development and delivery of community heritage and archaeology projects.

Acquisitions

Art acquisitions & associated costs.

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 13/14

Museums general exhibitions

Clothworkers Project

Research into Boppard stained glass at the Burrell Collection

Special Collections Survey

To fund the survey team & produce a report on the outcome of the survey,

History Hub Display

Funding the redisplay of the Glasgow History Hubs.

Italian Art Tour

Italian Art Exhibition on tour to England and various venues 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

Big Big Sing

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

Keep Well Project

To provide a vehicle for delivering on the NHSGCC targets for reducing inequalities in health

Active Living Development

Activities designed for older adults

City Tennis Club

Provision of a Community Tennis pilot

COPD

Pulmonary rehabilitation service providing a 6 week group based exercise programme operating 50 wks 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

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

16 Restricted funds (continued)

CRF

Sportscotland funding for delivery 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 ABC

To provide exercise to women recovering from Breast Cancer

Sport Grants

Talented sports performer scheme to subsidise the cost of certain sports

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

Greater E'hse Arts

Deliver a range of arts outreach across the community

Badminton Grand Prix

Badminton Grand Prix event

NHS Active Staff

Staff health strategy to support better health and wellbeing for all our staff

Coach Core

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

Football Youth

Development of youth football programmes

Holiday Programme NOF

Providing activities throughout the school holidays

Silver Deal

Promote health and exercise amongst the over 50s

17 Analysis of net assets between funds

Group	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fund balances at 31 March 2014 are represented by:			
Tangible fixed assets	2,777	-	2,777
Current assets	13,204	8,208	21,412
Current liabilities	(13,325)	-	(13,325)
Pension deficit	(51,905)	-	(51,905)
Total net assets	(49,249)	8,208	(41,041)
Charity	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fund balances at 31 March 2014 are represented by:			
Tangible fixed assets	2,684	-	2,684
Current assets	13,661	8,208	21,869
Current liabilities	(13,691)	-	(13,691)
Pension deficit	(51,905)	-	(51,905)
Total net assets	(49,251)	8,208	(41,043)

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

18 Notes to the cash flow statement

(a) Reconciliation of net income / (expenditure) for the year to net cash inflow from operating activities

	2014	2013
	£000	£000
Net income/(expenditure) for the year	767	2,082
Add depreciation	498	951
Retirement benefit scheme current service cost	2,553	(618)
Interest received	(137)	(238)
Increase in stocks	(31)	(80)
Decrease/(Increase) in debtors	98	1,953
(Decrease)/Increase in creditors and provisions	(3,932)	(5,484)
Net cash inflow/(outflow) from operating activities	(184)	(1,434)

(b) Reconciliation of net cash flow to movement in net debt

	2014	2013
	£000	£000
Increase/(Decrease) in cash in the year	92	(2,361)
Net funds at start of year	14,275	16,636
Net funds at end of year	14,367	14,275

(c) Analysis of net debt

	At beginning of year	Cash flows	Other non cash changes	At end of year
	£000	£000	£000	£000
Cash at bank and in hand	14,275	92	-	14,367

19 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 most recent triennial actuarial valuation of the Scheme was performed at 31 March 2011.

The unfunded element is in respect of additional pensions paid on retirement under the Discretionary Payment Regulations (compensatory added years pensions). The liabilities in respect of the unfunded elements are disclosed below in accordance with FRS 17.

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

19 Pension scheme (continued)

The amounts recognised in the balance sheets are as follows:

Defined benefit pension plans

	Group		Charity	
	2014 £000	2013 £000	2014 £000	2013 £000
Present value of funded obligations	(251,273)	(221,516)	(251,273)	(221,516)
Fair value of plan assets	205,786	186,835	205,786	186,835
	<u>(45,487)</u>	<u>(34,681)</u>	<u>(45,487)</u>	<u>(34,681)</u>
Present value of unfunded obligations	(6,418)	(5,854)	(6,418)	(5,854)
Net liability	<u>(51,905)</u>	<u>(40,535)</u>	<u>(51,905)</u>	<u>(40,535)</u>
Amounts in the statement of financial position:				
Liabilities	<u>(51,905)</u>	<u>(40,535)</u>	<u>(51,905)</u>	<u>(40,535)</u>
Net Liabilities	<u>(51,905)</u>	<u>(40,535)</u>	<u>(51,905)</u>	<u>(40,535)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

Defined benefit pension plans

	Group		Charity	
	2014 £000	2013 £000	2014 £000	2013 £000
Current service cost	9,263	6,686	9,263	6,686
Past service gain	-	(197)	-	(197)
Interest on obligation	10,414	8,851	10,414	8,851
Expected return on plan assets	(9,874)	(9,205)	(9,874)	(9,205)
Losses on curtailments	660	586	660	586
Total	<u>10,463</u>	<u>6,721</u>	<u>10,463</u>	<u>6,721</u>
Actual return on plan assets	<u>12,787</u>	<u>23,547</u>	<u>12,787</u>	<u>23,547</u>

Changes in the present value of the defined benefit obligation are as follows:

Defined benefit pension plans

	Group		Charity	
	2014 £000	2013 £000	2014 £000	2013 £000
Opening defined benefit obligation	227,370	183,244	227,370	181,671
Liabilities assumed in a business combination	-	-	-	1,573
Current service cost	9,263	6,686	9,263	6,686
Interest cost	10,414	8,851	10,414	8,851
Actuarial losses	11,731	29,752	11,731	29,752
Losses on curtailments	660	586	660	586
Contributions by members	2,523	2,239	2,523	2,239
Estimated unfunded benefits paid	(295)	(252)	(295)	(252)
Estimated Benefits paid	<u>(3,975)</u>	<u>(3,736)</u>	<u>(3,975)</u>	<u>(3,736)</u>
Closing defined benefit obligation	<u>257,691</u>	<u>227,370</u>	<u>257,691</u>	<u>227,370</u>

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

19 Pension scheme (continued)

Changes in the fair value of plan assets are as follows:

Defined benefit pension plans

	Group		Charity	
	2014 £000	2013 £000	2014 £000	2013 £000
Opening fair value of plan assets	186,835	157,738	186,835	155,968
Assets acquired in a business combination	-	-	-	1,770
Expected return	9,874	9,205	9,874	9,205
Actuarial losses/(gains)	2,914	14,302	2,914	14,302
Contributions by members	2,523	2,239	2,523	2,239
Contributions by employer	7,615	7,087	7,615	7,087
Contributions in respect of unfunded benefits	295	252	295	252
Estimated unfunded benefits paid	(295)	(252)	(295)	(252)
Estimated Benefits Paid	(3,975)	(3,736)	(3,975)	(3,736)
	<u>205,786</u>	<u>186,835</u>	<u>205,786</u>	<u>186,835</u>

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

	2014	2013
Equities	76%	76%
Bonds	12%	14%
Property	7%	7%
Cash	5%	3%

Principal actuarial assumptions at the end of the reporting year (expressed as weighted averages):

	2014	2013
Discount rate at 31 March	4.3%	4.5%
Expected return on plan assets at 31 March	6.0%	4.5%
Future salary increases	5.1%	5.1%
Future pension increases	2.8%	2.8%

Defined benefit pension plans

Group	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Defined benefit obligation	(257,691)	(227,370)	(183,045)	(162,412)	(176,400)
Plan assets	<u>205,786</u>	<u>186,835</u>	<u>157,387</u>	<u>138,399</u>	<u>115,710</u>
(Deficit)	<u>(51,905)</u>	<u>(40,535)</u>	<u>(25,658)</u>	<u>(24,013)</u>	<u>(60,690)</u>
Experience adjustments on plan liabilities	<u>(81)</u>	<u>(248)</u>	<u>11,941</u>	<u>(99)</u>	<u>6</u>
Experience adjustments on plan assets	<u>2,914</u>	<u>14,302</u>	<u>(3,186)</u>	<u>842</u>	<u>25,242</u>

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

19 Pension scheme (continued)

Charity	2014	2013	2012	2011	2010
	£000	£000	£000	£000	£000
Defined benefit obligation	(257,691)	(227,370)	(181,671)	(161,050)	(174,936)
Plan assets	<u>205,786</u>	<u>186,835</u>	<u>155,968</u>	<u>137,165</u>	<u>114,702</u>
(Deficit)	<u>(51,905)</u>	<u>(40,535)</u>	<u>(25,703)</u>	<u>(23,885)</u>	<u>(60,234)</u>
Experience adjustments on plan liabilities	<u>(81)</u>	<u>(248)</u>	<u>11,657</u>	<u>(99)</u>	<u>6</u>
Experience adjustments on plan assets	<u>2,914</u>	<u>14,302</u>	<u>(3,137)</u>	<u>835</u>	<u>25,031</u>

20 Operating leases

The charity utilises 470 items of plant and equipment under the terms of operating leases. Lease rental payments charged to the income and expenditure account in the year for such assets was £116,887 (2013: £nil). The future minimum lease payments due under non-cancellable leases in future years and in cash terms are as follows:

Operating lease commitments	2014	2013
	£000	£000
No later than one year	150	-
Later than one year and not later than five years	<u>483</u>	<u>-</u>
Total	<u>633</u>	<u>-</u>

21 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 2014, GCC provided funds of £78.1m (2013: £78.2m) to the charity in respect of the services undertaken by the charity on its behalf. At 31 March 2014 GCC owed the charity £1.7m (2013: £2.4m) in relation to normal trading activities.

The charity supplied goods and services amounting to £59,644 (2013: £51,344) and purchased goods and services of £73,610 (2013: £56,928) from Jobs & Business Glasgow of which Councillor Emma Gillan is a director.

The charity purchased goods and services amounting to £6,510 (2013: £570) from Scottish Youth Theatre and purchased goods and services amounting to £5,500 (2013: £1,060) from Fuse Youth Café Glasgow of which Councillor Frank McAveety is director.

The charity supplied goods and services amounting to £28,999 (2013: £2,210) to Sportscotland of which Mel Young is a director. The charity supplied goods and services amounting to £1,663 (2013: £1,516) to the Homeless World Cup foundation of which Mel Young is a director.

The charity provided goods and services amounting to £432,745 (2013: £388,819) and purchased goods and services amounting to £66,000 (2013: £57,718) from Glasgow City Marketing Bureau of which Dr Lesley Sawers is a director.

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

21 Related Party (continued)

The charity provided goods and services amounting to £19,489 and purchased goods and services of £27,088 from Glasgow Caledonian University of which Dr Lesley Sawers is Vice Principal. The charity also provided goods and services of £550 to The Big Partnership where Dr Lesley Sawers acts as Board Advisor.

The charity provided goods and services amounting to £2,436 (2013: £3,172) to Glasgow Academy of which Sir Angus Grossart is Honorary Governor.

The charity supplied goods and services amounting to £1,166,865 (2013: £150,977) to Glasgow 2014 Limited of which Dr Bridget McConnell and Councillor Archie Graham are both directors.

The charity purchased goods and services amounting to £1,250 (2013: £3,000) from Punjabi Sahit Sabha Glasgow of which Dilawer Singh is vice chair.

22 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.