



**Glasgow Science Centre (Trading) Limited**

**Annual Report and Financial Statements**

**31 March 2018**

Registered number SC210177

# Glasgow Science Centre (Trading) Limited

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Registered No: SC210177

## **Directors, Officers and Advisers**

### **Directors**

D Sibbald  
Dr K G Chrystie  
Dr W Duncan  
S Patrick

### **Secretary**

D McQueen

### **Independent Auditor**

Wylie & Bisset LLP  
Chartered Accountants  
168 Bath Street  
Glasgow  
G2 4TP

### **Bankers**

The Royal Bank of Scotland plc  
Sauchiehall Street Branch  
23 Sauchiehall Street  
Glasgow  
G2 3AD

### **Solicitors**

Burness  
120 Bothwell Street  
Glasgow  
G2 7JL

### **Registered Office**

50 Pacific Quay  
Glasgow  
G51 1EA

## Annual Report of the Directors'

The Directors present their annual report and financial statements for the year ended 31 March 2018.

The legal and administrative information on page 1 forms part of this report.

### Principal Activity

Glasgow Science Centre (Trading) Limited was incorporated on 18 August 2000 as a company limited by shares (number SC210177). It is a wholly owned subsidiary of Glasgow Science Centre Charitable Trust.

The Company's principal activity and aim is the operation of catering, corporate events, car parking and retail facilities at the Glasgow Science Centre and the provision of visitor centre management services, property rental and experience design and fabrication services to third parties.

It is the view of the Directors that the future prospects of the company, in so far as the achievement of its aims is concerned, are satisfactory.

### Trading Performance

Total turnover for the year was only £8k or 0.3% ahead of last year at £2,799k (2017: £2,791k) however a significant improvement in trading margins has resulted in the profit increasing by £73k or 15.1% to £557k (2017: £484k).

Although the turnover was only £8k ahead of last year there were a number of increases and decreases in different areas of the business as follows:

- increased Café turnover of £48k or 10.0% to £528k (2017: £480k) following the first full year of trading since its refurbishment and relaunch;
- increased Car Parking turnover of £23k or 7.3% to £340k (2017: £317k) due to increased visitor numbers to the Science Centre and increased passing trade to the SSE Hydro concert venue; and
- increased Management Fee turnover from Scottish Power Renewables for Whitelee Visitor Centre of £20k or 6.2% to £344k (2017: £324k) due to additional work relating to the refresh of the experience.

Partly offset by:

- decreased turnover from Experience Design Services of £63k or 33.9% to £123k (2017: £186k) due to procurement challenges delaying the start of a number of contracts;
- decreased Rental & Service Charge turnover to Cineworld for the IMAX Cinema of £8k or 3.3% to £237k (2017: £245k);
- decreased turnover from Corporate Events of £6k or 0.6% to £920k (2017: £926k) due to a general downturn in the events market and increased competition; and
- decreased Shop & Vending turnover of £6k or 1.9% to £307k (2017: £313k).

The full profits for the year of £557k (2017: £484k) have been gift aided to Glasgow Science Centre Limited which is a registered charity and a fellow subsidiary of Glasgow Science Centre Charitable Trust.

### Principal Risks and Uncertainties

The Directors believe the principal risks for the company to be:

- a significant reduction in visitor numbers to the Science Centre; and
- competition from other venues for Corporate Events business.

## Annual Report of the Directors'

The Science Centre has undertaken a number of significant refreshes of its experience in the last few years and it is considered unlikely that there will be a significant reduction of visitor numbers in the foreseeable future.

Competition from other venues for Corporate Events is expected to continue but planned refreshes of the GSC offer together with a new marketing approach should assist in at least sustaining turnover at current levels.

The Directors are not aware of any material uncertainties.

### Political Contributions

The Company made no political donations during the year.

### Directors

The Directors of the company during the year and up to the date of approval and signing of these financial statements are listed on page 1.

### Directors' interests

The Directors at 31 March 2018 had no interest in the share capital of Glasgow Science Centre (Trading) Limited.

The Company's immediate parent undertaking is Glasgow Science Centre Charitable Trust.

The ultimate parent undertaking is Scottish Enterprise.

### Statement of Directors' responsibilities in respect of the Annual Report of the Directors' and financial statements

The Directors are responsible for preparing the Annual Report of the Directors' and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Annual Report of the Directors'**

### **Disclosure of information to Auditor**

The Directors who held office at the date of approval of the Annual Report of the Directors confirm that, so far as they each are aware, there is no relevant information of which the company's auditor is unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of the information.

### **Auditor**

KPMG LLP resigned as auditors on 18 April 2018 and Wylie & Bisset LLP were appointed to fill the vacancy following a tender process.

In accordance with section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Wylie & Bisset LLP will therefore continue in office.

### **Small company exemptions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the Board of Directors

David Sibbald  
**Director**

7 June 2018

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# **Independent auditor's report to the Members of Glasgow Science Centre (Trading) Limited for the year ended 31 March 2018**

## **Opinion**

We have audited the financial statements of Glasgow Science Centre (Trading) Limited (the 'company') for the year ended 31 March 2018 which comprise the Profit and Loss Account, the Balance Sheet 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 company's affairs as at 31 March 2018, and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2016.

## **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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other 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 opinion.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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# **Independent auditor's report to the Members of Glasgow Science Centre (Trading) Limited for the year ended 31 March 2018 (continued)**

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

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

- the information given in the Annual Report of the Directors 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 Annual Report of the Directors has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Annual Report of the Directors and from the requirement to prepare a strategic report.

## **Responsibilities of trustees**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of 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 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 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 the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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# **Independent auditor's report to the Members of Glasgow Science Centre (Trading) Limited for the year ended 31 March 2018 (continued)**

## **Use of our report**

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

Jenny Simpson (Senior Statutory Auditor)  
For and on behalf of Wylie & Bisset LLP, Statutory Auditor  
168 Bath Street  
Glasgow  
G2 4TP

*Date:*

Wylie & Bisset LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.



## Profit and loss account and statement of retained earnings

For the year ended 31 March 2018

	Notes	2018 £	2017 £
<b>Turnover</b>	2	2,798,782	2,790,713
Cost of sales		(2,242,040)	(2,305,601)
<b>Gross profit</b>		556,742	485,112
Administrative expenses		(7,442)	(7,269)
Other operating income	3	7,324	5,554
<b>Operating profit</b>		556,624	483,397
Other interest receivable & similar income	4	183	719
<b>Profit on ordinary activities before taxation</b>	5	556,807	484,116
Current tax charge	7	(111,366)	(96,823)
<b>Profit after tax</b>		445,441	387,293
<b>Retained earnings</b>			
Gift aid payment		(556,801)	(484,116)
Current tax credit		111,360	96,823
Effect of gift aid		(445,441)	(387,293)

The above results are wholly derived from continuing activities.

The company had no recognised gains or losses in the year ended 31 March 2018 or the year ended 31 March 2017 other than the results disclosed above.

The notes on pages 10 to 15 form part of these financial statements.

## Balance sheet

As at 31 March 2018

	Notes	2018 £	2017 £
<b>Current assets</b>			
Stocks	8	114,683	110,877
Debtors	9	137,809	256,687
Cash on hand and in bank		982,670	853,215
		<u>1,235,162</u>	<u>1,220,779</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,185,160)</u>	<u>(1,170,777)</u>
<b>Total assets less current liabilities</b>		50,002	50,002
<b>Provisions for liabilities and charges</b>	11	50,000	50,000
<b>Net assets</b>		<u>2</u>	<u>2</u>
<b>Capital and reserves</b>			
Called up share capital	12	2	2
Profit and loss account	13	-	-
<b>Equity Shareholder's funds</b>		<u>2</u>	<u>2</u>

The notes on pages 10 to 15 form part of these financial statements.

These financial statements were approved by the Board of Directors on 7 June 2018 and were signed on its behalf by:

David Sibbald  
**Director**

7 June 2018

## Notes to the financial statements

For the year ended 31 March 2018

### 1. Accounting policies

#### ***Basis of preparation***

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future and be able to meet its liabilities as they fall due. The Directors are aware of no material uncertainties in making this assessment.

#### ***Accounting convention***

These financial statements have been prepared with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show and true and fair view.

All amounts are presented in Pound Sterling and rounded to the nearest pound.

#### ***Turnover***

Turnover comprises income from the operation of catering, corporate events, car parking and retail facilities at the Glasgow Science Centre and the provision of visitor centre management services, experience design and fabrication services and the rental of the IMAX cinema to third parties.

#### ***Taxation***

The Directors have resolved that the full profits of the Company will be gifted on an annual basis to its fellow subsidiary, Glasgow Science Centre Limited, a company limited by shares (number SC184352) and a registered Scottish Charity (number SC030809). This means there is no requirement to provide for any tax on the profits of the company.

Gift aid payments are only recognised as a liability at the year end to the extent that they have been paid prior to the year end, there is a deed of covenant prior to the year-end or a Companies Act 2006 s288 written resolution has been approved by the shareholder in the year to pay the taxable profit for the year.

#### ***Pension Scheme***

The company operates a stakeholder (money purchase) pension scheme on behalf of its employees through Friends Provident. No employers' contribution is normally made however employees have the option of dispensing with any cost of living salary increase in return for an employers' contribution of the same amount to the scheme. This option has now been removed for future cost of living increases following the introduction of the People's Pension but existing arrangements will continue to be honoured.

From the 1 April 2014 all eligible employees were auto enrolled in the People's Pension with non-eligible and entitled employees also free to join. The employers' contribution during the current year was 1% on all earnings but will increase to 2% from 1 April 2018 and to 3% from 1 April 2019.

#### ***Value Added Tax***

Irrecoverable VAT is charged to the relevant expenditure category. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

#### ***Stocks***

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

## Notes to the financial statements

For the year ended 31 March 2018

### **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### **Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### **Creditors**

Creditors are recognised when the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and accruals are normally recognised at their settlement amount after allowing for any trade discounts due.

Income that is received in advance of the provision of the associated services or goods by the company is treated as a deferred income liability.

### **Provisions for liabilities and charges**

Provisions are recognised when a contractual obligation from a past event is identified which is likely to lead an outflow from the company but this outflow has uncertain timing or value.

### **Financial Instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### **Related Party**

The Company has taken advantage of the exemption available under FRS 102 Section 33.1A not to disclose details of intra-group transactions, on the grounds that it is a subsidiary where 100% of the voting rights are controlled by Glasgow Science Centre Charitable Trust. The consolidated financial statements are available from Glasgow Science Centre Charitable Trust, 50 Pacific Quay, Glasgow, G51 1EA.

## 2. Turnover

The turnover is attributable to the continuing principal activity and represents amounts charged to third parties, stated net of value added tax. The split is summarised below:

	2018	2017
	£	£
Corporate Events	919,426	926,333
Retail - Cafe	527,403	479,741
Management Fees - Whitelee Visitor Centre	344,245	323,948
Car Parking	340,109	317,492
Retail - Shop and Vending	307,265	312,816
Property Rental & Service Charge - IMAX	236,996	244,462
Experience Design Services	123,338	185,921
	<u>2,798,782</u>	<u>2,790,713</u>

## Notes to the financial statements

For the year ended 31 March 2018

### 3. Other operating income

The other operating income is summarised below:

	2018 £	2017 £
Berthing charges	<u>7,324</u>	<u>5,554</u>

### 4. Other interest receivable and similar income

	2018 £	2017 £
Bank interest	<u>183</u>	<u>719</u>

### 5. Profit on ordinary activities is stated after charging/crediting:

	2018 £	2017 £
Auditor's remuneration: audit of these financial statements	2,350	3,000

### 6. Staff Costs

	2018 £	2017 £
Wages and salaries	937,340	912,508
Social security costs	52,091	50,893
Pension costs	12,205	11,717
	<u>1,001,636</u>	<u>975,118</u>
	No.	No.
Average number of employees	<u>63</u>	<u>63</u>

The Directors received no remuneration for their services or reimbursement of any out of pocket expenses during the year (2017: £0).

Pension contributions of £5,195 (2017: £5,093) were made on behalf of employees to the company's Friends Provident stakeholder pension scheme under salary sacrifice arrangements.

Employers' pension contributions of £7,010 (2017: £6,624) were made on behalf of enrolled employees to the People's Pension Fund.

## Notes to the financial statements

For the year ended 31 March 2018

### 7. Taxation

	2018	2017
	£	£
<b>Current tax</b>		
UK Corporation tax on profits for the year	111,360	96,823
Prior year tax charge	6	-
Current tax credit within equity	(111,360)	(96,823)
Total current tax charge	6	-
Recognised in profit and loss account	111,366	96,823
Recognised directly in equity	(111,360)	(96,823)
Total tax	6	-
<b>Reconciliation of effective tax rate</b>		
Profit on ordinary activities before tax	556,807	484,116
Total tax expense	(111,366)	(96,823)
Profit excluding taxation	445,441	387,293
Current tax at 20% (2017: 20%)	111,360	96,823
Prior year tax charge	6	-
Total tax expense in the profit and loss account	111,366	96,823

### 8. Stock

	2018	2017
	£	£
Food and beverage for resale	40,464	38,477
Merchandise for resale	38,080	36,909
Crockery and cutlery	36,139	35,491
	114,683	110,877

### 9. Debtors

	2018	2017
	£	£
Trade debtors	129,610	243,801
Prepayments and accrued income	6,400	12,886
Other debtors	1,799	-
	137,809	256,687

## Notes to the financial statements

For the year ended 31 March 2018

### 10. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	37,796	27,829
Amount owed to fellow subsidiary undertakings	804,387	893,687
Accruals and deferred income	340,655	242,827
Other creditors	2,322	6,434
	<u>1,185,160</u>	<u>1,170,777</u>

### 11. Provisions for liabilities and charges

	2018	2017
	£	£
Experience design service - provision for remedial work	<u>50,000</u>	<u>50,000</u>

Although no formal claim has been submitted by the client work is ongoing to agree proposals and costs to remedy defective work undertaken by a sub-contractor on one of our Experience Design Service contracts. A solution acceptable to the client is close to agreement but the final costs, the timetable for completing the remedial works and the respective split of the cost between the company and the sub-contractor are not yet known. A provision of £50,000 is considered to be sufficient to cover any costs to the company.

### 12. Called up share capital

	Allotted, issued and fully paid	
	2018	2017
	£	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 13. Reserves

	2018	2017
	£	£
At 1 April	-	-
Results for the year	445,441	387,293
Current tax credit	111,360	96,823
Gift aid payment	(556,801)	(484,116)
At 31 March	<u>-</u>	<u>-</u>

## Notes to the financial statements

For the year ended 31 March 2018

### 14. Financial Commitments

The Company has an annual financial commitment under a non-cancellable operating lease with Glasgow Science Centre Limited for the rental of the IMAX cinema as follows:

	2018	2017
	£	£
Within one year	115,000	115,000
Within two to five years	460,000	460,000
After more than five years	36,233	151,233
	<u>611,233</u>	<u>726,233</u>

### 15. Ultimate parent undertaking

The Company's immediate parent undertaking is Glasgow Science Centre Charitable Trust (Registered no. SC172371, Registered Charity No. SC025818).

The ultimate parent undertaking is Scottish Enterprise. Group financial statements can be obtained from Scottish Enterprise, Atrium Court, 50 Waterloo Street, Glasgow, G2 6HQ.