



Glasgow Science Centre Charitable Trust

(A Charitable Company Limited by Guarantee and not having a Share Capital)

Annual Report and Financial Statements

31 March 2018

Registered number SC172371

Registered charity number SC025818

Annual Report and Financial Statements

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Trustees, Officers and Advisers

Chairman

David Sibbald

Trustees

Dr K G Chrystie

D Clark (appointed 18 September 2017)

Dr C Clugston (appointed 18 September 2017)

J Downes

Dr W Duncan

A Gillespie

A Horn

S Hunter

S Patrick

J Watson (appointed 11 December 2017)

Company Secretary

D McQueen

Audit Committee

Dr W Duncan (Chairman)

J G Wylie CA

Finance Committee

S Patrick (Chairman)

A Gillespie

Nominations Committee

A Horn (Chairman)

Dr S Breslin

S Patrick

Remuneration and Appointments Committee

J Downes (Chairman)

Dr W Duncan

Key Management Personnel

Dr S Breslin – Chief Executive

D McQueen – Director of Finance & Operations

Dr R Hoyle – Director of Science

G Rose – Creative Director

Dr G Lang – Deputy Director of Science

Independent Auditor

Wylie & Bisset LLP

Chartered Accountants

168 Bath Street

Glasgow

G2 4TP

Trustees, Officers and Advisers

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

Registered Charity Number

SC025818

Company Number

SC172371

Annual Report of the Trustees

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

The legal and administrative information on page 1 and 2 forms part of this report.

Structure, Governance and Management

Organisational Structure

Glasgow Science Centre Charitable Trust ('the charity') was incorporated on 17 February 1997 as a company limited by guarantee and without a share capital (number SC172371). The company is a registered Scottish Charity (number SC025818) and is governed by its Memorandum and Articles of Association.

The single member of the charity is Scottish Enterprise Glasgow, a company registered in Scotland. The member's liability is limited to £1.

Governance

The charity is governed by a Board of Trustees. The Trustees serving throughout the year and up to the date of signing of these financial statements are detailed on Page 1.

Trustees are appointed by the member but may also be co-opted by the existing Trustees. The responsibility for determining and overseeing the procedures for electing new Trustees has been delegated to the Nominations Committee, an elected group of existing Trustees. The member and all Trustees may also nominate new Trustees but such nominations are required to be approved by the Nominations Committee. Any Trustee co-opted by the existing Trustees must have their appointment approved by the member at the succeeding Annual General Meeting.

The recruitment of the Chair is undertaken by the Nominations Committee with support from an external recruitment agency and involves a transparent and open recruitment process with the post advertised in the national press.

At each Annual General Meeting, one third of the Trustees (other than the Chief Executive, if he/she is appointed as a Trustee) shall retire from office. The Trustees to retire in each year are those who have been longest in office since their last election. A retiring Trustee shall not be eligible to be appointed again until the second Annual General Meeting after that which he retires from office but may offer themselves for re-election to fill the vacated office if no other person is nominated. Such proposals are agreed by the Trustees and then presented to the member for approval.

All newly elected Trustees undergo an induction programme to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision making processes, business plan and recent financial statements. Copies of relevant technical releases relating to charity governance are circulated timeously to all Trustees.

Management

The main responsibilities of the Trustees are:

- Determining and agreeing the strategic direction and policies of the charity.
- Ensuring the charity is run lawfully in accordance with its Memorandum and Articles of Association and that all its activities fall within its charitable purposes.
- Agreeing a financial budget and monitoring performance, determining plans to mitigate underperformance and ensuring that the charity has adequate resources to undertake its charitable activities.
- Identifying and assessing risks affecting the charity and determining plans to mitigate the risks wherever possible.
- Making accurate and prompt annual returns to the Registrar of Companies and the Office of the Scottish Charity Regulator (OSCR).
- Appointing and reviewing the performance of the Chief Executive.

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The Board of Trustees meets every quarter to review reports from the Chief Executive and Director of Finance & Operations on the charity's operations and financial performance.

The Board is also assisted in the performance of its duties by four sub - committees;

- Audit Committee – Statutory accounts and external audits.
- Finance Committee – Financial stewardship.
- Nominations Committee – Trustee appointments.
- Remuneration and Appointments Committee – Remuneration and appointment of senior executives.

Each Committee is given delegated responsibility for its particular area of governance through an approved Terms of Reference and reports in full to the Board. The Committees are made up of existing Trustees and where appropriate other individuals with relevant expertise.

The day-to-day operations of the charity are delegated to the Chief Executive who is supported by a Director of Finance & Operations, Director of Science, Creative Director and a Deputy Director of Science.

The remuneration of the Key Management Personnel is agreed by the Remuneration and Appointments Committee (REMCO). The job pay ranges for all key personnel are set through a benchmarking exercise using external HR consultants to evaluate the job description for the respective posts. Once pay rates and job pay ranges are set the CEO reports on the progress of each of the other key management personnel in achieving their objectives on an annual basis to REMCO including any recommendation for a performance related pay increment. REMCO then consider the CEO's report and make recommendations to the Board for consideration and approval. In the case of the CEO the Chairman has responsibility for reporting and making any recommendations to REMCO for consideration and onward transmission to the Board.

Related Parties

As noted above, the charity is a subsidiary of Scottish Enterprise Glasgow. The charity also has two wholly owned subsidiaries:

- (a) Glasgow Science Centre Limited, a charity registered in Scotland, established to deliver the charity's core charitable activities, and
- (b) Glasgow Science Centre (Trading) Limited, a company registered in Scotland, established to deliver the wholly commercial activities of the charity. This company gift aids all of its profits to Glasgow Science Centre Limited.

The charity receives core operational funding from the Scottish Government (£904k in the year ended 31 March 2018) in accordance with the Scottish Government's Science Strategy for Scotland. The Scottish Government issues funding based on the Strategy and does not exercise, or have any general power to exercise, any control over the activities of the charity or its affairs and the Trustees do not consider it to be a related party to the charity.

The charity is the sole beneficiary of the Glasgow Science Centre Endowment Fund ('the Fund'), which is governed by a separate Board of Trustees representing Glasgow Science Centre Charitable Trust, Scottish Enterprise Glasgow and Glasgow City Council. This body was formed in 1999 for the purposes of funding the construction and renewal of the buildings and exhibitions of Glasgow Science Centre.

Risk Management

All major risks to which the charity is exposed are detailed in its Risk Register together with actions and responsibilities to mitigate or minimise the effect of these risks wherever possible. The risks are reviewed on an ongoing basis by the Key Management Personnel and any deviations reported to the Trustees through monthly operational reports.

The Trustees are satisfied that appropriate action, wherever possible, is being taken to mitigate or minimise the risks identified in the Risk Register.

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Objectives and Activities

The charity's main objectives, as set out in the Articles of Association, are:

- (a) To advance the education of the general public, and in particular the inhabitants of Scotland, by promoting awareness and understanding of science and technology through the establishment and operation of a permanent exhibition and education centre;
- (b) To advance the education of the general public through the promotion of the principles of science and technology, their application and their potential for the creation of improved conditions of life worldwide.

The charity's vision, mission and ambition are as follows:

Our Vision - A Scotland where all people value science and technology to inform decision making, empower individuals and enrich lives.

Our Mission - To be an essential bridge between citizens and science and technology. To inspire people of all ages to explore and understand the world around them, to discover and enjoy science and understand its relevance to their own lives.

Our Ambition - To make a substantial contribution to the educational, economic and cultural development of Scotland.

The charitable company's main activity is to hold shares in its subsidiaries who in turn deliver the mission as stated above via the operation of Glasgow Science Centre ("GSC") and by carrying out commercial activities; all surpluses from commercial activities are re-applied in delivering the charity's mission.

GSC opened to the public in July 2001 and comprises three principal attractions, a Science Mall, Glasgow Tower and an IMAX cinema.

GSC currently employs a total of 221 staff split: 128 full-time staff, 27 part-time staff and 66 casual staff. The gender split of the total staff at the year-end is 123 (56%) female and 98 (44%) male. GSC is a 7 day a week operation for the majority of the year. Extended opening hours for all or part of the site are required on many days to accommodate evening science programmes and corporate events.

The charity's strategic and primary objectives to deliver its vision, mission and ambition during the current reporting period as set out in its Corporate Plan are based around 5 pillars of strategic focus:

1. Visitor Experience – Maximise accessibility and impact

- To achieve a total of 316,000 visitors to the Science Mall made up of 244,000 public visitors and 72,000 education in-reach participants.
- To achieve a total of 2,000 visitors to Glasgow Tower.
- To achieve a total of 15,070 special events visitors to the Planetarium.
- From the above visitor numbers to achieve a total of 434,304 admissions made up of 316,000 to the Science Mall, 11,075 to the Tower and 107,229 to the Planetarium.
- To achieve 80,000 community and education outreach participants.
- To achieve 80,512 visitors to Whitelee Visitor Centre.
- Deliver a 5* customer experience.

2. Learning Resource – Creative and innovative learning experiences

- Refresh the exhibition stock on Floor 1.
- Review and update the Exhibition Masterplan and develop further exhibition and infrastructure refreshes subject to resource availability.
- Continue to develop curriculum linked science engagement activities that meet the needs of schools.

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- Deliver Education & Public inreach programmes.
- Deliver Education & Community outreach programmes.

3. Partner of Choice - Building partnerships

- Seek new and develop, expand and enhance our existing partnerships with Scottish Government, Glasgow City Council, Skills Development Scotland, GlaxoSmithKline, universities, colleges, other research institutions, other public sector bodies and industry.
- Seek continuation of support from Glasgow City Council and West Dunbartonshire Council to fund free access for their primary and assisted needs schools and seek support from other local authorities and businesses in the West of Scotland to offer free access and transport subsidy to schools.
- Work in partnership with local authorities, schools and teachers to promote and embed our 'Inspire and Challenge' approach to science learning.
- Continue to be an active partner of the Glasgow City of Science initiative.
- To network with local communities and businesses to raise the profile of GSC in its locality to ensure the widest possible access by all groups of society.

4. Profile – Building a strong profile that reflects excellence and credibility

- Continue to develop and implement a communication, marketing and PR strategy to improve the profile of GSC including the development of the website.
- Roll out of new brand and website including refreshing wayfinding and signage around the building and in the GSC Shop.

5. Operational Excellence – Commercially focussed and efficient organisation

- Deliver a fundraising strategy to significantly improve, on a sustainable basis, the current return from unrestricted and restricted fundraising activities from all funding sectors i.e. public, charitable and industry.
- Resubmit an application for a major upgrade of our facilities and associated infrastructure for the new Inspiring Science Fund announced by the Department for Business, Energy & Industrial Strategy and the Wellcome Trust which has a UK wide budget of £30m.
- Develop concepts for the new Idea 59 exhibition on floor 2 to showcase cutting edge technologies being developed in Scotland and seek funding for its implementation.
- Review the current Outreach operating model and develop options for the creation and delivery of a more sustainable and expanded operating model.
- Refurbish the main toilets on the ground floor.
- Purchase and roll out a CRM system which is compatible with other GSC software packages.
- Continue to investigate and implement further operational efficiencies including a review of the existing management/staffing structure, pay policy, training/development of staff, volunteering programme and greater and more efficient use of ICT.
- Achieve targets set for commercial income generation from IMAX property rental, Corporate Events, Whitelee Visitor Centre, Retail Café and Shop, Experience Design Services and Car Parking operations and develop and implement proposals for the improvement in the quality and financial return from these activities.

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Strategic Report

Achievements and Performance

The Trustees are pleased to report good progress in delivery of the majority of the Corporate Plan objectives for 2017-18 despite continuing resource constraints.

Progress against the primary objectives for the year is noted below:

Visitor Experience – Maximise accessibility and impact

In-reach Visitors/Admissions

The table below summarises actual visitor numbers for the year split by activity together with the budgeted figure and the actual for the previous year:

Visitors/Participants	Actual 2017/18	Budget 2017/18	Variance	Actual 2016/17
Science Mall – Public	259,197	244,000	15,197	250,325
Tower – Public	1,937	2,000	(63)	2,006
Planetarium – Public	16,916	15,070	1,846	7,318
Education In-reach (incl. special events)	72,451	72,000	451	73,401
Total	350,501	333,070	17,431	333,050

Total visitor/participants at 350,501 were 17,431 or 5.2% ahead of budget and 17,451 or 5.2% ahead of the previous year (2017: 333,050) due primarily to a record year for public visitors to the Science Mall and Planetarium driven by an ever improving/expanding exhibit and programme offer including evening Planetarium and Science Mall events.

Included in the total education visitor numbers are 18,848 of school visitors (2017: 13,843) from remote, economically and/or socially disadvantaged communities who visited GSC as a result of transport subsidy provided by the Scottish Government.

Included in the total public visitor numbers are 3,210 participants (2017: 2,686) from remote, economically and/or socially disadvantaged communities who were engaged in community led activities through funding from the Scottish Government.

The table below summarises how visitor numbers translate into admission numbers for the year split by activity together with the budgeted figure and the actual for the previous year:

Admissions	Actual 2017/18	Budget 2017/18	Variance	Actual 2016/17
Science Mall – Public & Education	331,648	316,000	15,648	323,726
Tower – Public	8,489	11,075	(2,586)	10,752
Planetarium – Public & Education	108,895	107,229	1,666	98,628
Total	449,032	434,304	14,728	433,106

Total admissions at 449,032 were 14,728 or 3.4% ahead of budget due to the increase in Science Mall and Planetarium visitors and 15,926 or 3.7% ahead of last year (2017: 433,106).

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Outreach (Bodyworks on Tour)

The table below summarises community and education outreach participation numbers for the year together with the budgeted figure and the actual for the previous year:

Participants	Actual 2017/18	Budget 2017/18	Variance	Actual 2016/17
Education	27,314	30,000	(2,686)	35,593
Community	40,470	50,000	(9,530)	51,150
Total	67,784	80,000	(12,216)	86,743

Total Bodyworks on Tour (BWOT) participants at 67,784 were 12,216 or 15.3% behind budget due to challenges in securing school bookings and a decision to attend community events with smaller audiences to increase the quality of the engagement. Participant numbers are 18,959 or 21.9% (2017: 86,743) behind the previous year.

Whitelee Visitor Centre

The table below summarises the actual visitor numbers for the year together with the budgeted figure and the actual for the previous year:

Visitors	Actual 2017/18	Budget 2017/18	Variance	Actual 2016/17
Public	73,174	74,712	(1,538)	71,387
Education	5,148	5,800	(652)	5,681
Total	78,322	80,512	(2,190)	77,068

Total visitors at 78,322 were 2,190 or 2.7% behind budget but 1,254 or 1.6% ahead of the previous year (2017: 77,068).

Customer Satisfaction/Impact

The overall customer satisfaction rating monitored through third party surveys for the Science Mall for the year has increased slightly from the previous year to 8.75 out of 10 (Target: 8, 2017: 8.73).

The Evaluation Co-ordinator has continued to develop our evaluation and impact assessment processes during the year. A summary of the key findings is noted below:

- 81% of teachers rated pupils' learning as excellent.
- 96% of teachers agreed that their visit assisted them in delivering the 'Curriculum for Excellence'.
- 94% of teachers agreed that their pupils were more positive towards science as a result of their visit.
- 85% of visitors believe they learned something new from their visit.
- 80% of visitors believe their visit made them feel science is relevant to their life.
- 80% of visitors believe that Science Centres portray science more honestly than the media or government.
- 71% of visitors believe their visit made them more confident about science in general.
- 71% of visitors want to find out more about science following their visit.
- 70% of visitors find science more interesting following their visit.

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Although the above gives strong indication of a significant impact being created by our activities further work is required to evaluate more closely the learning outcomes. Reactions to specific activities indicated the following:

- 73% of visitors to the Powering the Future exhibition indicated that they are more aware that we need to take steps to reduce our energy consumption.
- 78% of visitors to the Our World Our Impact exhibits indicated that they had learned at least one thing about the environment.
- 86% of visitors who attended the My World of Work Live activity indicated that they had learned something new about jobs in science and technology with 76% of pupils either more likely or a lot more likely to think about studying science subjects or technology at school.
- 99% of participants in the community led engagement project indicated that they had learned new things.

All evaluation results will continue to be used to influence future exhibition and programme design and delivery.

Many of the impacts being experienced above are delivering key national outcomes for the Scottish Government including:

- To foster a culture of science in Scotland.
- To encourage more young people to pursue science study and careers.
- To raise awareness of the relevance and importance of science and enable informed decision-making and choices.
- To promote the national and international profile of Scottish science.
- To support knowledge exchange between education, industry, research communities and policy interests.

Our status as a 5 Star visitor attraction has been maintained throughout the year.

Learning Resource – Creative and innovative learning experiences

Exhibit Refresh Programme

Floor 1 Refresh – During the year we added 11 new exhibits to the “A Question of Perception” exhibition and a further 10 to the excitement zone.

Bodyworks Floor 3 – 2 new research capsules have been added to the Bodyworks exhibition: Catacure – to highlight the science behind cataracts and Proteus dedicated to lung disease.

Idea 59 Floor 2 – work has commenced on the concept development of a new £1m exhibition to inspire the next generation of engineers and innovators alongside showcasing the cutting edge technologies being developed in Scotland and the UK.

In addition, we hosted the Wellcome Image Awards showcasing the best science images and the RSPB’s Flows to the Future exhibition highlighting the challenges in managing a large expanse of peatland bog in Caithness and Sutherland.

Education and Public In-reach Programmes

To supplement our exhibitions an extensive high quality education programme was delivered throughout the year including innovative interactive shows, workshops and “Meet the Expert” activity. Key highlights include:

- A mixture of presenter led shows and full dome films delivered on a daily basis in the Planetarium with a total of 91,979 public and school visitors engaged. In addition, an extensive special events programme has engaged a further 16,916 members of the public in various lecture programmes, Sci-Fi Sundays, astronomy clubs, music shows and adult night classes.

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- Various science shows including 'Pure Random Science' delivered to 51,634 public and school visitors.
- Various interactive workshops including 'Bodyworks Dissections' and 'Electric Detectives' delivered to 36,614 public and school visitors.
- In partnership with Cineworld various education films shown to 16,315 school visitors.
- Extensive "Meet the Expert" programme of talks and demonstrations delivered by 303 experts showcasing science in Scotland.
- Introduction of 6 licensed adults only Science Lates events engaging with 4,609 participants.
- In partnership with Skills Development Scotland the My World of Work Live programme designed to inspire young people's interest in careers in science, technology, engineering and maths was delivered to 28,329 public and school visitors.
- In partnership with the UK Department of Business, Energy and Industrial Strategy, OPITO, Renewables UK, UK Onshore Oil and Gas and Nuclear Industry Association we have continued to create and maintain OurFuture.Energy online resources to support young people to become appreciative of the critical role of the UK energy sector, the basic science behind it and the challenges we face in balancing our energy supply and demand.
- In partnership with Imperial College London and the Big Lottery Fund we have continued to deliver the OPAL (Open Air Laboratories) programme with 2,646 people able to get hands on with nature during the year.
- Various courses from 1 to 4 weeks long on topics such as 'A Healthy World', 'Energiser', 'DNA and Henrietta Lacks' and 'Mindstorm Driving Test' have been delivered to various Community Groups through the Community Led Engagement Programme.

Education and Community Outreach Programmes

The main Outreach activity continues to be the delivery of the Bodyworks on Tour outreach programme delivered in partnership with GSK to education and community groups throughout the country. Key achievements during the period included:

- Attendance at 18 Science Festivals around the UK ranging from the Caithness Science Festival to the Glasgow STEM Festival and the Big Bang (the UK Young Scientists' and Engineers Fair in Birmingham).
- Attendance at music, sport and cultural events including the Sport4All, the Scottish Pipe Band Championships and the Scottish Young Carers Festival.
- Monthly visits to the young patients in the Royal Hospital for Children.

Partner of Choice – Building Partnerships

As well as the many partnerships highlighted above that have assisted with the delivery of creative and innovative learning experiences the following additional partnerships have continued to develop/deliver during the year:

- Free Schools Access – working in partnership with Glasgow City Council/West Dunbartonshire Council to increase accessibility to GSC with both Councils directly meeting the costs of one visit per year for all their primary and assisted needs school pupils. Efforts continue to encourage other local authorities to adopt the same approach.
- Glasgow City of Science and Innovation – GSC continues to an active partner along with 94 other partners (including Glasgow City Council and Glasgow, Strathclyde, Glasgow Caledonian and West of Scotland Universities) in this initiative aimed at placing Glasgow and the West of Scotland on the global science and innovation map.
- David Elder Lecture series – working in partnership with the University of Strathclyde to deliver a programme of lectures by world renowned astronomers.

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- Inspire and Challenge Professional Learning – working in partnership with West Dunbartonshire Council to train teachers in 4 schools on our Inspire and Challenge approach to learning and develop new lessons based on this approach.
- RAISE (Raising Awareness and Interest in STEM Employment) – working in partnership with organisations from Malta, Italy, Luxemburg and Slovenia to inspire children and young people to take a STEM career while humanising scientists and tackling typical STEM stereotypes associated with STEM careers.
- Community Groups/Local Businesses – During the year as part of the Scottish Government funded community led engagement programme we have engaged with 70 community groups representing 3,210 participants including the Mental Health Network, Glasgow Disability Alliance, African Challenge and British Deaf Association. Key topics identified by the groups included, health and wellbeing, literacy and numeracy, energy efficiency and the environment.

Profile – Building a strong profile that reflects excellence and credibility

Record visitor numbers and the number of partners now engaging with GSC provides evidence of the strong profile developed over the last few years. Key initiatives to sustain and enhance this profile during the year have included:

- Redevelopment of our brand including a new website which is integrated with our ticketing system.
- All wayfinding and signage within the building upgraded to reflect the new brand.
- Promotional video campaign using well known Scottish products including the launch of a “teacake” into space which went viral and was mentioned in both the UK and Scottish Parliaments.
- Extensive use of social media and digital channels.
- Distribution of What’s On and Primary and Secondary Education guides throughout Scotland and various consumer campaigns using PR, digital, radio, print and outdoor advertising.
- Utilisation of our large LED Display Screen at front of Science Mall to promote our activities particularly to passing trade to the very busy SSE Hydro concert venue.
- A high profile “in house” a Question of Science dinner in October 2017 with guest speaker Professor Andrew Morris entertaining over 250 guests on the topic of “big data” and its ability to transform health care delivery models across the globe.
- Regular articles by staff published in the press and magazines.

Operational Excellence – Commercially focussed and efficient organisation

Fundraising Strategy

Work is ongoing to sustain and enhance existing funding streams and to develop new funding streams. In terms of fundraising success during the year, it’s been a challenging year with success rates from funding applications lower than in past years. The following significant funding commitments were however secured during the year:

- £1,024,000 from the Scottish Government to deliver a science engagement to the public and education visitors including £60,000 to provide transport subsidy to schools in remote and deprived areas and £60,000 to fund community led engagement.
- £175,000 from the GSC Endowment Fund to fund various capital renewals.
- £150,000 from the Scottish Funding Council to fund the new Idea 59 exhibition.
- £113,139 from Skills Development Scotland to fund the delivery of the My World of Work Live programme.
- £96,000 from the Scottish Government to fund the delivery of marketing support to small companies signed up to the Digital Participation Charter.

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- £70,000 from Glasgow City Council to fund free access for its primary and secondary schools.
- £56,178 from Glasgow City Council to fund the City of Science and Innovation initiative.

Please note that although all of the above grant commitments have been secured the grant or proportion of the grant is only recognised in the financial statements when the performance related conditions have been met.

Inspiring Science Fund - CONNECT

A revised outline application was submitted in October 2017 to the second round of the £30m Inspiring Science Fund set up by the UK Department for Business, Energy and Industrial Strategy and Wellcome Trust. The application was approved to proceed to the detailed stage with the detailed application submitted in February 2018. Referees comments have been received and we have been invited to attend an interview in June 2018 to discuss the application with a decision expected shortly thereafter. The project submitted is called CONNECT and is an ambitious programme of change that will bring greater inclusion and diversity into the core of our strategy, practices and actions. This will make us more relevant to more people and reduce the effort required to engage, enabling us to better serve the learning needs of Glasgow's broad and diverse population. The cost of the project is estimated at £4.1m with a request for £2.9m submitted to the Inspiring Science Fund with the balance of £1.2m to be secured from other funders.

Idea 59

Funding has been secured from the Scottish Funding Council of £150k towards this new exhibition with discussions ongoing with various other funders. The aim is to secure the remaining funding by the end of 2018 to commence work on creation of the exhibition early in 2019 for opening later in the year.

Outreach Operating model

After the year end verbal confirmation was received from GSK of £750k of funding towards the delivery of our Bodyworks on Tour experience for a further 5 years while the Scottish Government committed funding of £250k towards the creation of an On Tour version of our Powering the Future exhibition with funding of £50k also secured from OPITO. Further funding is still required to fully deliver the Powering the Future On Tour experience but as a result work has now commenced on the development of a revised Outreach operating model to ensure synergies are achieved in the delivery the two experiences and allow for capacity to continue to develop our Outreach programme.

Toilet Upgrade

Plans to refurbish the main toilets on the ground floor have now been included as part of the CONNECT project.

Purchase of CRM system

A Customer Relationship Management system (Thank Q) was purchased in August 2017 which is compatible with our existing ticketing software. Installation has now been completed with all database information cleansed and procedures amended to ensure full compliance with the new General Data Protection Regulations which come into force in May 2018.

Staff Structure/Management Practices and Procedures

A new HR system was purchased in February 2018 to assist in streamlining many of our HR procedures and processes which are currently paper based. This includes holiday and TOIL requests/approvals, absence management and Performance Development Reviews.

With assistance from Police Scotland a review of our security infrastructure was undertaken which confirmed adequate arrangements were in place but recommended a number of areas where enhancements could be made. These enhancements will be implemented during 2018/19.

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Commercial Activities

Overall income from commercial activities (Corporate Events, Café, Management Fees, Car Parking, Shop, Property Rental (including IMAX) and Experience Design Service) was broadly in line with target.

Financial Review

Due to the unexpected requirement to undertake significant repairs to Millennium Bridge at an estimated cost of £160,000 operational performance measured by the change in unrestricted financial reserves, was £76,551 behind budget at a deficit of £126,551 (Budgeted deficit: £50,000).

Income

Total income decreased by £242,659 or 3.3% on last year to £7,166,629 (2017: £7,409,288) due mainly to the following:

- decrease in donation and legacy income of £114,857;
- decrease in investment income of £1,742;
- decrease in grant income for charitable activities of £377,061; and
- decrease in other income of £5,013.

Partly offset by:

- increase other trading activities income of £9,977; and
- increase in admissions income for charitable activities of £246,037.

Donation and Legacy Income

Donation and legacy income decreased by £114,857 or 20.9% to £433,427 (2017: £548,284) due to mainly to a significant reduction in general donations (last year included a £150,971 'in kind' donation of telepresence kit and installation services from CISCO and Provista) partly offset by an increase in Gift Aid income tax recovered.

Other Trading Activities

Income from other trading activities increased by £9,977 or 0.4% to £2,840,133 (2017: £2,830,156) due mainly to increases in café, management fees and car parking income partly offset by a decrease in experience development service income due to challenges in securing contracts.

Investment Income

Investment income from interest on cash balances has decreased by £1,742 or 81.3% to £401 (2017: £2,143) due to lower cash balances being held during the year as advance grant funding was utilised but not replenished.

Charitable Activities – Admissions

Income from admissions increased by £246,037 or 13.6% to £2,052,268 (2017: £1,806,231) due mainly to increases in Science Mall and Planetarium admissions from an increased number of special events.

Charitable Activities - Grants

Grant income for capital and major repair projects decreased by £224,929 or 53.0% to £199,190 (2017: £424,119) due to a reduction in exhibit refresh projects.

Grant income for revenue projects decreased by £152,132 or 8.5% to £1,639,514 (2017: £1,791,646) due to reduced activity from a number of projects coming to the end of their funding period and challenges in securing new project funding.

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Other Income

Other income from the sale of fully written down surplus fixed assets decreased by £5,013 or 74.7% to £1,696 (2017: £6,709).

Expenditure

Total expenditure increased by £231,280 or 2.3% to £10,309,767 (2017: £10,078,487) due to the following:

- increase in expenditure on charitable activities of £197,352; and
- increase in expenditure on raising funds of £33,928.

Raising Funds

Expenditure on raising funds increased by £33,928 or 1.1% to £3,060,879 (2017: £3,026,951) due mainly to a decrease in trading activity margins and additional fundraising staffing resources.

Charitable Activities

Expenditure on charitable activities increased by £197,352 or 2.8% to £7,248,888 (2017: £7,051,536).

Expenditure on direct charitable activities increased by £18,777 or 0.4% to £5,290,845 (2017: £5,272,068) due mainly to the increased use of consultants to deliver projects.

Expenditure on charitable activities support costs increased by £178,575 or 10.0% to £1,958,043 (2017: £1,779,468) due mainly to the unexpected inclusion of a provision of £160,000 for the repair of Millennium Bridge.

Staff Costs

Total staff costs have increased by £74,024 or 1.8% to £4,122,990 (2017: £4,048,966) due mainly to a 4.2% cost of living increase for lower paid staff to more than meet the requirements of the increase in the National Living Wage and a 2% cost of living pay increase for all other staff partly offset by a decrease in staff numbers.

The average FTE staff numbers have decreased by 4 to 161 (2017: 165) due to staff leaving following the completion of a number of projects.

Operating Deficit

An operating deficit of £3,143,138 (2017: £2,669,199) was incurred in the year primarily due to the depreciation of buildings, exhibits and equipment.

The operating deficit is made up of a deficit of £126,551 (2017: deficit £300,783) in unrestricted funds and a deficit of £3,016,587 (2017: deficit £2,368,416) in restricted funds.

Capital Expenditure

Capital expenditure of £287,341 (2017: £949,277) was incurred in the year mainly on the following:

- creation of various new exhibits in the Science Mall;
- new sound system for the Planetarium and projector for the Science Show Theatre;
- replacement of various kitchen and other equipment;
- various renewals and enhancement to ICT systems including new website, Customer Relationship Management and HR systems; and
- upgrade of staffroom.

Annual Report of the Trustees

Financial Reserves

Total financial reserves at 31 March 2018 were £20,598,400 (2017: £23,741,538) representing unrestricted funds of £622,764 (2017: £749,315) and restricted funds of £19,975,636 (2017: £22,992,223).

At 31 March 2018 the unrestricted funds of £622,764 are all held in a general unrestricted financial reserve.

Financial Reserves Policy

The charity's unrestricted (general) financial reserves policy is as follows:

“To retain sufficient unrestricted funds to allow Glasgow Science Centre (GSC) to be managed effectively, ensure the uninterrupted delivery of its Corporate Strategy and avoid the necessity of realising fixed assets held for its use. To achieve this GSC estimates that, following a review of its Risk Register, unrestricted funds of £622,000 should be retained as financial reserves. This level represents cover for 3 months matching funding for core mission activities, administration and support costs.”

At £622,764 the charity's general unrestricted financial reserves are in line with the financial reserves policy.

The financial reserves policy is reviewed by the Trustees on an annual basis.

Plans for Future Periods

The Corporate Plan for 2018 – 19 sets out the following main targets:

- Visitor and admission numbers of 328,00 and 419,529 respectively to the Science Mall and Planetarium including 72,000 in-reach education participants.
- Visitor and admissions numbers of 2,000 and 9,080 respectively to Glasgow Tower.
- Planetarium only visitors to special events of 17,330.
- 73,000 education and community outreach participants for the Bodyworks on Tour programme.
- 78,337 education and public visitors to Whitelee Visitor Centre.
- Further refreshes of exhibition stock on floor 1.
- Secure the remaining funding required for the new Idea 59 exhibition on floor 2 and commence creation of the exhibition with the aim of opening in 2019/20.
- To secure funding from the Inspiring Science Fund and other funders to deliver the CONNECT project.
- Review and update the Exhibition Masterplan and develop and implement further exhibit and infrastructure refreshes subject to resource availability.
- Refurbish the Shop and better integrate it as part of the overall GSC experience.
- Continue to develop curriculum linked science engagement activities that meet the needs of our education visitors.
- Work in partnership with local authorities, schools and teachers to promote and embed our 'Inspire and Challenge' approach to science learning.
- Build and expand upon our community engagement programme and integrate community learning and development values into all aspects of our service delivery.
- Deliver a programme of inclusive cultural science events including Games Mania, RAF 100 and the Go Live festival at Glasgow Green as part of the 2018 European Championships.

Annual Report of the Trustees

- Complete the review of our Outreach business model and implement findings, secure the remaining funding required to create and deliver the Powering the Future on Tour experience, refresh the Bodyworks on Tour experience and commence delivery.
- Continue to be an active partner of the Glasgow City of Science and Innovation initiative.
- Seek new and develop, expand and enhance our existing partnerships with the Scottish Government, Glasgow City Council, Skills Development Scotland, GlaxoSmithKline, universities, colleges and other research institutions, other public sector bodies and industry.
- Seek continuation of support from Glasgow City Council and West Dunbartonshire Council to fund free access for primary and assisted needs schools and seek support from other local authorities and businesses in the West of Scotland to offer free access and transport subsidy to other schools.
- Continue to develop and implement a communication, marketing and PR strategy to improve our profile.
- Continue to implement a fundraising strategy to improve, on a sustainable basis, the current return from unrestricted and restricted fundraising activities from all funding sectors i.e. public, charitable and industry.
- Improve our security infrastructure.
- Seek a long term solution to issues surrounding the maintenance and operation of Millennium Bridge with Glasgow City Council and other key partners.
- Continue to investigate and implement further operational efficiencies including a review of the existing management/staffing structure, pay policy, training/development for staff, volunteering programme and greater and more efficient use of ICT.
- Achieve targets set for commercial income generation from IMAX property rental, Corporate Events, Whitelee Visitor Centre, Retail Café and Shop, Experience Design Services and Car Parking operations and develop and implement proposals for the improvement in the quality and financial return from these activities.

Principal Risks and Uncertainties

The Trustees believe the principal risks and uncertainties for the charity to be:

- Over dependency on core funding support from the Scottish Government; and
- Failure to secure sufficient funding from third parties to enable continual development of the exhibition stock and programming offer which in turn leads to a significant reduction in the number of paying customers.

The Scottish Government has confirmed core funding of £904,000 for financial year 2018/19, unchanged from 2017/18. The Trustees expect significant support from the Scottish Government to continue but it appears likely that this will reduce in future years and hence there is a need to secure more funding from other sources.

The last few years have seen significant progress in the refresh of the customer experience resulting in record visitor numbers in 2017/18. With plans in place to complete further enhancements to the customer experience during 2018/19 it appears unlikely that there will be a significant drop in visitor numbers in the short term.

The above principal risks and uncertainties form part of the Risk Register which is monitored by the Trustees and Key Management Personnel.

Going Concern

The Trustees are of the opinion that, taking into consideration the committed Scottish Government funding for 2018/19 and the current economic outlook, forecast earned revenues and unrestricted financial reserves are sufficient for the charity to be considered as a going concern.

Annual Report of the Trustees

Thanks

The Trustees are grateful for the continued support of GSC's many partners in the delivery of its mission and extends its thanks to all staff and volunteers for their hard work over the year.

The Trustees also wish to thank all of the charity's corporate, statutory and charitable funders for their continuing support, in particular the Scottish Government, GSC Endowment Fund, Glasgow City Council, GlaxoSmithKline, Skills Development Scotland, Big Lottery Fund/Imperial College London, Royal Society of Chemistry, West Dunbartonshire Council, Scottish Enterprise, University of Strathclyde, National Grid, Scottish Power, European Union, Sigma Aldrich, University of Edinburgh, Skyscanner, Glasgow Chamber of Commerce, Association for Science and Discovery Centres, University of West of Scotland, Glasgow Caledonian University, University of Glasgow, Scottish Funding Council, Heriot Watt University, Glasgow School of Art and Arizona State University.

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

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

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and parent company 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 Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of expenditure over income for that year. In preparing each of the group and charitable company financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 group and charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

Disclosure of information to Auditor

The Trustees who held office at the date of approval of the Annual Report of the Trustees confirm that, so far as they each are aware, there is no relevant information of which the charity's auditor is unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee to

Annual Report of the Trustees

make themselves aware of any relevant audit information and to establish that the charity'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.

Approval

The Trustees acknowledge that the signing of this report also approves the Strategic Report in their capacity as company directors.

For and on behalf of Board of Trustees

David Sibbald

Trustee and Chairman of the Board

7 June 2018

Independent auditor's report to the Members and Trustees of Glasgow Science Centre Charitable Trust for the year ended 31 March 2018

Opinion

We have audited the financial statements of Glasgow Science Centre Charitable Trust (the 'parent charitable company') for the year ended 31 March 2018 which comprise the Group and Parent Charitable Company's Statement of Financial Activities, the Group and Parent Charitable Company's Balance Sheet, the Group and Parent Charitable Company's Cash Flow Statement 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 of the parent charitable company's affairs as at 31 March 2018, and of the group's and parent charitable company's incoming resources and application of resources, including 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 2016, Charities and Trustee Investment (Scotland) Act 2005 and regulation 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 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees 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.

Independent auditor's report to the Members and Trustees of Glasgow Science Centre Charitable Trust for the year ended 31 March 2018 (continued)

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 of Trustees and the Strategic Report, which includes the directors' 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 directors' report and strategic report included within the Annual Report of the Trustees 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 its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Annual Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity 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;
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the group or 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 (as amended) and under the Companies Act 2006 and report in accordance with regulation made under those Acts.

Independent auditor's report to the Members and Trustees of Glasgow Science Centre Charitable Trust for the year ended 31 March 2018 (continued)

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, 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 charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees 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.

Consolidated Statement of Financial Activities (including Income and Expenditure Account)

For the year ended 31 March 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Income from:					
Donations and legacies	2	433,427	-	433,427	548,284
Other trading activities	3	2,840,133	-	2,840,133	2,830,156
Investment income	4	401	-	401	2,143
Charitable activities:					
Admissions	5	2,052,268	-	2,052,268	1,806,231
Grants	6	904,000	934,704	1,838,704	2,215,765
Other income	7	-	1,696	1,696	6,709
		<u>6,230,229</u>	<u>936,400</u>	<u>7,166,629</u>	<u>7,409,288</u>
Expenditure on:					
Raising Funds	10	2,969,851	91,028	3,060,879	3,026,951
Charitable activities					
Science Mall	11	2,649,848	2,339,816	4,989,664	4,634,768
IMAX Cinema	11	-	325,995	325,995	325,995
Tower	11	337,530	533,303	870,833	834,592
Education programmes	11	313,096	749,300	1,062,396	1,256,181
		<u>6,270,325</u>	<u>4,039,442</u>	<u>10,309,767</u>	<u>10,078,487</u>
Net income/(expenditure)		(40,096)	(3,103,042)	(3,143,138)	(2,669,199)
Transfers between funds	14	(86,455)	86,455	-	-
Net movement in Funds		(126,551)	(3,016,587)	(3,143,138)	(2,669,199)
Reconciliation of funds:					
Total funds brought forward		749,315	22,992,223	23,741,538	26,410,737
Total funds carried forward		<u>622,764</u>	<u>19,975,636</u>	<u>20,598,400</u>	<u>23,741,538</u>

The above results are wholly derived from continuing activities. The loss for the year for Companies Act purposes comprises the deficit of unrestricted income over expenditure/transfers and totals £126,551 (2017: deficit £300,783)

The statement of financial activities includes all gains and losses recognised in the year.

There is no difference between the results for the year and the results for the year based on their historical cost equivalent.

The notes on pages 26 to 41 form part of these financial statements.

Charity Statement of Financial Activities (including Income and Expenditure Account)

For the year ended 31 March 2018

	Unrestricted Total 2018 £	Unrestricted Total 2017 £
Expenditure on:		
Raising Funds	60	68
	<u>60</u>	<u>68</u>
Net expenditure	(60)	(68)
Transfers between funds	-	-
	<u>-</u>	<u>-</u>
Net movement in Funds	(60)	(68)
Reconciliation of funds:		
Total funds brought forward	253	321
	<u>253</u>	<u>321</u>
Total funds carried forward	193	253
	<u><u>193</u></u>	<u><u>253</u></u>

The above results are wholly derived from continuing activities. The deficit for the year for Companies Act purposes comprises the deficit of unrestricted income over expenditure/transfers and totals £60 (2017: Deficit £68)

The statement of financial activities includes all gains and losses recognised in the year.

There is no difference between the results for the year and the results for the year based on their historical cost equivalent.

The notes on pages 26 to 41 form part of these financial statements.

Consolidated and Charity balance sheet

As at 31 March 2018

	Notes	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Fixed assets:					
Tangible fixed assets	16	19,918,747	22,953,143	-	-
Investment in subsidiary undertakings	17	-	-	3	3
		<u>19,918,747</u>	<u>22,953,143</u>	<u>3</u>	<u>3</u>
Current assets:					
Stock	18	114,683	110,877	-	-
Debtors	19	999,591	906,970	-	-
Cash at bank and in hand		1,251,182	1,304,888	190	250
		<u>2,365,456</u>	<u>2,322,735</u>	<u>190</u>	<u>250</u>
Liabilities:					
Creditors: amounts falling due within one year	20	(1,475,803)	(1,534,340)	-	-
Net current assets		<u>889,653</u>	<u>788,395</u>	<u>190</u>	<u>250</u>
Total assets less current liabilities		<u>20,808,400</u>	<u>23,741,538</u>	<u>193</u>	<u>253</u>
Provisions for liabilities and charges	21	210,000	-	-	-
Total net assets		<u><u>20,598,400</u></u>	<u><u>23,741,538</u></u>	<u><u>193</u></u>	<u><u>253</u></u>
The funds of the charity					
Restricted funds	22	19,975,636	22,992,223	-	-
Unrestricted funds	23	622,764	749,315	193	253
		<u>20,598,400</u>	<u>23,741,538</u>	<u>193</u>	<u>253</u>

The notes on pages 26 to 41 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 7 June 2018 and signed on their behalf by:

 David Sibbald
 Trustee and Chairman of the Board

7 June 2018

Consolidated and Charity Statement of Cash Flows

For the year ended 31 March 2018

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Cash flows from operating activities:				
Net cash provided by/(used in) operating activities (see below)	231,538	274,459	(60)	(68)
Cash flows from investing activities:				
Dividends, interest and rents from investments	401	2,143	-	-
Proceeds from sale of fixed assets	1,696	6,709	-	-
Purchase of fixed assets	(287,341)	(949,277)	-	-
Net cash used in investing activities	(285,244)	(940,425)	-	-
Change in cash and cash equivalents in the year	(53,706)	(665,966)	(60)	(68)
Cash and cash equivalents at the beginning of the year	1,304,888	1,970,854	250	318
Cash and cash equivalents at the end of the year	1,251,182	1,304,888	190	250
Reconciliation of net income/(expenditure) to net cash flow from operating activities				
Net expenditure for the year (as per the statement of financial activities)	(3,143,138)	(2,669,199)	(60)	(68)
Adjustments for:				
Depreciation charge	3,321,737	3,313,500	-	-
Dividends, interest and rents from investments	(401)	(2,143)	-	-
Profit on the sale of fixed assets	(1,696)	(6,709)	-	-
(Increase)/decrease in stocks	(3,806)	6,854	-	-
(Increase)/decrease in debtors	(92,621)	217,155	-	-
Decrease in creditors	(58,537)	(584,999)	-	-
Increase in provisions for liabilities and charges	210,000	-	-	-
Net cash provided by/(used in) operating activities	231,538	274,459	(60)	(68)

The notes on pages 26 to 41 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2018

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Glasgow Science Centre Charitable Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Basis of financial statements on a going concern basis

The Trustees are of the opinion that, taking into consideration the committed Scottish Government funding for 2018/19 and the current economic outlook, forecast earned revenues and unrestricted financial reserves are sufficient for the charity to be considered as a going concern.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings Glasgow Science Centre Limited and Glasgow Science Centre (Trading) Limited made up to 31 March each year.

Income and endowments

Donations and legacies

Donations and legacies include all income received by the charity that is, in substance, a gift made to it on a voluntary basis which does not provide any significant benefit to the donor in return for their payment other than the knowledge that the charity must use the gift to further its purpose. Income is recognised when the charity has entitlement, the income has been received or it's probable that it will be received and the amount can be measured reliably and is not deferred.

Other trading activities

Income from other trading activities includes income earned from both trading activities to raise funds for the charity and income from fundraising events. This income is received in exchange from the supply of goods and services in order to raised funds for the charity. Income is recognised when the charity has entitlement, the income has been received or it's probable that it will be received and the amount can be measured reliably and is not deferred.

Investment income

Investment income is earned from holding assets for investment purposes and includes dividends, interest and rents from investment property. It is recognised when receivable.

Charitable activities - admissions

Income from visitor admissions principally represents tickets sold for daily admissions or annual season tickets. Daily admissions income is recognised by ticket date while season ticket income is spread evenly throughout the year.

Charitable activities - grants

Grants for charitable activities are performance related grants which have conditions that specify the provision of particular goods or services to be provided by the charity. Grants whether "capital grants" or "revenue grants" are only recognised when the charity has entitlement, any

Notes to the financial statements

For the year ended 31 March 2018

performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Other income

Other income is recognised when received.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Raising Funds

Expenditure on raising funds includes all expenditure incurred by the charity in raising funds for its charitable purpose. It includes the costs of all fundraising activities and other trading activities.

Charitable Activities

Expenditure on charitable activities includes both direct charitable expenditure and an appropriate proportion of support costs for the charity's four main activities: science mall, IMAX, tower and education programmes.

Support Costs

Support costs include marketing, facilities management, information technology, finance, human resources, management and corporate governance. These costs are allocated across fundraising expenditure and the four categories of charitable expenditure on the basis of the direct expenditure incurred.

Operating Leases

Operating lease rentals are charged to the financial statements as they fall due.

Pension Scheme

The group operates a stakeholder (money purchase) pension scheme on behalf of its employees through Friends Provident. No employer's contribution is normally made however employees had the option of dispensing with their cost of living salary increase in return for an employer's 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 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 employer' 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.

Taxation

The company 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.

Fixed assets

All fixed assets are included at historical cost with the exception of freehold land which is included at historical valuation and therefore deemed cost. Fixed asset additions below £500 are not normally capitalised unless they are part of a larger fixed asset. A review of impairment of all fixed assets is undertaken on an annual basis with appropriate write down incorporated if required.

Notes to the financial statements

For the year ended 31 March 2018

The cost of tangible fixed assets, other than construction in progress, is written off by means of the straight line basis over their expected useful lives as follows:

Buildings	-	25 years
Exhibits	-	3 -10 years
Plant and equipment	-	5 -10 years
Computer equipment	-	3 years

Investments

Investments held by the charitable company relate to the share capital of its subsidiary companies. Accordingly, investments are reported at their historical cost and not any potential market value.

Stocks

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

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 where the charity 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 discount due.

Income that is received in advance of the provision of the associated services or goods by the charity 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 charity but this outflow has uncertain timing or value.

Financial Instruments

The charity 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.

Funds

Funds are classified as restricted or unrestricted in the Statement of Financial Activities as defined as follows:

Restricted Funds – expendable for specific purposes declared by the donor.

Unrestricted Funds – expendable at the discretion of the Trustees in furtherance of the objects of the charity.

Designated Funds – unrestricted funds designated for a specific purpose by the Trustees.

Transfers - transfer between funds relate to the release of unrestricted or designated income to cover expenditure that has been classified in the SOFA as restricted.

Notes to the financial statements

For the year ended 31 March 2018

2. Donations and legacies

	Unrestricted and Restricted funds	
	2018	2017
	£	£
Gift Aid - Income Tax Recovered	246,888	214,377
Donations	186,539	333,907
	<u>433,427</u>	<u>548,284</u>
Unrestricted	433,427	397,313
Restricted	-	150,971
	<u>433,427</u>	<u>548,284</u>

3. Other trading activities

	Unrestricted funds	
	2018	2017
	£	£
Corporate Events	919,426	926,333
Retail - Cafe	527,403	479,740
Management Fees - Whitelee Visitor Centre	344,245	323,949
Car parking	340,109	317,492
Retail - Shop and Vending	307,265	312,816
Property Rental and Service Charge - IMAX Cinema	236,995	244,462
Experience Design Services	124,961	188,814
Sponsorship	20,000	27,500
Property rental - other	12,405	3,496
Berthing charges	7,324	5,554
	<u>2,840,133</u>	<u>2,830,156</u>

4. Investment income

	Unrestricted funds	
	2018	2017
	£	£
Bank interest	401	2,143
	<u>401</u>	<u>2,143</u>

Notes to the financial statements

For the year ended 31 March 2018

5. Charitable Activities - Admission income

	Unrestricted funds	
	2018	2017
	£	£
Science Mall	1,825,926	1,600,729
Education programmes	200,678	174,142
Tower	25,664	31,360
	<u>2,052,268</u>	<u>1,806,231</u>

6. Charitable Activities - Grants

	Unrestricted and Restricted funds	
	2018	2017
	£	£
Capital and Major Repairs		
Exhibitions	92,411	339,404
Other capital and repairs funding	106,779	84,715
	<u>199,190</u>	<u>424,119</u>
Programme development and delivery		
Scottish Government	1,128,082	1,093,694
Other programme development and delivery funding	511,432	697,952
	<u>1,639,514</u>	<u>1,791,646</u>
	<u>1,838,704</u>	<u>2,215,765</u>
Unrestricted	904,000	934,000
Restricted	934,704	1,281,765
	<u>1,838,704</u>	<u>2,215,765</u>

Programme development and delivery grants from the Scottish Government are split as follows:

Operational grant to deliver science engagement	904,000	934,000
Digital Participation Charter - marketing support to SMEs	81,361	48,000
Schools transport subsidy	60,000	45,000
Community subsidy	60,000	45,000
Venturejam event for young people	20,000	-
Digital gender balance study	2,721	2,279
Coder Dojo - teaching coding to young people	-	19,415
	<u>1,128,082</u>	<u>1,093,694</u>

Notes to the financial statements

For the year ended 31 March 2018

7. Other income

	Restricted funds	
	2018	2017
	£	£
Profit on sale of assets	1,696	6,709

8. The deficit for the year is stated after charging:

	2018	2017
	£	£
Auditor's remuneration:		
- Audit of these financial statements	900	1,000
- Audit of subsidiaries' financial statement pursuant to legislation	7,220	8,250
Trustees' liability insurance	6,306	6,165
Trustees' remuneration	-	-
Depreciation - owned assets	3,321,737	3,313,500

The audit fee for Glasgow Science Centre Charitable Trust was met by its subsidiary, Glasgow Science Centre Limited.

9. Staff costs, Trustee remuneration and expenses and the cost of key management personnel

	2018	2017
	£	£
Wages and salaries	3,777,778	3,710,042
Social security costs	298,477	293,292
Pension costs	46,735	45,632
	<u>4,122,990</u>	<u>4,048,966</u>
Average number of employees	No.	No.
Customer experience	86	88
Science	25	26
Retail/Corporate Hospitality/Catering/Whitelee	63	63
Facilities/Exhibits	39	38
Support	14	14
	<u>227</u>	<u>229</u>

No Trustee received any remuneration during the year (2017: £0).

No Trustee was reimbursed for any out of pocket travel and subsistence expenses (2017: £0). Trustees are entitled to expenses but all waived this entitlement. It is estimated that the waived expenses were less than £1,000.

No individual employee earned remuneration (excluding pension contributions) in the range of £60,000 - £70,000 (2017: one), two earned remuneration (excluding pension contributions) in

Notes to the financial statements

For the year ended 31 March 2018

the range of £70,000 - £80,000 (2017: one), one earned remuneration (excluding pension contributions) in the range of £80,000 - £90,000 during the year (2017: one), no one earned remuneration (excluding pension contributions) in the range of £100,000 – £110,000 (2017: one) and one earned remuneration (excluding pension contributions) in the range £110,000 - £120,000 (2017: one).

The key management personnel of the group, comprise the trustees, Chief Executive, Director of Finance & Operations, Director of Science, Creative Director and Deputy Director of Science. The total remuneration including pension contributions of the key management personnel of the charged in these accounts was £386,087 (2016: £378,593).

Pension contributions of £12,197 (2017: £11,923) via salary sacrifice were made on behalf of employees to the Friends Provident stakeholder pension scheme.

Employers' pension contributions of £34,538 (2017: £33,709) on behalf of enrolled employees were made to the People's Pension Fund.

A total of £9,482 (2017: £51,213) of the staff costs noted above relating to the development, building and installation of new exhibitions have been capitalised.

10. Expenditure on raising funds

	Unrestricted and restricted	
	2018	2017
	Total	Total
	£	£
Direct expenditure		
Staff and associated costs	1,189,521	1,182,826
Other costs	795,550	784,279
Maintenance & repairs	82,913	70,372
Supplies/consumables	63,350	70,856
Communication costs	27,138	35,142
Travel & subsistence	15,385	18,292
Legal & professional	462	43,966
Finance charges	14,068	13,818
Administration	6,766	6,518
	<u>2,195,153</u>	<u>2,226,069</u>
Support costs (see note 13)	<u>865,726</u>	<u>800,882</u>
	<u><u>3,060,879</u></u>	<u><u>3,026,951</u></u>

Expenditure on raising funds was £3,060,879 (2017: £3,026,951) of which £2,969,851 (2017: £2,941,042) was unrestricted and £91,028 (2017: £85,909) was restricted.

Notes to the financial statements

For the year ended 31 March 2018

11. Expenditure on charitable activities

	Science Mall	IMAX Cinema	Tower	Education	Unrestricted and restricted funds	
					2018 Total	2017 Total
	£	£	£	£	£	£
Direct expenditure						
Staff and associated costs	1,132,962	-	46,312	483,869	1,663,143	1,706,253
Other costs	64,827	-	-	144,568	209,395	167,386
Maintenance & repairs	26,669	-	64,746	1,080	92,495	69,798
Supplies/consumables	98,879	-	6,067	9,835	114,781	121,667
Communication costs	21,474	-	-	4,511	25,985	19,576
Travel & subsistence	12,676	-	-	27,570	40,246	52,688
Legal & professional	1,200	-	-	86,910	88,110	57,588
Finance charges	20,715	-	-	-	20,715	19,483
Administration	7,579	-	-	3,569	11,148	20,918
Depreciation	2,191,427	325,995	507,405	-	3,024,827	3,036,711
	<u>3,578,408</u>	<u>325,995</u>	<u>624,530</u>	<u>761,912</u>	<u>5,290,845</u>	<u>5,272,068</u>
Support costs (see note 13)	1,411,256	-	246,303	300,484	1,958,043	1,779,468
	<u>4,989,664</u>	<u>325,995</u>	<u>870,833</u>	<u>1,062,396</u>	<u>7,248,888</u>	<u>7,051,536</u>

Expenditure on charitable activities was £7,248,888 (2017: £7,051,536) of which £3,300,474 (2017: £2,962,106) was unrestricted and £3,948,414 (2017: £4,089,430) was restricted.

12. Summary analysis of expenditure and related income from charitable activities

The total cost of the four main charitable activities and the sources of income directly to support the activities is summarised below:

	Science Mall	IMAX Cinema	Tower	Education	Unrestricted and restricted funds	
					2018 Total	2017 Total
	£	£	£	£	£	£
Expenditure	(4,989,664)	(325,995)	(870,833)	(1,062,396)	(7,248,888)	(7,051,536)
Less: admissions income	1,825,926	-	25,664	200,678	2,052,268	1,806,231
Less: grants	1,177,272	-	-	661,432	1,838,704	2,215,765
Net expenditure	<u>(1,986,466)</u>	<u>(325,995)</u>	<u>(845,169)</u>	<u>(200,286)</u>	<u>(3,357,916)</u>	<u>(3,029,540)</u>

The deficit in the year is met from other income raised by the charity and from unrestricted and restricted financial reserves.

Notes to the financial statements

For the year ended 31 March 2018

13. Support costs

	Fundraising	Science			Unrestricted and restricted funds	
		Mall	Tower	Education	2018	2017
	£	£	£	£	£	£
Marketing	91,274	148,789	25,968	31,680	297,711	274,281
Facilities Management	464,480	757,169	132,146	161,216	1,515,011	1,339,389
Information Technology	106,414	173,469	30,275	36,935	347,093	316,448
Finance	101,336	165,193	28,831	35,173	330,533	318,097
Human Resources	40,407	65,869	11,496	14,025	131,797	126,981
Management	37,517	61,159	10,674	13,022	122,372	124,101
Corporate Governance	24,298	39,608	6,913	8,433	79,252	81,053
	<u>865,726</u>	<u>1,411,256</u>	<u>246,303</u>	<u>300,484</u>	<u>2,823,769</u>	<u>2,580,350</u>

14. Transfers

Unrestricted funds of £86,455 were transferred during the year to meet funding deficits on various capital renewals of new and existing restricted fixed assets.

15. Taxation on net incoming resources

No tax charge arises on the incoming resources for the year due to the charitable status of Glasgow Science Centre Ltd and Glasgow Science Centre Charitable Trust.

A small prior year tax charge was incurred by Glasgow Science Centre (Trading) Limited during the year of £6 (2017: £0) due to timing difference in the payment of pension contributions. As this charge is immaterial and unlikely to arise in the future it has been included within support costs.

Notes to the financial statements

For the year ended 31 March 2018

16. Tangible fixed assets

Group	Land and Buildings £	Exhibits £	Plant and equipment £	Computer equipment £	Total £
Cost or valuation:					
As at 1 April 2017	54,585,073	11,460,098	2,439,667	741,798	69,226,636
Additions	-	94,104	82,170	111,067	287,341
Disposals	-	(879,720)	(23,552)	(30,600)	(933,872)
As at 31 March 2018	54,585,073	10,674,482	2,498,285	822,265	68,580,105
Depreciation:					
As at 1 April 2017	34,264,401	9,441,567	2,066,764	500,761	46,273,493
Charge for the year	2,100,923	923,904	149,712	147,198	3,321,737
On disposals	-	(879,720)	(23,552)	(30,600)	(933,872)
As at 31 March 2018	36,365,324	9,485,751	2,192,924	617,359	48,661,358
Net book value:					
As at 31 March 2018	18,219,749	1,188,731	305,361	204,906	19,918,747
As at 31 March 2017	20,320,672	2,018,531	372,903	241,037	22,953,143

Included in land and buildings is land owned by Glasgow Science Centre Charitable Trust which is leased to Glasgow Science Centre Limited for 175 years at an annual rental of £1.

The freehold land was valued at its open market value on 24 February 1999 by the District Valuer, Scotland South West at £2,000,000 and given that the Group still has the full beneficial interest the value is deemed to remain unchanged.

Included in land & buildings is the IMAX Cinema at a cost of £7,150k, aggregate depreciation £5,107k and net book value of £2,043k. This asset was leased on 24 July 2013 by Glasgow Science Centre Limited to Glasgow Science Centre (Trading) Limited for a minimum period of 10 years. On the same date Glasgow Science Centre (Trading) Limited sub-leased the IMAX Cinema to Cineworld Cinemas Limited for a minimum period of 10 years.

Included in exhibits is the sum of £7,039 (2017: £83,170) in respect of new exhibitions/exhibit spaces in development for which no depreciation has been charged during the year.

Included in computer equipment is the sum of £24,469 (2017: new website £23,981) in respect of a new HR system which has not been fully installed and therefore no depreciation has been charged during the year.

All fixed assets are primarily held to provide services to GSC's customers rather than for generating cash flows and therefore it is considered more appropriate to regard value in use as the present value of the asset's service potential rather than the present value of the asset's cash flows. The Trustees consider the depreciated cost of the asset to be the most relevant and reliable means of measuring an asset's service potential.

The Trustees do not believe that there has been any impairment of service potential of any assets during the year.

Notes to the financial statements

For the year ended 31 March 2018

17. Investment in subsidiary undertakings

	2018	2017
Cost	£	£
Investment in subsidiary undertakings	3	3
	<u> </u>	<u> </u>

The investment in subsidiary undertakings represents a holding of 100% of the issued ordinary shares of £1, in Glasgow Science Centre Limited (Registered No. SC184352, Registered Charity No. SC030809) and Glasgow Science Centre (Trading) Limited (Registered No. SC210177).

The income, expenditure, assets and liabilities of each subsidiary is detailed below:

	2018		2017	
	GSC Limited £	GSC (Trading) Limited £	GSC Limited £	GSC (Trading) Limited £
Income	5,154,138	2,806,289	5,340,879	2,796,986
Expenditure	(8,297,214)	(2,249,488)	(8,010,011)	(2,312,870)
Gift aid payment	-	556,801	-	484,116
Assets	21,855,040	1,232,840	24,948,536	1,220,779
Liabilities	(1,256,828)	(1,232,838)	(1,207,248)	(1,220,777)
Net assets	<u>20,598,212</u>	<u> 2</u>	<u>23,741,288</u>	<u> 2</u>

18. Stock

	Group		Charity	
	2018 £	2017 £	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	-	-
	<u>114,683</u>	<u>110,877</u>	<u>-</u>	<u>-</u>

Notes to the financial statements

For the year ended 31 March 2018

19. Debtors

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	179,804	285,088	-	-
Amounts owed by GSC Endowment Fund	178,008	175,000	-	-
Prepayments and accrued income	628,164	434,773	-	-
Other debtors	13,615	12,109	-	-
	<u>999,591</u>	<u>906,970</u>	<u>-</u>	<u>-</u>

20. Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	180,698	201,884	-	-
Tax and social security costs	142,294	153,027	-	-
Accruals and prepaid income	1,149,234	1,171,162	-	-
Other creditors	3,577	8,267	-	-
	<u>1,475,803</u>	<u>1,534,340</u>	<u>-</u>	<u>-</u>

Included within accruals and prepaid income is the sum of £1,051,685 (2017: £981,629) in respect of income received in advance and/or is subject to performance related criteria. This income is released in or over the specified future period that it relates to and/or when the performance related criteria are achieved. The movement in the year is summarised below:

	Balance at 1 April 2017	Receipts	Released to SOFA	Balance at 31 March 2018
	£	£	£	£
Advanced Income				
Performance related grants	584,954	1,716,698	(1,749,089)	552,563
Admissions income	165,984	2,066,716	(2,052,268)	180,432
Corporate events	90,646	946,124	(919,426)	117,344
Experience design services	46,673	182,936	(124,961)	104,648
IMAX rent & service charge	61,198	244,896	(236,995)	69,099
Whitelee service charge	20,621	341,414	(344,245)	17,790
Car parking	7,615	341,015	(340,109)	8,521
Other	3,338	2,750	(5,400)	688
Berthing	600	7,324	(7,324)	600
	<u>981,629</u>	<u>5,849,873</u>	<u>(5,779,817)</u>	<u>1,051,685</u>

Notes to the financial statements

For the year ended 31 March 2018

21. Provisions for liabilities and charges

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Repairs to Millennium Bridge	160,000	-	-	-
Experience design service - provision for remedial work	50,000	-	-	-
	<u>210,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Millennium Bridge

As part of the contractual arrangements with Glasgow City Council for the adoption of Millennium Bridge, GSC Limited retained responsibility for the maintenance and operation of its moving parts which allow it to open on request to river traffic. A recent inspection identified a number of technical issues with these moving parts and the need for various repairs to be undertaken currently estimated at a cost of £160,000. The inspection also identified the need for various repairs to be undertaken on the non-moving parts which are the responsibility of Glasgow City Council and discussions are underway to establish the extent of each organisations responsibilities and agree a plan to undertake the required repairs. Given the significant access challenges to undertake repairs and the need for a specialist contractor no definitive costings or timetable to undertake the works has yet been agreed.

Experience Design Service

Although no formal claim has been submitted by the client, GSC(Trading) Limited is in the process of agreeing proposals and costs to remedy defective work undertaken by its sub-contractor on one of its 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 GSC (Trading) Limited and its sub-contractor are not yet known. A provision of £50,000 is considered to be sufficient to cover any costs to GSC (Trading) Limited

Glasgow Science Centre Charitable Trust (Reg. No. SC172371)

(A Company Limited by Guarantee and not having a Share Capital)

Notes to the financial statements

For the year ended 31 March 2018

22. Restricted funds

Group Fund	Purpose	Balance at 01/04/17 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31/03/18 £	Balance at 01/04/16 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31/03/17 £
Science Centre - Fixed Assets	Capital cost of fixed assets	22,953,143	-	(3,321,737)	287,341	19,918,747	25,317,366	-	(3,313,500)	949,277	22,953,143
GSC Endowment Fund - Capital Renewals	Various capital renewals	-	172,939	-	(172,939)	-	-	166,907	-	(166,907)	-
Other Exhibit and Capital Renewals Projects	Various capital renewals	-	27,670	-	(27,670)	-	-	313,487	(9,798)	(303,689)	-
My World of Work Live	To deliver MWOW programme	-	101,594	(101,317)	(277)	-	-	156,002	(149,501)	(6,501)	-
Outreach - Bodyworks on Tour	To deliver Bodyworks Outreach programme	-	115,960	(115,960)	-	-	-	284,719	(181,191)	(103,528)	-
City of Science and Innovation	To deliver the initiative and various programmes	28,234	129,005	(111,683)	-	45,556	29,243	110,120	(111,129)	-	28,234
Transport Grant	To provide transport for schools	-	60,000	(60,000)	-	-	-	45,000	(45,000)	-	-
Community Subsidy	To facilitate community led engagement	-	60,000	(60,000)	-	-	-	45,000	(45,000)	-	-
Free Access for Schools	To pay for free access to GSC for schools	-	82,041	(82,041)	-	-	-	92,755	(92,755)	-	-
Digital Initiatives	To deliver various digital support programmes	-	90,921	(90,921)	-	-	-	111,244	(110,070)	(1,174)	-
D Elder Lecture Series	To deliver astronomy lecture series	10,846	7,615	(7,128)	-	11,333	14,030	7,615	(10,799)	-	10,846
OPAL	To deliver the Open Air Laboratories programme	-	30,330	(30,330)	-	-	-	35,070	(35,070)	-	-
RSC Co-ordinator	To fund this the RSC Co-ordinator post	-	27,853	(27,853)	-	-	-	38,113	(38,113)	-	-
Other Programmes	To deliver various programme	-	30,472	(30,472)	-	-	-	33,413	(33,413)	-	-
		<u>22,992,223</u>	<u>936,400</u>	<u>(4,039,442)</u>	<u>86,455</u>	<u>19,975,636</u>	<u>25,360,639</u>	<u>1,439,445</u>	<u>(4,175,339)</u>	<u>367,478</u>	<u>22,992,223</u>
Charity		-	-	-	-	-	-	-	-	-	-

In accordance with the original funding agreement for the establishment of Glasgow Science Centre with the Millennium Commission, the Group is required in perpetuity to maintain and renew the assets of Glasgow Science Centre to deliver the original project purpose. To ensure this is achieved the agreement further requires that all surplus income generated from the use of the Group's fixed assets be applied towards their maintenance and renewal (when required) and that an Endowment Fund be established to further assist with this obligation (The Glasgow Science Centre Endowment Fund, Registered Charity No. SC029705). In addition, as security to ensure these obligations are met the Millennium Commission retains a bond and floating charge over the Group's assets (see Note 27). As a result of these obligations all fixed assets continue to be shown as restricted. Generally, the majority of fixed asset additions, particularly new exhibitions, are also funded by restricted funds from other funders but in some cases when there is a shortfall in the funding available for capital renewals from the funds provided by the Endowment Fund, in accordance with the Charity SORP, unrestricted funds are therefore transferred to restricted funds to meet this deficit.

The restricted funds represent the capital cost of assets held for the purposes of delivering the specific charitable activities and various funds provided by third parties for the delivery of specific science education and other programmes/initiatives.

Notes to the financial statements

For the year ended 31 March 2018

23. Unrestricted funds

	Balance at 01/04/17 £	Incoming resources £	Outgoings/ Transfers £	Balance at 31/03/18 £
Group				
General reserve	749,315	6,230,229	(6,356,780)	622,764
Charity				
General reserve	253	-	(60)	193
	Balance at 01/04/16 £	Incoming resources £	Outgoings/ Transfers £	Balance at 31/03/17 £
Group				
General reserve	691,599	5,969,843	(5,912,127)	749,315
Designated funds	358,499	-	(358,499)	-
	1,050,098	5,969,843	(6,270,626)	749,315
Charity				
General reserve	321	-	(68)	253

24. Analysis of fund balances between net assets

	Unrestricted Funds £	Restricted Funds £	Total Funds £
At 31 March 2018			
Group			
Fixed assets	-	19,918,747	19,918,747
Stock	114,683	-	114,683
Debtors	591,099	408,492	999,591
Cash at bank and in hand	1,050,222	200,960	1,251,182
Creditors: falling due within one year	(923,240)	(552,563)	(1,475,803)
Provision for liabilities and charges	(210,000)	-	(210,000)
	622,764	19,975,636	20,598,400
At 31 March 2017			
Group			
Fixed assets	-	22,953,143	22,953,143
Stock	110,877	-	110,877
Debtors	675,398	231,572	906,970
Cash at bank and in hand	872,912	431,976	1,304,888
Creditors: falling due within one year	(909,872)	(624,468)	(1,534,340)
	749,315	22,992,223	23,741,538

At 31 March 2018 and 31 March 2017 all of the unrestricted funds of the Charity are held as cash at bank and in hand.

Notes to the financial statements

For the year ended 31 March 2018

25. Financial commitments

The group has no financial commitments under non-cancellable financial agreements (2017: None).

26. Capital and major repair commitments

At 31 March 2018 the company had contracted capital commitments for the creation of a new workshop space on Floor 1 of £8,709 and for the upgrade of the GSC website of £11,991 (2017: contracted commitments for the creation of a new exhibition of £61,380 and upgrade of the GSC website of £35,972). The funding to meet these commitments has been secured.

27. Contingent liabilities

Funding contracts with the Millennium Commission and Scottish Enterprise Glasgow (including ERDF) for the original construction of the Science Centre provide for the repayment of the whole or any part of the total grant of £69.5m (MC £36.2m, SEG £13.6m, SEG (ERDF) £19.7m) should an event of default occur. Events of default are defined as follows:

- insolvency of the charity
- misuse of grant
- successful completion does not, or becomes unlikely to occur
- breach of obligations
- change of project purpose
- fraud and negligence
- material misrepresentation
- change of ownership, composition or structure of the charity

At the date of signing of these financial statements the Trustees know of no event of default that would result in a repayment of grant.

Both Scottish Enterprise Glasgow and the Millennium Commission have a bond and floating charge over the assets of the Group as security for their grant funding.

28. Share capital

The company does not have a share capital and is limited by guarantee. The liability of members is limited to £1 each. At 31 March 2018 the company had one member, Scottish Enterprise Glasgow.

29. Ultimate parent undertaking

The company's immediate parent undertaking is Scottish Enterprise Glasgow.

The ultimate parent undertaking is Scottish Enterprise an executive Non- Departmental Public Body of the Scottish Government established by the Enterprise and New Towns (Scotland) Act 1990 for the purposes of furthering the development of Scotland's economy.

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

30. Related party transactions

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 transactions are within the group and are fully eliminated on consolidation.