

Culture and Sport Glasgow
(A charity limited by guarantee)

Report and Group Financial Statements
Year Ended 31 March 2020

Registered number SC313851 (registered in Scotland)

Scottish Charity number SC037844

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ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020

The Directors, who are the Trustees for the purposes of charity law, are pleased to present their annual report (including their strategic report) and group financial statements for the year ended 31 March 2020. Culture and Sport Glasgow has been entered into the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005, to refer to itself as a charity registered in Scotland.

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

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

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

Objectives and Activities

Principal activity

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

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

Vision Statement

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

Strategic Objectives

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

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

The Company Business and Service Plan which includes our Strategic Context and Strategic Outcomes is approved by the Board on an annual basis. This was last approved by the Board on the 25th March 2020.




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

Achievements and performance



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

- Glasgow Life’s Business and Service Plan (annual)
- Glasgow City Council’s Strategic Plan (2017-2022)

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








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

During 2019/20 we agreed to report to Glasgow City Council on these three key areas:

Measure	Target	Actual	Status
Total no of attendances at Glasgow Life directly managed venues excluding festivals and events	18.1 million	18.2 million	
Income generated through the company’s charity and CIC	£39 million (charity) £32.1 million (CIC) £6.9 million	£38.6 million (charity) £31.8 million (CIC) £6.38 million	

* On 12 March 2020, in response to the Covid-19 pandemic, a ban on all mass gatherings of over 500 people was announced across the UK. On the 18th of March Glasgow Life closed all but a small number of its venues to the public. This was followed by the Prime Minister’s announcement of a full lock-down on 24 March 2020. These unprecedented measures impacted attendances across Glasgow Life.





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

Measure	Target	Actual	Status
Breakdown of the number of attendances at Glasgow Life directly managed venues, including festivals and events	18,055,392	18,161,867	
Community Facilities	1,363,581	1,469,985	
Glasgow Arts, Music & Cultural Venues**	1,142,000	1,110,836	
Glasgow Libraries	4,703,027	4,518,898	
Glasgow Museums***	3,519,500	4,085,920	
Glasgow Sport	6,888,000	6,536,704	
Glasgow Events	439,284	439,524	

** Includes Celtic Connections (130,000), Mela (41,000) & the Merchant City Festival (75,000), does not include Aye Write and Wee Write attendances (16,402) the majority of which take place in the Mitchell Library and are reported within Glasgow Libraries figures. If included the Glasgow Arts, Music & Cultural Venues and festival total attendances would be 1,127,238.

*** Includes T.Rex on Tour at the Kelvin Hall (47,935)

Achievements and performance (continued)

Destination Glasgow	Target	Actual	Status
Economic Value of Conferences	£135,000,000	£140,113,527	
Actual conference delegate nights in the city	390,000	389,895	
Economic value of conference sales won for future years	£130,000,000	£136,970,475	
No of delegate days for future years	305,000	375,866	

Under normal circumstances our targets for 2020/21 would be included in the tables above however due to the uncertainty caused by the Covid-19 pandemic these will now be published later in the year as part of our scheduled reporting to Glasgow City Council.

Streamlined Energy and Carbon Reporting

The Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 amended the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to require companies to report information on greenhouse emissions and environmental issues in their Directors' Report.

Energy Source	Consumption	Units	Scope	kg CO2e	tCO2e	Emissions Calculation
Gas – total kWh (kilowatt-hours) used for the year taken from gas bills	68,569,935.25	kWh	Scope 1	12,607,953.99	12,607.95	68,569,935 kWh * 0.18387 (2020 fuels, natural gas conversion factor gross CV to kg CO2e) = 12,607,953.99 kg CO2e = 12,607.95 tCO2e
Electricity – total kWh (kilowatt-hours) used for the year taken from electricity bills	33,418,439.20	kWh	Scope 2	7,791,174.92	7,791.17	33,418,439 kWh * 0.23314 (2020 fuels, electricity conversion factor to kg CO2e) = 7,791,174.92 kg CO2e = 7,791.17 tCO2e
Indirect energy emissions (district heating system). Gas – total kWh (kilowatt-hours) used for the year taken from end of year statement	2,015,380.00	kWh	Scope 2	370,567.92	370.57	2,015,380 kWh * 0.18387 (2020 fuels, natural gas conversion factor gross CV to kg CO2e) = 370,567.92 kg CO2e = 370.57 tCO2e
Indirect energy emissions (leased property). Electricity - total kWh (kilowatt-hours) used for the year taken from electricity recharge bills	41,878.00	kWh	Scope 2	9,763.44	9.76	41,878 kWh * 0.23314 (2020 fuels, electricity conversion factor to kg CO2e) = 9,763.44 kg CO2e = 9.76 tCO2e
Transport – total mileage for petrol reimbursed from staff claims = 113,278.00	113,278.00	Miles	Scope 3	31,246.60	31.25	113,278.00 miles * 0.27584 (2020 managed assets vehicles, average car conversion factor to kgCO2e, unknown fuel) = 31,246.60 kgCO2e = 31.25 tCO2e
	126,028.57	kWh				113,278.00 miles * 1.11256 (2020 SECR kWh pass & delivery vehicles, average car conversion factor to kWh, unknown fuel) = 126,028.57 kWh
Total	104,171,661.02 kWh			20,810,707 kg CO2e	20,811 tCO2e	
Intensity ratio	Emissions data (tCO2e) compared with an appropriate business activity (staff numbers as per end of 2019-20, full time equivalent)				20,811 tCO2e / 2107.51 Staff = 9.87 tCO2e per capita	
Energy efficiency measures	In 2019-20, Glasgow Life invested £1,450,493 in energy projects including LED lighting, pool covers, BMS upgrades and a CHP. Energy savings are estimated to be 1,586,085 kWh with a carbon reduction of approximately 450 tCO2e per year. In addition to this, the Glasgow Life Environment Resource Pack was updated and launched at the annual Energy Conference which was attended by 80 energy champions, venue managers and senior staff. The Energy Resource Pack is an essential training resource, and is the backbone of our ongoing energy awareness campaign.					

Financial Review

Review of the year

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

The surplus on unrestricted general funds for the year to 31 March 2020 was £24,000 (2019: surplus £21,000). After accounting for the group and the charity's participation in the Strathclyde Pension Fund and movement on unrestricted designated funds, the overall unrestricted balance for the group at 31 March 2020 was a deficit of £50,344,000 (2019: £79,031,000). The group generated £11,375,000 (2019: £16,380,000) of restricted funds during the year, which after expenditure of £11,222,000 (2019: £12,503,000) and transfer of funds of £52,000 had a closing balance of £15,875,000 (2019: £15,670,000).

The overall group reserve position is a deficit of £34,469,000 (2019: deficit of £63,361,000) as a result of the pension liability as at 31 March 2020 of £53,442,000 (2019: £80,555,000).

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

Whilst responses to the coronavirus disease (COVID-19) continue to rapidly evolve, key impacts have meant interruption to 'business as usual' and a reduction in earning income projected to be in the region of £38m for 2020-21. Access to the furlough scheme and other funding support will mitigate some of this loss, however income will be considerably less than budgeted in 2020/21. A letter of support has been provided by Glasgow City Council to ensure the ongoing financial sustainability of Culture and Sport Glasgow. In order to minimise these losses and to adapt to changing future demand and operating conditions, re-organisation options are being developed.

The subsidiary company, Culture and Sport Glasgow (Trading) CIC, has a turnover of £9,313,000 (2019: £10,045,000) generating a profit before tax of £1,665,000 (2019: £1,730,000). The subsidiary company gifted £1,665,000 to the charitable company (2019: £1,730,000). 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 2020, primarily as a result of timing differences in respect of payments to the parent organisation, and other creditors. Free reserves of the charity and the trading subsidiary will be invested in external cash term deposits where cash flow projections permit, to maximise the rate of return while minimising the risk.

Risk Assessment

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

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

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

Reserves policy

The charity holds restricted and unrestricted reserves. Within unrestricted reserves, the charity has designated within the pension reserve the long term pension liabilities arising from its participation in the Strathclyde Pension Fund. The Board of Directors' intention is to accumulate an undesignated reserve fund which is sufficient to allow the charity protection against future adverse economic conditions or investment challenges. The Audit Committee reviews the reserves Policy on an annual basis and at its meeting on 6th December 2019, agreed to continue the reserves policy of a target of between 1.5% and 2.5% of turnover to provide protection against future adverse economic conditions. The Board continues to review this position on an ongoing basis. General reserves, which are shown in the balance sheet as unrestricted funds, amount to £618,000 (2019: £594,000), before inclusion of the pension reserve. This amount represents 0.5% of total unrestricted income which is below the target of reserves. The Board is aware that this remains below the target for reserves and will aim to rebuild reserves steadily when finances permit. The drop in reserves was a result of the change to Accounting Policies in 2016/17 which required the inclusion of an Employee Benefit Accrual. The Board of Directors has approved a budget for 2020/21 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 2020 this amounted to £75,545,000 (2019: £73,375,000), which is the equivalent of eight months funding of expenditure (2019: 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.

Structure, Governance and Management

Charitable status

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

Directors

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

- The maximum number of directors shall be fourteen (2019: fourteen) of which: -
 - A maximum of five (2019: five) directors shall be "Partner Directors" i.e. any elected member of Glasgow City Council who is willing to act as a director, appointed by Glasgow City Council.
 - A maximum of eight (2019: eight) directors shall be "Independent Directors".
 - A maximum of one (2019: one) shall be the Executive Director.

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

Policies and procedure for induction and training of directors

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

Organisation Structure

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

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

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

Employees

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

Directors' Indemnities

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

Reference and administrative information

Company number	SC313851 (registered in Scotland)
Charity number	SC037844
Registered Office	Culture & Sport Glasgow Commonwealth House 38 Albion Street Glasgow G1 1LH
Independent Auditors	Azets Audit Services Chartered Accountants 25 Bothwell Street Glasgow G2 6NL
Solicitors	GCC Legal Services 235 George Street Glasgow G1 IQZ
Bankers	Royal Bank of Scotland Kirkstane House 139 St Vincent Street Glasgow G2 5JF
Company Secretary	Jan Buchanan

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

Directors

	Appointment date	Resignation date
Councillor David McDonald (Chair)		
Dr Bridget McConnell CBE (Chief Executive)		
Sir Angus Grossart		
Professor Lesley Sawers OBE		07 November 2019
Mr Dilawer Singh MBE		
Mrs Lee Bonthron		
Professor John Brown	24 February 2020	
Baillie Annette Christie		16 May 2019
Councillor Michael Cullen		
Mr John McCormick		
Professor Anton Muscatelli		
Baillie Norman MacLeod		
Councillor Franny Scally	21 May 2019	
Councillor Martin McElroy	18 September 2019	
Councillor Maureen Burke		12 September 2019
Mr Benny Higgins		
Mr Iain MacRitchie		

Key management personnel

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

Post balance sheet events

The global pandemic of COVID-19 at the year-end has resulted in an elevated level of uncertainty within the economy. The longer term effects of the virus, and the subsequent impact of the Government-imposed restrictions on movement and business, are not yet fully clear.

At this time, the directors believe there to be no quantifiable impact on the carrying value of assets in the balance sheet that results in either an adjusting or non-adjusting post balance sheet event.

Disclosure of information to auditors

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

Independent Auditors

The appointed auditor, Scott-Moncrieff, tendered their resignation during 2019 and were replaced by Scott-Moncrieff Audit Services who have expressed their willingness to continue in office as auditor and will be proposed for re-appointment in accordance with section 485 of the Companies Act.

On 7 September 2020 Group Audit Services Limited trading as Scott Moncrieff Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

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

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

Approved by the Board on 16 September 2020 and signed on its behalf by:

David McDonald
Chair

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

STATEMENT OF INTERNAL CONTROL

Scope of Responsibility

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

Purpose of the System of Internal Control

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

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

The process is consistent with guidance in the Scottish Public Finance Manual (SPFM) and has been in place for the year ended 31 March 2020 and up to the date of approval of the annual report and financial statements.

Risk and Control Framework

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

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

Review of Effectiveness

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

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

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

Governance During COVID-19 Pandemic

The Glasgow Life Board was scheduled to meet on 25 March and the agenda and papers had been circulated, however, due to entering lockdown it was requested that Board Members indicate their approval of items requiring a decision by returning a proforma.

The Board agreed to delegate authority to the Chair, Cllr McDonald, and the Chief Executive, Dr Bridget McConnell to take any decisions on behalf of the Board as required, and this would be reviewed at the next Board meeting on 17 June. It was further agreed that John McCormick and Susan Deighan, would substitute as required for Cllr McDonald and Dr McConnell respectively.

This delegated authority has been exercised in relation to approving a revised early/voluntary redundancy policy for Glasgow Life, agreeing additional service proposals within the Cardonald ward of the city, and to agree the reopening route map of Glasgow Life venues. All decisions taken under delegated authority have been relayed to the Board.

The Glasgow Life Board last met via videoconference on 17 June, where it was agreed to extend the period of delegated authority to the Chair and Chief Executive until the next scheduled meeting on 16 September.

Governance During COVID-19 Pandemic (continued)

During the period of lockdown the Board have been provided with a weekly update report, recently reducing to fortnightly, which has kept them informed of the latest developments regarding Glasgow Life operations, as well as sharing guidance and research from relevant national bodies and government.

Similarly the Burrell Renaissance Board have been provided with a fortnightly report with regard to the project, and the Health and Safety and Audit Committees have received information as and when appropriate.

Notification was also sent to OSCR at the end of March to advise them of the anticipated financial impact on the charity as a result of Covid-19.

A change to the Glasgow Life Board membership was made by Glasgow City Council in July, and required notifications have been lodged with Companies' House, as well as the new Director undertaking the Induction Process.

Jan Buchanan

Director of Finance and Corporate Services

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

Opinion

We have audited the financial statements of Culture and Sport Glasgow (the parent charitable company) and its subsidiary (the group) for the year ended 31 March 2020 which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2020 and of the group's and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

However because not all future events or conditions can be predicted this statement is not a guarantee as to the group's ability to continue as a going concern. For example, the impact of Covid 19 on the group's activity and wider economy.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Use of our report

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

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

Nick Bennett (Senior Statutory Auditor)

For and on behalf of Azets Audit Services, Statutory Auditor

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
Chartered Accountants
Allan House
25 Bothwell Street
Glasgow
G4 0QW

Date 16 September 2020

Group Statement of Financial Activities
(incorporating a group income and expenditure account)
For the year ended 31 March 2020

	Notes	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Unrestricted Pension/Employee Funds £000	Total Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Income from:								
Donations and legacies	3	2,679	15	-	2,694	8,750	11,444	16,103
Other trading activities								
<i>Commercial trading Company</i>	9	6,849	-	-	6,849	760	7,609	8,126
<i>Glasgow City Marketing Bureau</i>								
Investments	4	82	-	-	82	42	124	64
Charitable activities	5							
<i>Provision of leisure and cultural facilities</i>		28,378	-	-	28,378	1,823	30,201	30,448
<i>Service contract with Glasgow City Council</i>		75,545	-	-	75,545	-	75,545	73,375
Total		113,533	15	-	113,548	11,375	124,923	128,116
Expenditure on:								
Other trading activities								
<i>Commercial trading company</i>	9	(7,087)	-	-	(7,087)	(580)	(7,667)	(8,319)
<i>Glasgow City Marketing Bureau</i>								
Charitable activities								
<i>Provision of leisure and cultural facilities</i>	6	(104,756)	(79)	(12,828)	(117,663)	(10,642)	(128,305)	(134,426)
Total		(111,843)	(79)	(12,828)	(124,750)	(11,222)	(135,972)	(142,745)
Net income/(expenditure)		1,690	(64)	(12,828)	(11,202)	153	(11,049)	(14,629)
Transfers between funds		(1,666)	1,614	-	(52)	52	-	-
Other recognised gains/(losses)								
Actuarial gains/(losses) on defined benefit pension schemes	21	-	-	39,941	39,941	-	39,941	(19,073)
Net movement in funds		24	1,550	27,113	28,687	205	28,892	(33,702)
Reconciliation of funds:								
Total funds brought forward		594	930	(80,555)	(79,031)	15,670	(63,361)	(29,659)
Total funds carried forward		618	2,480	(53,442)	(50,344)	15,875	(34,469)	(63,361)

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

**Parent Charity Statement of Financial Activities
(incorporating an income and expenditure account)
For the year ended 31 March 2020**

	Notes	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Unrestricted Pension/Employee Funds £000	Total Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Income from:								
Donations and legacies	3	4,344	15	-	4,359	8,750	13,109	17,833
Investments	4	63	-	-	63	42	105	60
Charitable activities	5							
<i>Provision of leisure and cultural facilities</i>		28,378	-	-	28,378	1,823	30,201	30,448
<i>Service contract with Glasgow City Council</i>		73,661	-	-	73,661		73,661	71,383
Total		106,446	15	-	106,461	10,615	117,076	119,724
Expenditure on:								
Charitable activities								
<i>Provision of leisure and cultural facilities</i>	6	(104,756)	(79)	(12,828)	(117,663)	(10,642)	(128,305)	(134,426)
Total		(104,756)	(79)	(12,828)	(117,663)	(10,642)	(128,305)	(134,426)
Net income/(expenditure)		1,690	(64)	(12,828)	(11,202)	(27)	(11,229)	(14,702)
Transfers between funds		(1,666)	1,614	-	(52)	52	-	-
Other recognised gains/(losses)								
Actuarial gains/(losses) on defined benefit pension schemes	21	-	-	39,941	39,941	-	39,941	(19,073)
Net movement in funds		24	1,550	27,113	28,687	25	28,712	(33,775)
Reconciliation of funds:								
Total funds brought forward		512	930	(80,555)	(79,113)	15,353	(63,760)	(29,985)
Total funds brought forward GCMB		77	-	-	77	-	77	77
Total funds carried forward		613	2,480	(53,442)	(50,349)	15,378	(34,971)	(63,683)

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

Balance Sheets

At 31 March 2020

		Group		Charity	
		2020	2019	2020	2019
		£000	£000	£000	£000
	<i>Note</i>				
Fixed Assets					
Tangible assets	10	3,874	4,037	3,766	3,902
Investments	11	-	-	-	-
Total fixed assets		3,874	4,037	3,766	3,902
Current Assets					
Stock and work in progress	12	393	633	11	11
Debtors	13	8,864	9,624	13,345	14,083
Cash at bank and in hand	14	32,064	20,737	25,225	18,882
Total current assets		41,321	30,994	38,581	32,976
Creditors: amounts falling due in one year	15	(26,222)	(17,837)	(23,876)	(20,006)
Net current assets		15,099	13,157	14,705	12,970
Total assets less current liabilities		18,973	17,194	18,471	16,872
Defined benefit pension liability	21	(53,442)	(80,555)	(53,442)	(80,555)
Net liabilities including pension deficit		(34,469)	(63,361)	(34,971)	(63,683)
The funds of the group:					
Unrestricted income funds	17	3,098	1,524	3,093	1,519
Pension reserve deficit	21	(53,442)	(80,555)	(53,442)	(80,555)
Total unrestricted income funds		(50,344)	(79,031)	(50,349)	(79,036)
Restricted income funds	18	15,875	15,670	15,378	15,353
Total charity funds	19	(34,469)	(63,361)	(34,971)	(63,683)

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

David McDonald
Chair

16 September 2020

Registered number SC037844

Group Statement of Cash Flows

	<i>Note</i>	2020		2019
		£000		£000
Cash flows from operating activities:				
<i>Net cash provided by operating activities</i>	<i>20</i>	12,357		6,665
Cash flows from investing activities:				
Interest		124		64
Purchase and disposal of property, plant and equipment		(1,154)		(1,058)
Net cash (used in) investing activities		(1,030)		(994)
<i>Change in cash and cash equivalents in the reporting period</i>		11,327		5,671
Cash and cash equivalents at the beginning of the reporting period		20,737		15,066
Cash and cash equivalents at the beginning of the reporting period - GCMB		-		-
Cash and cash equivalents at the end of the reporting period		32,064		20,737
Analysis of net debt				
	As at 1	Cashflows	Other	As at 31
	April		changes	March
	2019			2020
	£000	£000	£000	£000
Cash and cash equivalents	20,737	11,327	-	32,064
	20,737	11,327	-	32,064

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

1. Accounting policies
Basis of accounting

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

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

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

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

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 2020.

Income and expenditure

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

Going concern

The financial statements have been prepared on a going concern basis. It is anticipated that the Group will continue to deliver healthy profits and generate significant working capital in the future. However as a direct result of the nationwide lockdown due to the pandemic, all trading has ceased in 2020/21. Access to the furlough scheme will mitigate some of this loss, however income will be considerably less than budgeted in 2020/21. A letter of support has been provided by Glasgow City Council to ensure the ongoing financial sustainability of Culture and Sport Glasgow. In order to minimise these losses and to adapt to the changing future demand and operating conditions, our delivery models are being adapted to optimise online options. These are unlikely to be enough to mitigate the losses therefore reorganisation options will also be considered.

Fund Accounting

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

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

Incoming resources

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

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

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

Incoming resources (continued)

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 6.

Governance costs

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

Leases

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

Stocks

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

Debtors

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

Cash and Liquid resources

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

Creditors

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

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

Financial assets and financial liabilities

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

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102. At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

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

Depreciation

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

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

The de-minimis applied, when considering capitalisation of expenditure, is £1,000 (2019: £1,000).

Taxation

Group

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

Charitable company

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

Pensions

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

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

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

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

Pensions (continued)

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

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognised in the statement of financial activities when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

2. Critical judgements and estimates

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

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

Defined benefit pension and other post-employment benefits

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

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

3. Donations and legacies

Group	Unrestricted	Restricted	Total	Total
	2020 £000	2020 £000	2020 £000	2019 £000
Contributions	374	1,145	1,519	2,136
Donations and Bequests	388	192	580	3,797
Grants	1,932	7,413	9,345	10,170
	2,694	8,750	11,444	16,103
Charity	Unrestricted	Restricted	Total	Total
	2020 £000	2020 £000	2020 £000	2019 £000
Gift Aid from Trading CIC	1,665	-	1,665	1,730
Contributions	374	1,145	1,519	2,136
Donations and Bequest	388	192	580	3,797
Grants	1,932	7,413	9,345	10,170
	4,359	8,750	13,109	17,833

Voluntary Income from charitable activities in 2019 was £16,103,000 of which £2,911,000 was unrestricted and £13,192,000 was restricted.

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

4. Investment Income

	Group		Charity	
	2020 £000	2019 £000	2020 £000	2019 £000
Interest receivable	124	64	105	60
	124	64	105	60

5. Incoming Resources from Charitable Activities

	Unrestricted	Restricted	Total	Total
	2020 £000	2020 £000	2020 £000	2019 £000
Sports and Events	21,931	821	22,752	23,115
Libraries and Community Facilities	3,963	11	3,974	3,557
Arts and Music	1,565	123	1,688	1,847
Comm Facs/Learning	516	530	1,046	557
Corporate Services	11	34	45	23
Museums	392	304	696	1,349
	28,378	1,823	30,201	30,448
Service contract with Glasgow City Council	75,545	-	75,545	73,375
	103,923	1,823	105,746	103,823

Income from charitable activities in 2019 was £103,923,000 of which £101,491,000 was unrestricted and £2,332,000 was restricted.

6. Analysis of resources expended

	Charitable Activities	Support Costs	Total	Total
	2020 £000	2020 £000	2020 £000	2019 £000
<i>Unrestricted General funds – charitable activity/cost</i>				
Provision of leisure and cultural facilities (see below)	81,232	23,524	104,756	103,629
<i>Restricted funds – charitable activity / cost</i>				
Provision of leisure and cultural facilities (see below)	10,642	-	10,642	11,742
	91,874	23,524	115,398	115,371

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

6. Analysis of resources expended (continued)

Analysis of charitable activities by objective

	Unrestricted General Funds 2020 £000	Restricted Funds 2020 £000	Total 2020 £000	Total 2019 £000
Sports and Events	41,238	6,116	47,354	47,573
Libraries and Cultural Venues	10,299	453	10,752	10,138
Arts and Music	2,796	1,405	4,201	4,954
Comm Facs/Learning	14,298	1,294	15,592	15,384
Corporate Services	23,524	632	24,156	23,043
Museums	12,601	742	13,343	14,279
	104,756	10,642	115,398	115,371

Expenditure on charitable activities in 2019 was £115,371,000 of which £103,629,000 was unrestricted and £11,742,000 was restricted.

	2020 £000	2019 £000
Depreciation	1,317	1,208
Auditors remuneration – see note 7	26	25

Net incoming resources are stated after charging:

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

Allocation of Support Costs

	Charitable Activities 2020 £000	Governance 2020 £000	Total 2020 £000	Total 2019 £000
Finance, Procurement and Business Support	3,974	84	4,058	3,981
ICT	3,756	-	3,756	3,497
Human Resources	1,000	-	1,000	897
Marketing and Media	2,271	-	2,271	2,369
Administration and Management	12,162	277	12,439	11,965
	23,163	361	23,524	22,709

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

7. Governance costs

	Group		Total 2020 £000	Total 2019 £000
	Unrestricted General Funds 2020 £000	Restricted Funds 2020 £000		
Strategic Planning Costs	277	-	277	298
External auditors' remuneration: Audit of these financial statements	23	-	23	21
Audit of financial statements of subsidiaries pursuant of legislation	3	-	3	4
Other services relating to taxation	-	-	-	-
Audit Fees – Internal	44	-	44	30
Directors and Officers Indemnity Insurance	14	-	14	14
	361	-	361	367

8. Staff numbers and costs

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

	Group		Charity	
	2020 £000	2019 £000	2020 £000	2019 £000
Wages and Salaries	55,914	56,819	53,650	54,641
Redundancy Costs	46	94	44	94
Social Security Costs	4,993	4,887	4,821	4,723
Other Pension Costs	22,417	26,166	22,110	25,863
Agency Costs	120	120	109	120
	83,490	88,086	80,734	85,441

15 members of staff retired due to ill health or were made redundant during the year and received lump sum payments totalling £270,322. £223,854 was funded by Glasgow City Council.

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

	Group and Charity	
	2020 Number	2019 Number
£140,000 - £149,999	1	0
£130,000 - £139,999	0	1
£100,000 – £129,999	1	2
£90,000 - £99,999	2	1
£80,000 - £89,999	1	3
£70,000 - £79,999	11	10
£60,000 - £69,999	14	3
	30	20

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

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

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

as an employee of £144,315 (2019: £138,325) plus an employer's contribution to the defined benefit pension scheme of £22,928 (2019: £23,705)

8. Staff numbers and costs (continued)

	Group and Charity	
	2020 Number	2019 Number
£130,000 - £139,000	1	1
	<u>1</u>	<u>1</u>

The key management personnel of the Group comprise the Chief Executive, Director of City Marketing & External Relations, Director of Finance & Corporate Services, Director of Cultural Services and Director of Sport & Events. The total employee benefits of the key management personnel were £668,727 (2019 £629,979).

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

	Group		Charity	
	2020 FTE	2019 FTE	2020 FTE	2019 FTE
External Relations & Infrastructure	96	94	96	94
Arts & Music	136	135	136	135
Museums & Collections	279	276	279	276
Communities & Libraries	464	470	464	470
Sport & Events	877	909	877	909
Management and Administration	150	147	150	147
Retail	39	43		
	<u>2,041</u>	<u>2,074</u>	<u>2,002</u>	<u>2,031</u>

During the year Glasgow Life also employed staff relating to Burrell Project - 24 (2019: 24) which are not included in figures above.

9. Activities for Generating Funds

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

	Total 2020 £000	Total 2019 £000
Turnover	9,313	10,045
Cost of Sales and Administration Costs	(7,667)	(8,319)
Interest receivable	<u>19</u>	<u>4</u>
Net profit on ordinary activities before taxation	<u>1,665</u>	<u>1,730</u>
Taxation on profit on ordinary activities		
Profit for the year	1,665	1,730
Gift Aid to charity	(1,665)	(1,730)
Retained in the subsidiary	<u>-</u>	<u>-</u>

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

9. Activities for Generating Funds (continued)

The assets and liabilities of the subsidiary were:

	2020 £'000	2019 £'000
Fixed Assets	106	135
Current Assets	8,536	7,277
Current Liabilities	(8,641)	(7,411)
Total Net Assets	1	1
Aggregate share capital and reserves	1	1

10. Tangible assets

Group	Leasehold Improvements	Plant & Equipment	Total 2020 £000
	2020 £000	2020 £000	
<i>Cost</i>			
At the beginning of the year	6,797	4,979	11,776
Additions	960	194	1,154
Disposals	-	-	-
At end of year	<u>7,757</u>	<u>5,173</u>	<u>12,930</u>
<i>Accumulated Depreciation</i>			
At beginning of year	(4,073)	(3,666)	(7,739)
Charge of year	(651)	(666)	(1,317)
Disposals	-	-	-
At end of year	<u>(4,724)</u>	<u>(4,332)</u>	<u>(9,056)</u>
Net book value at 31 March 2020	<u>3,033</u>	<u>841</u>	<u>3,874</u>
Net book value at 31 March 2019	<u>2,724</u>	<u>1,313</u>	<u>4,037</u>
Charity			
<i>Cost</i>			
At the beginning of year	6,544	4,954	11,498
Additions	960	194	1,154
Disposals	-	-	-
-At end of year	<u>7,504</u>	<u>5,148</u>	<u>12,652</u>
<i>Accumulated Depreciation</i>			
At beginning of year	(3,947)	(3,649)	(7,596)
Charge of year	(626)	(664)	(1,290)
Disposals	-	-	-
At end of year	<u>(4,573)</u>	<u>(4,313)</u>	<u>(8,886)</u>
Net book value at 31 March 2020	<u>2,931</u>	<u>835</u>	<u>3,766</u>

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

Net book value at 31 March 2019

2,597

1,305

3,902

All assets owned are held for charitable use.

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

11. Investments

	Charity	
	2020	2019
	£000	£000
Investment in subsidiary undertaking	-	-

Glasgow Life holds full share capital of £100 of Culture and Sport Glasgow (Trading) CIC, company number SC313850.

12. Stocks and work in progress

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Merchandise for resale	393	633	11	11

13. Debtors

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade debtors	2,936	3,240	2,460	2,853
Amounts owed by group undertakings	95	202	82	179
VAT	-	-	5,070	5,159
Prepayments and accrued income	5,833	6,182	5,733	5,892
	<u>8,864</u>	<u>9,624</u>	<u>13,345</u>	<u>14,083</u>

14. Cash at bank and in hand

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Cash at bank and in hand	19,581	7,451	13,012	5,867
Short term deposits	12,483	13,286	12,213	13,015
	<u>32,064</u>	<u>20,737</u>	<u>25,225</u>	<u>18,882</u>

15. Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade creditors	1,668	2,989	1,322	2,532
Amounts owed by group undertakings	-	-	720	4,096
Accruals	10,638	10,078	10,543	9,921
Taxation and Social Security	2,054	1,904	2,060	1,910
VAT	2,419	1,099	-	-
Deferred Income	9,443	1,767	9,231	1,547
	<u>26,222</u>	<u>17,837</u>	<u>23,876</u>	<u>20,006</u>

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

16. Deferred income

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

	Group £000	Charity £000
Balance as at 1 April 2019	1,767	1,547
Movement during the year	7,676	7,684
Balance at 31 March 2020	9,443	9,231

17. Unrestricted Income Funds

Group 2020

	Unrestricted General Funds 2020 £000	Unrestricted Designated Funds 2020 £000	Total 2020 £000
Balance as at 1 April	594	930	1,524
Income	113,533	15	113,548
Expenditure	(111,843)	(79)	(111,922)
Transfers	(1,666)	1,614	(52)
Balance at 31 March	618	2,480	3,098

Charity 2020

	Unrestricted General Funds 2020 £000	Unrestricted Designated Funds 2020 £000	Total 2020 £000
Balance as at 1 April	589	930	1,519
Income	106,446	15	106,461
Expenditure	(104,756)	(79)	(104,835)
Transfers	(1,666)	1,614	(52)
Balance at 31 March	613	2,480	3,093

Group 2019

	Unrestricted General Funds 2019 £000	Unrestricted Designated Funds 2019 £000	Total 2019 £000
Balance as at 1 April	573	1,146	1,719
Income	111,736	-	111,736
Expenditure	(111,187)	(233)	(111,420)
Transfers	(528)	17	(511)
Balance at 31 March	594	930	1,524

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

17. Unrestricted Income Funds (continued)

Charity 2019

	Unrestricted General Funds 2019 £000	Unrestricted Designated Funds 2019 £000	Total 2019 £000
Balance as at 1 April	568	1,146	1,714
Income	104,178	-	104,178
Expenditure	(103,629)	(233)	(103,862)
Transfers	(528)	17	(511)
Balance at 31 March	589	930	1,519

Designated income funds

	Total £000
Group and Charity	
Balance as at 1 April 2019	930
Income	15
Expenditure	(79)
Transfers	1,614
Balance at 31 March 2020	2,480

Fund Name	Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2020 £000
Cycle to Work	34	0	(15)	0	19
Transition	130	0	0	550	680
IT Investment	369	0	(17)	800	1,152
City Hall Maintenance	199	0	(22)	20	197
Energy Efficiency	169	0	55	158	382
Tourism Strategy	29	15	(80)	86	50
	930	15	(79)	1,614	2,480

FUND DESCRIPTION

Cycle to Work

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

Transition

GL transformation programme

IT Investment

Improve/enhance IT infrastructure

Energy Efficiency

Implement new energy efficiency measures and reduce carbon emissions

City Hall Maintenance Fund

Funding for works at City Hall

Tourism Strategy

Promoting the city as a visitor destination

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

18. Restricted income funds

2020	Group £000	Charity £000
Balance as at 1 April	15,670	15,353
Income	11,375	10,615
Expenditure	(11,222)	(10,642)
Transfers	52	52
Balance at 31 March	15,875	15,378

2019	Group £000	Charity £000
Balance as at 1 April	11,282	11,038
Income	16,380	15,546
Expenditure	(12,503)	(11,742)
Transfers	511	511
Balance at 31 March	15,670	15,353

2020 Group

	Fund Balance Brought Forward £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Fund Balances Carried Forward £000
Area Teams	1,587	1,707	(1,294)	(410)	1,590
Arts	529	1,157	(1,366)	93	413
Corporate	921	290	(632)	0	579
Events	523	3,370	(3,515)	196	574
Libraries	176	472	(451)	1	198
Museums	9,418	1,150	(743)	45	9,870
Music	16	59	(38)	(3)	34
Sport and Leisure Activities	2,183	2,410	(2,603)	130	2,120
CIC	317	760	(580)	-	497
	15,670	11,375	(11,222)	52	15,875

2019 Group

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

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

18. 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 2020 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 2020 £000
Area Teams	Glasgow Digital Skill Prog	109	233	(144)	-	198
	ESOL	46	38	(33)	-	51
	Youth Dev Officer	49	60	(56)	-	53
	South Youth Prog	7	105	(76)	5	41
	West Hubs	104	64	(30)	(18)	120
	North East CEV	26	25	(6)	-	45
	Family Learning	60	376	(358)	-	78
	North East Youth Programme	61	140	(71)	-	130
	Universal Credit Digital Support	540	331	(208)	(432)	231
	ALN Family Literacies Grant	35	16	(7)	-	44
	Primary Care MW	0	175	(1)	-	174
	Gaelic Development	31	19	(23)	-	27
	North East AL	48	46	(38)	-	56
	South West AL	3	74	(29)	19	67
	Fab Life Changes Trust	40	59	(54)	3	48
	Other	428	(54)	(160)	13	227
	Total Area Teams	1,587	1,707	(1,294)	(410)	1,590
Arts	Arts Grants Payments	18	78	(77)	-	19
	Artist in Residence	311	400	(278)	-	433
	MCF 2019	0	94	(94)	-	0
	GI 2020	0	370	(513)	60	(83)
	Aye Write Festival	127	88	(216)	-	(1)
	Other	73	127	(188)	33	45
	Total Arts	529	1,157	(1,366)	93	413
Corporate	Arena Fund	0	50	0	-	50
	City Centre Strategy	54	74	(85)	-	43
	Development Income	120	36	(1)	-	155
	Facility ENV2 Funding	207	0	0	-	207
	Facilities Mgt Rest	67	0	0	-	67
	SEEP Pathfinder	34	330	(441)	-	(77)
	Salix Fund	461	(200)	(147)	-	114
	Other	(22)	0	42	-	20
	Total Corporate	921	290	(632)	-	579

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

18. 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 2020 £000
Events	Christmas Lights	8	35	(129)	100	14
	MCF 2021	0	117	(117)	-	0
	Mens World Curling	0	739	(473)	-	266
	GLW Fireworks	(3)	16	(142)	110	(19)
	Subvention – Major Events	309	608	(588)	(210)	119
	BBC Proms 2019	0	175	(175)	-	0
	Tour of Britain	79	243	(252)	-	70
	World Pipe Band	128	562	(780)	196	106
	EUFA EURO 2020	0	875	(858)	-	17
	Other	2	0	(1)	-	1
	Total Events	523	3,370	(3,515)	196	574
Service Area	Fund Name	Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2020 £000
Libraries	MacMillan at CCLB	0	268	(266)	-	2
	Future Families –Clyde Gtw	48	50	(40)	-	58
	Barlinnie Prison Lib.	26	19	(16)	-	29
	Baillies Book Fund	25	5	(3)	-	27
	MacMillan – West Dunbarton.	0	71	(71)	-	0
	Other	77	59	(55)	1	82
	Total Libraries	176	472	(451)	1	198
Museums	Exhibitions	62	102	(71)	(10)	83
	Burrell Renaissance	9,302	319	(170)	-	9,451
	Going Green	0	25	0	-	25
	Burrell Capital Project	0	(291)	291	-	0
	Tcone Re-design	37	256	(220)	-	73
	C R Mackintosh Tour	(106)	93	(25)	-	(38)
	T Rex at Kelvin Hall	(119)	420	(301)	-	0
	Contemporary Art Fund	8	63	(114)	50	7
	Patron's Circle	18	7	0	-	25
	Touring Exhn. Devpt	38	0	0	-	38
	Other	178	156	(133)	5	206
	Total Museums	9,418	1,150	(743)	45	9,870
Music	UNESCO	9	59	(37)	-	31
	Other	7	0	(1)	(3)	3
	Total Music	16	59	(38)	(3)	34
CIC	Conventions Subvention	316	699	(569)	-	446
	Overseas Digital	0	50	0	-	50
	Other	1	11	(11)	-	1
	Total CIC	317	760	(580)	-	497

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

18. 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 2020 £000
Sport	Walk Glasgow	128	0	(1)	-	127
	Active Living Development	47	0	(3)	-	44
	Keep Well Project	59	0	(1)	-	58
	Netball Super League	124	65	(20)	-	169
	COPD	40	14	(12)	-	42
	Obesity	37	0	(3)	-	34
	Activity Work	29	0	0	-	29
	Active ABC	50	0	0	-	50
	Sports Grants	52	74	(69)	-	57
	Active Ageing Week	161	0	0	-	161
	Euro Short Course	368	1,233	(1,659)	72	14
	Indoor Athletics Res	92	138	(250)	80	60
	Health Referrals	68	0	0	-	68
	Park Lives	40	0	(1)	-	39
	CRF	135	0	0	-	135
	Community Sport Hubs	479	162	(180)	50	511
	Garrowhill Tennis	0	64	(14)	-	50
	Coach Core	148	54	(73)	-	129
	Revitalise	97	0	(1)	(16)	80
	HWC Volunteer Legacy	77	0	(1)	-	76
	Europe Indoor Ath	(153)	500	(207)	(72)	68
Other	105	106	(108)	16	119	
Total Sport		2,183	2,410	(2,603)	130	2,120
Total Restricted Funds		15,670	11,375	(11,222)	52	15,875

FUND DESCRIPTION

Glasgow Digital Skills Programme

Promote and support Digital Skills

ESOL (English as a second language)

National grant from Scottish Funding Council to support ESOL learning

Youth Development Officer

Toryglen Youth Development Project

South Youth Programme

Engaging young people in diverse activities

Primary Care Mental Wellbeing Programme

Pilot – Learning on Prescription

South West Learning

Youth project

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

West Hubs

Youth Programmes in West

NE Volunteering Programme

Programme to support volunteering in the community

Family Learning

Support literacy and numeracy for parents and children

Adult Learning NE

Support literacy and numeracy in North East

North East Youth Programme

Activities programme for 11-16 year olds in North East

Universal Credit Digital Support

GCC funding to support roll out of Universal Credit

ALN Family Literacies Grant

Delivery of family literacy programmes across the city

Gaelic Development

Raising awareness and development of Gaelic

Fab Life Changes Trust

Youth, cultural and sporting activities for care experienced young people

Arts Grants Payments

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

Artist in Residence

Community engagement through Artists in Residence programme

MCF

Outdoor Arts Event within Glasgow's Merchant City Festival

GI 2020

Bi-annual arts festival

Aye Write Festival

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

Arena Fund

Funding for redevelopment of Kelvinhall

City Centre Strategy

Marketing and promotion of City Centre Strategy & Action Plan

SEEP Pathfinder

Funding to improve energy efficiency, carbon emissions etc.

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

Development Income

Fundraising activities/Individual Giving

Facility ENV2 Funding

Funding for grounds maintenance and management facility services

Facilities Management

Bequests to be used for refurbishment of various Glasgow Life properties

Salix Fund

Government funding to improve energy efficiency, carbon emissions etc.

Christmas Lights

Christmas light switch on in George Square

MCF2021

Outdoor Arts Event within Glasgow's Merchant City Festival

Men's World Curling

LGT World Men's Curling Championships

MacMillan at West Dunbarton

Delivery of Cancer support groups/services.

Fireworks

Fireworks display at Glasgow Green

Major Events – Subvention

Culture & Rec Funding for events across Glasgow

BBC Proms 2019

Bringing people together in a night of music.

Tour of Britain

UK wide cycling event

World Pipe Band

Pipe Band competition with bands from across the world competing.

EUFA EURO 2020

2020 European Football Championships

MacMillan at CCLB

Delivery of Cancer support groups/services.

Future Family – Clyde Gateway

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

Barlinnie Prison Lib

Provision of library service at Barlinnie Prison

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

Baillie's Book Fund

Baillie's Institution Funding for purchase of books

Exhibitions

Museums general exhibitions.

Contemporary Art Fund

Fund for the acquisition of contemporary art pieces

Burrell Capital Project

Development of Burrell site

Burrell Renaissance

Tour and fundraising elements of Burrell Project

Tcone Redesign

Funding from The Hunter Foundation for educational wing at Kelvingrove

CR Mackintosh Tour

Touring Exhibition

T-Rex at Kelvin Hall

Temporary exhibition at Kelvin Hall

Touring Exhibition Dev

Seed funding for the development of future touring exhibitions

Patron's Circle

Membership Programme to support development of Glasgow Museums

Going Green

Programme on climate change and sustainability at Riverside Museum

UNSECO

Music programme related to Glasgow being a Unesco City of Music

Active Living Development

Activities designed for older adults.

Walk Glasgow

Walking Programme.

Keep Well Project

NHS funding for sporting activities

Netball Super League

Development of Glasgow Wildcats netball team.

COPD

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

Obesity

NHS funded project addressing obesity in children and young people.

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

Active ABC

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

Sports grants

Talented Sports Performer scheme to subsidise cost of certain sports.

Active Ageing Week

A week of activities tailored towards older people in Glasgow.

Health Referrals

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

Indoor Athletics

Glasgow Sainsbury's Indoor Athletics Championships

Activity Work

Promoting healthy activities for employees

Park Lives

Funding from Coca Cola to hold free activities in parks

CRF

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

Community Sports Hubs

Community sports development programme.

Euro Short Course

LEN 2019 European Short Course Swimming Championships

European Indoor Athletics

2019 Championships 1-3 March 2019

Garrowhill Tennis

ENV2 Funding for the building of tennis courts

HWC Volunteer Legacy

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

Coach Core

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

Revitalise

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

Overseas Digital Campaign

Funding for China Digital Campaign

Conventions Subvention

Funding for conferences across Glasgow

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

19. Analysis of net assets between funds

Group	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Fund balances at 31 March 2020 are represented by:				
Tangible fixed assets	3,874	-	3,874	4,037
Current assets	25,446	15,875	41,321	30,994
Current liabilities	(26,222)	-	(26,222)	(17,837)
Pension Deficit	(53,442)	-	(53,442)	(80,555)
Total net assets	(50,344)	15,875	(34,469)	(63,361)

The 2019 figures include restricted fund balances of £15,670,000 all of which are deemed to be current assets.

Charity	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Fund balances at 31 March 2020 are represented by:				
Tangible fixed assets	3,766	-	3,766	3,902
Current assets	23,203	15,378	38,581	32,976
Current liabilities	(23,876)	-	(23,876)	(20,006)
Pension Deficit	(53,442)	-	(56,562)	(80,555)
	(50,349)	15,378	(34,971)	(63,683)

The 2019 figures include restricted fund balances of £15,353,000 all of which are deemed to be current assets.

20. Notes to the cash flow statement

Reconciliation of expenditure to net cash flow from operating activities

	2020 £000	2019 £000
Net (expenditure) for the reporting period	(11,049)	(14,629)
Depreciation	1,317	1,208
Retirement benefit scheme	12,828	18,822
Interest received	(124)	(64)
Decrease in stocks	240	87
Decrease/(increase) in debtors	760	(698)
Increase in creditors and provisions	8,385	1,939
Net cash used in operating activities	12,357	6,665

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

20. Notes to the cash flow statement (continued)

Analysis of cash and cash equivalents

	2020	2019
	£000	£000
Cash in hand	19,581	7,452
Notice deposits (less than 3 months)	12,483	13,285
Net cash used in operating activities	32,064	20,737

21. Pension Scheme

Group and Charity

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

The Strathclyde Pension Fund is a defined benefit scheme into which employee' and employer's contributions, and interest and dividends from investments are paid and from which pensions, lump sums and superannuation benefits are paid out. Employees' contributions are tiered and employer's basic contributions are assessed every three years by an actuary and are fixed to ensure the fund remains solvent and in a position to meet its future liabilities. The actuarial method used is known as Projected Unit Credit Method. The last actuarial valuation was at 31 March 2017 and following this valuation employer's contributions remained at 19.3% for the years ended 31 March 2017 and 2018 -2021 respectively. Employer's contributions for the period 31 March 2020 amounted to £10,496,000 and were based on a 19.3% contribution.

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

	31 March 2020	31 March 2019
	£'000	£'000
Opening defined benefit obligation	448,762	384,522
Current service cost	24,147	19,326
Interest cost	11,490	10,687
Contributions by members	3,681	2,945
Actuarial (gains)/losses	(65,038)	30,258
Past service costs	(3,008)	6,857
Benefits paid	(5,795)	(5,500)
Unfunded benefits paid	(341)	(333)
Effect of business combinations and disposals		
Closing defined benefit obligation	413,898	448,762

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

21. Pension Scheme

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

	31 March 2020 £'000	31 March 2019 £'000
Opening fair value of plan assets	368,207	341,862
Interest income on plan assets	9,305	9,302
Contributions by members	3,681	2,945
Contributions by the employer	10,155	8,413
Contributions in respect of unfunded benefits	341	333
Actuarial loss/gain	(25,097)	11,185
Benefits paid	(5,795)	(5,500)
Unfunded benefits paid	(341)	(333)
Effect of business combinations and disposals	-	-
Closing fair value of plan assets	360,456	368,207

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

	31 March 2020 £'000	31 March 2019 £'000
Current service cost	(24,147)	(19,326)
Past Service Cost (including curtailment)	3,008	(6,857)
Total service cost	(21,139)	(26,183)

Net interest

Interest income on plan assets	9,305	9,302
Interest cost on defined benefit obligation	(11,490)	(10,687)
Total net interest	(2,185)	(1,385)

Total defined benefit cost recognised in net income/expenditure per the SOFA

(23,324)	(27,568)
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The major categories of plan assets as a % of the total plan assets are as follows:

	31 March 2020 %	31 March 2019 %
Equities	62	64
Bonds	25	24
Property	12	10
Cash	1	2

The estimated employer contributions for the year to 31 March 2021 are £10,243,000.

The bid value of the Fund's assets as at 31 March 2020 is estimated based on information provided by the Administering Authority, index returns where necessary and estimated adjustments for the difference between the mid-market (as supplied) and bid (as required) value of assets.

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

21. Pension Scheme

The principal actuarial assumptions used in the calculations are:

	31 March 2020	31 March 2019
	% per annum	% per annum
Pension Increase Rate	1.8	2.4
Salary Increase Rate	2.9	3.6
Discount Rate – Culture and Sport Glasgow	2.3	2.5
Discount Rate – GCMB	-	-

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2018 model with an allowance for smoothing of recent mortality experience and long term rates of 1.5% p.a for males and 1.25% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	20.7 years	22.9 years
Future Pensioners	22.2 years	24.6 years

22. Operating leases

The Charity utilises 2,156 items of plant and equipment under the terms of operating leases. Lease rental payments charged to the Statement of Financial Activities in the year for such assets were £403,351 (2019: £467,530). The future minimum lease payments due under non-cancellable leases in future years and in cash terms are as follows:

Operating lease commitments	2020	2019
	£'000	£'000
No later than one year	349	381
Later than one year and not later than five	368	542
Total	717	923

23. Related Party

Culture and Sport Glasgow is contracted to provide cultural, community, recreation and leisure services by Glasgow City Council (GCC). In the year to 31 March 2020 GCC provided funds of £75.5m (2019: £73.4m) to the charity in respect of the services undertaken by the charity on its behalf. At 31 March 2020 GCC owed the charity £2.8m (2019: £4.2m) in relation to normal trading activities.

The charity purchased goods and services of £92,681 (2019: £110,066) from and provided goods and services of £29,325 (£nil) to City Property (Glasgow) LLP of which Baillie Norman MacLeod is a Board Member. The charity also purchased goods and services of £64 (2019: £325) from Hidden Gardens Trust of which Baillie Norman MacLeod is also a Board Member.

The Charity provide goods and Services of £37,965 (2019: £41,187) to Jobs & Business Glasgow of which Councillor Franny Scally is a Trustee.

The charity provided goods and services amounting to £7,050 (2019: £41,187) to Sistema of which Benny Higgins is Chair. The charity also provided goods and services of £1,872 (2019: £1,048) to National Galleries of Scotland of which he is Chair.

The charity provided goods and services amounting to £917,558 (2019: £959,937) to NHS of which Professor John Brown is Chair.

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

23. Related Party (continued)

The charity provided goods and services amounting to £298 (2019: £977) to Sports Council for Glasgow of which Dilawer Singh is vice-chair.

The charity provided goods and services of £165,363 (2019: £522,094) to and purchased goods and services of £15,350 (2019: £37,581) from Glasgow University of which Professor Anton Muscatelli is Principal and Benny Higgins is Honorary Professor. The charity also provided goods and services amounting to £5,416 (2019: £4,107) to High School of Glasgow of which Professor Anton Muscatelli is Director. The Charity also provided £10,412 (2019: £nil) of goods and service to Carnegie Trust of which Professor Anton Muscatelli is a Trustee and £4,650 (2019: £12,645) of goods and services to Beatson Institute of which he is Director.

The charity provided goods and services of £2,920 (2019: £1,448) to MCR Pathways of which Iain MacRitchie is CEO.

24. Contingent Liabilities and Assets

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

Glasgow City Council has agreed to meet any financial liability.

25. Ultimate Holding Organisation

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