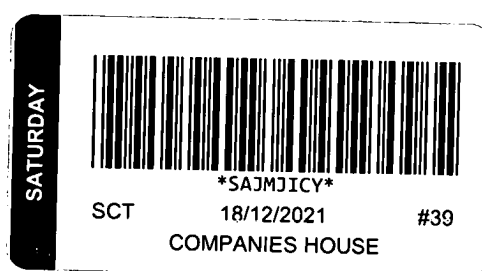


Culture and Sport Glasgow
(A charity limited by guarantee)

Report and Group Financial Statements
Year Ended 31 March 2021

Registered number SC313851 (registered in Scotland)

Scottish Charity number SC037844



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ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Directors, who are the Trustees for the purposes of charity law, are pleased to present their annual report (including their strategic report) and group financial statements for the year ended 31 March 2021. Culture and Sport Glasgow has been entered into the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005, to refer to itself as a charity registered in Scotland.

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

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

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

Objectives and Activities

Principal activity

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

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

Vision Statement

"We believe everyone deserves a great Glasgow Life".

Strategic Objectives

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

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

The Company Business and Service Plan which includes our Strategic Context and Strategic Outcomes is approved by the Board on an annual basis. This was last approved by the Board on the 31st March 2021.

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

Achievements and performance

Our performance management framework monitors our progress with a focus on the city’s priorities and our key objectives. To support this approach our focus is underpinned by:

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

We use the council family system to demonstrate progress against targets:

	> -5% below		-2.5% to -4.9% below		< -2.49% (or better)
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During 2020/21 we agreed to report to Glasgow City Council on these two key areas:

Measure	Target	Actual	Status
The number of Attendances at Glasgow Life directly managed venues including festivals and events*	*	1.2 million	*

* On 12 March 2020, in response to the Covid-19 pandemic, a ban on all mass gatherings of over 500 people was announced across the UK. On the 18 March Glasgow Life closed all but a small number of its venues to the public. This was followed by the imposition of a full lock-down on 24 March 2020. Operating within these and subsequent restrictions impacted attendances across Glasgow Life and as a result no targets were set for 2020-21.

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

Measure	Actual
Breakdown of the number of attendances at Glasgow Life directly managed venues, including festivals and events	1,202,393
Community Facilities	86,230
Glasgow Arts, Music & Cultural Venues**	144,295
Glasgow Libraries	600,528
Glasgow Museums	69,551
Glasgow Sport	301,789
Glasgow Events	***

** Includes 108,000 virtual attendances at Celtic Connections (estimated as 27,000 tickets x 4)

*** There were no in person attendances at Glasgow Life led or supported events. Merchant City Festival, Glasgow Mela and Piping Live! were delivered through online programmes, which included talks, workshops and live streaming performances.

Destination Glasgow	Actual
Economic Value of Conferences	£Nil
Actual conference delegate nights in the city	Nil
Economic value of conference sales won for future years	£81,870,000
No of delegate days for future years	184,695

Under normal circumstances our targets for 2021/22 would be included in the tables above however due to the uncertainty caused by the Covid-19 pandemic 2021/22 will be considered a baseline year and will inform target setting for 2022/23.

Streamlined Energy and Carbon Reporting

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

Energy Source	Consumption	Units	Scope	kg CO2e	tCO2e	Emissions Calculation
Gas – total kWh (kilowatt-hours) used for the year taken from gas bills	40,903,507.60	kWh	Scope 1	7,491,886.45	7,491.89	40,903,508 kWh * 0.18316 (2021 fuels, natural gas conversion factor gross CV to kg CO2e) = 7,491,886.45 kg CO2e = 7,491.89 tCO2e
Electricity – total kWh (kilowatt-hours) used for the year taken from electricity bills	20,325,180.90	kWh	Scope 2	4,315,645.66	4,315.65	20,325,181 kWh * 0.21233 (2021 fuels, electricity conversion factor to kg CO2e) = 4,315,645.66 kg CO2e = 4,315.65 tCO2e
Indirect energy emissions (district heating system). Gas – total kWh (kilowatt-hours) used for the year taken from end of year statement	1,265,244.00	kWh	Scope 2	231,742.09	231.74	1,265,244 kWh * 0.18316 (2021 fuels, natural gas conversion factor gross CV to kg CO2e) = 231,742.09 kg CO2e = 231.74 tCO2e
Indirect energy emissions (leased property). Electricity - total kWh (kilowatt-hours) used for the year taken from electricity recharge bills	15,171.00	kWh	Scope 2	3,221.26	3.22	15,171 kWh * 0.21233 (2021 fuels, electricity conversion factor to kg CO2e) = 3,221.26 kg CO2e = 3.22 tCO2e
Transport – total mileage for fuel costs reimbursed from staff claims = 33,764.00	33,764.00	Miles	Scope 3	9,317.51	9.32	33,764.00 miles * 0.27596 (2021 managed assets vehicles, average car conversion factor to kgCO2e, unknown fuel) = 9,317.51 kgCO2e = 9.32 tCO2e
	37,873.08	kWh				33,764.00 miles * 1.1217 (2021 SECR kWh pass & delivery vehicles, average car conversion factor to kWh, unknown fuel) = 37,873.08 kWh
Total	62,546,976.57 kWh			12,051,813 kg CO2e	12,052 tCO2e	

Intensity ratio	Emissions data (tCO2e) compared with an appropriate business activity (staff numbers as per end of 2020-21, full time equivalent)	12,052 tCO2e / 2002.94 Staff = 6.02 tCO2e per capita
Energy efficiency measures	In 2020-21, Glasgow Life invested £338,980 in energy projects including LED lighting, pool covers, a new boiler and variable speed drives. Energy savings are estimated to be 826,252 kWh with a carbon reduction of approximately 163 tCO2e per year.	

Financial Review

Review of the year

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

The surplus on unrestricted general funds for the year to 31 March 2021 was £nil (2020: surplus £24,000). After accounting for the group and the charity's participation in the Strathclyde Pension Fund and movement on unrestricted designated funds, the overall unrestricted balance for the group at 31 March 2021 was a deficit of £94,412,000 (2020: £50,344,000). The group generated £8,832,000 (2020: £11,375,000) of restricted funds during the year, which after expenditure of £6,571,000 (2020: £11,222,000) and transfer of funds had a closing balance of £19,076,000 (2020: £15,875,000).

The overall group reserve position is a deficit of £75,336,000 (2020: deficit of £34,469,000) as a result of the pension liability as at 31 March 2021 of £109,115,000 (2020: £53,442,000).

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

COVID-19 has had a significant impact on the organisation both operationally and financially. As an organisation we are doing all we can to mitigate losses, including engaging fully in a number of national and local recovery forums to map a way forward and accessing the various initiatives/funds that have been made available by Government. We are owned by Glasgow City Council from whom we receive an annual Service Fee and a letter of support has been provided by GCC to ensure the ongoing financial sustainability of Culture and Sport Glasgow, whilst we recover from Covid. We have adapted our delivery models and are forward planning to balance short term needs with a longer term financially sustainable business model.

The subsidiary company, Culture and Sport Glasgow (Trading) CIC, has a turnover of £3,123,000 (2020: £9,313,000) generating a loss before tax of £35,000 (2020: profit before tax of £1,665,000). The subsidiary company gifted £nil to the charitable company (2020: £1,665,000).

The key performance indicators used by management during the year have been included within the performance review section of this report.

Investment policy

The charity had substantial cash balances as at 31 March 2021, primarily as a result of timing differences in respect of payments to the parent organisation, and other creditors. Free reserves of the charity and the trading subsidiary will be invested in external cash term deposits where cash flow projections permit, to maximise the rate of return while minimising the risk.

Risk Assessment

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

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

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

Reserves policy

The charity holds restricted and unrestricted reserves. Within unrestricted reserves, the charity has designated within the pension reserve the long term pension liabilities arising from its participation in the Strathclyde Pension Fund. The Board of Directors' intention is to accumulate an undesignated reserve fund which is sufficient to allow the charity protection against future adverse economic conditions or investment challenges. The Audit Committee reviews the reserves Policy on an annual basis and at its meeting on 25th November 2020, agreed to continue the reserves policy of a target of between 1.5% and 2.5% of turnover to provide protection against future adverse economic conditions. The Board continues to review this position on an ongoing basis. General reserves, which are shown in the balance sheet as unrestricted funds, amount to £618,000 (2020: £618,000), before inclusion of the pension reserve. This amount represents 0.5% of total unrestricted income which is below the target of reserves. The Board is aware that this remains below the target for reserves and will aim to rebuild reserves steadily when finances permit. The drop in reserves was a result of the change to Accounting Policies in 2016/17 which required the inclusion of an Employee Benefit Accrual. The Board of Directors has approved a budget for 2021/22 which aims to generate a breakeven position.

In line with the charity's contract with Glasgow City Council the Service Fee received for the provision of services is agreed annually. In the year ended 31 March 2021 this amounted to £77,933,000 (2020: £75,545,000), which is the equivalent of eight months funding of expenditure (2020: eight months). The Directors will continue to monitor the funding position as the year progresses. The significant deficit on the designated pension reserve will be serviced through contributions to the scheme as determined by the actuaries on the basis of the triennial funding valuation.

Structure, Governance and Management

Charitable status

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

Directors

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

- The maximum number of directors shall be fourteen (2020: fourteen) of which: -
 - A maximum of five (2020: five) directors shall be "Partner Directors" i.e. any elected member of Glasgow City Council who is willing to act as a director, appointed by Glasgow City Council.
 - A maximum of eight (2020: eight) directors shall be "Independent Directors".
 - A maximum of one (2020: one) shall be the Executive Director.

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

Policies and procedure for induction and training of directors

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

Organisation Structure

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

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

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

Employees

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

Directors' Indemnities

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

Reference and administrative information

Company number	SC313851 (registered in Scotland)
Charity number	SC037844
Registered Office	Culture & Sport Glasgow Commonwealth House 38 Albion Street Glasgow G1 1LH
Independent Auditor	Azets Audit Services Chartered Accountants Titanium 1 King's Inch Place Renfrew PA4 8WF
Solicitors	GCC Legal Services 235 George Street Glasgow G1 1QZ
Bankers	Royal Bank of Scotland Kirkstane House 139 St Vincent Street Glasgow G2 5JF
Company Secretary	Jan Buchanan

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

Directors

Appointment date Resignation date

Councillor David McDonald (Chair)		
Dr Bridget McConnell CBE (Chief Executive)		
Sir Angus Grossart		
Mr Dilawer Singh MBE		
Mrs Lee Bonthron		
Professor John Brown CBE		
Councillor Michael Cullen		14 April 2021
Mr John McCormick		
Professor Sir Anton Muscatelli		
Bailie Norman MacLeod		30 July 2020
Councillor Franny Scally		28 June 2021
Councillor Martin McElroy		29 October 2020
Mr Benny Higgins		23 September 2020
Mr Iain MacRitchie		
Councillor Eva Bolander	3 August 2020	
Mrs Siobhan Naim	5 November 2020	
Councillor Frank McAveety	5 November 2020	
Councillor Laura Doherty	14 April 2021	
Bailie Annette Christie	28 June 2021	

Key management personnel

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

Post balance sheet events

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

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

Disclosure of information to the auditor

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

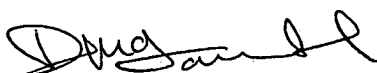
Independent auditor

Azets Audit Services have expressed their willingness to continue in office as auditor and will be proposed for reappointment.

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

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

Approved by the Board on 08 September 2021 and signed on its behalf by:



David McDonald
Chair

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

STATEMENT OF INTERNAL CONTROL

Scope of Responsibility

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

Purpose of the System of Internal Control

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

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

The process is consistent with guidance in the Scottish Public Finance Manual (SPFM) and has been in place for the year ended 31 March 2021 and up to the date of approval of the annual report and financial statements.

Risk and Control Framework

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

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

Review of Effectiveness

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

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

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

Governance During COVID-19 Pandemic

The Glasgow Life Board was scheduled to meet on 25 March 2020 and the agenda and papers had been circulated, however, due to entering lockdown it was requested that Board Members indicate their approval of items requiring a decision by returning a proforma.

The Board agreed to delegate authority to the Chair, Cllr McDonald, and the Chief Executive, Dr Bridget McConnell to take any decisions on behalf of the Board as required, and this would be reviewed at the next Board meeting on 17 June 2020. It was further agreed that John McCormick and Susan Deighan, would substitute as required for Cllr McDonald and Dr McConnell respectively.

Governance During COVID-19 Pandemic (continued)

The following actions and approvals have taken place since the Board agreed to delegate authority to the Chief Executive and Chair: Sign off on route map and Glasgow Life Recovery Plans; Public Address Services for Events contract authorisation; Microsoft Enterprise License contract authorisation; Events Services contract authorisation; Approval of revised early/voluntary redundancy policy for Glasgow Life to bring in line with GCC; Agreed to approve additional service proposals within the Cardonald Ward; Approved the implementation of the Glasgow Living Wage for Grade 1 staff; Approved the sign off of insurance renewal tender; Approved Emirates sponsorship proposal and 20/21 income position. All decisions taken under delegated authority have been relayed to the Board

The Glasgow Life Board last met via videoconference on 16 June 2021, where it was agreed to extend the period of delegated authority to the Chair and Chief Executive until the next scheduled meeting on 8 September 2021.

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

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

Notification was also sent to OSCR at the end of March 2020 to advise them of the anticipated financial impact on the charity as a result of Covid-19.



Jan Buchanan
Director of Finance and Corporate Services

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

Opinion

We have audited the financial statements of Culture and Sport Glasgow (the parent charitable company) and its subsidiary (the group) for the year ended 31 March 2021 which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 and the parent charitable company's affairs as at 31 March 2021 and of the group and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director's with respect to going concern are described in the relevant sections of this report.

Other information

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

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the annual report; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the director's

As explained more fully in the Statement of Director's Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in these financial statements were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

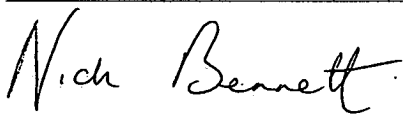
- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators, and the group's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the group's directors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the group's directors, as a body, those matters we are required to state to it 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 group and the group's directors, as a body, for our audit work, for this report, or for the opinions we have formed.



Nick Bennett (Senior Statutory Auditor)

For and on behalf of Azets Audit Services, Statutory Auditor

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date 08 September 2021

Group Statement of Financial Activities
(incorporating a group income and expenditure account)
For the year ended 31 March 2021

	Notes	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Unrestricted Pension/Employee Funds £000	Total Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Income from:								
Donations and legacies	3	1,080	50	-	1,130	8,046	9,176	11,444
Other trading activities								
Commercial trading Company	9	1,815	-	-	1,815	252	2,067	7,609
Glasgow City Marketing Bureau								
Investments	4	39	-	-	39	90	129	124
Charitable activities	5							
Provision of leisure and cultural facilities		27,150	65	-	27,215	444	27,659	30,201
Service contract with Glasgow City Council		77,988	-	-	77,988	-	77,988	75,545
Total		108,072	115	-	108,187	8,832	117,019	124,923
Expenditure on:								
Other trading activities								
Commercial trading company	9	(3,318)	-	-	(3,318)	153	(3,165)	(7,667)
Glasgow City Marketing Bureau								
Charitable activities								
Provision of leisure and cultural facilities	6	(92,181)	(143)	(12,897)	(105,221)	(6,724)	(111,945)	(128,305)
Total		(95,499)	(143)	(12,897)	(108,539)	(6,571)	(115,110)	(135,972)
Net income/(expenditure)		12,573	(28)	(12,897)	(352)	2,261	1,909	(11,049)
Transfers between funds		(12,573)	11,633	-	(940)	940	-	-
Other recognised (losses)/gains								
Actuarial (losses)/gains on defined benefit pension schemes	21	-	-	(42,776)	(42,776)	-	(42,776)	39,941
Net movement in funds		-	11,605	(55,673)	(44,068)	3,201	(40,867)	28,892
Reconciliation of funds:								
Total funds brought forward		618	2,480	(53,442)	(50,344)	15,875	(34,469)	(63,361)
Total funds carried forward		618	14,085	(109,115)	(94,412)	19,076	(75,336)	(34,469)

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

Parent Charity Statement of Financial Activities
(incorporating an income and expenditure account)
For the year ended 31 March 2021

	Notes	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Unrestricted Pension/Employee Funds £000	Total Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Income from:								
Donations and legacies	3	1,080	50	-	1,130	8,046	9,176	13,109
Investments	4	32	-	-	32	90	122	105
Charitable activities	5							
<i>Provision of leisure and cultural facilities</i>		27,150	65	-	27,215	444	27,659	30,201
<i>Service contract with Glasgow City Council</i>		76,527	-	-	76,527	-	76,527	73,661
Total		104,789	115	-	104,904	8,580	113,484	117,076
Expenditure on:								
Charitable activities								
<i>Provision of leisure and cultural facilities</i>	6	(92,181)	(143)	(12,897)	(105,221)	(6,724)	(111,945)	(128,305)
Total		(92,181)	(143)	(12,897)	(105,221)	(6,724)	(111,945)	(128,305)
Net income/(expenditure)		12,608	(28)	(12,897)	(317)	1,856	1,539	(11,229)
Transfers between funds		(12,573)	11,633	-	(940)	940	-	-
Other recognised (losses)/gains								
Actuarial (losses)/gains on defined benefit pension schemes	21	-	-	(42,776)	(42,776)	-	(42,776)	39,941
Net movement in funds		35	11,605	(55,673)	(44,033)	2,796	(41,237)	28,712
Reconciliation of funds:								
Total funds brought forward		536	2,480	(53,442)	(50,426)	15,378	(35,048)	(63,760)
Total funds brought forward GCMB		77	-	-	77	-	77	77
Total funds carried forward		648	14,085	(109,115)	(94,382)	18,174	(76,208)	(34,971)

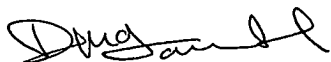
All of the activities are continuing. All gains and losses in the current and prior years are included in the Statement of Financial Activities.

Balance Sheets

At 31 March 2021

		Group		Charity	
		2021 £000	2020 £000	2021 £000	2020 £000
	Note				
Fixed Assets					
Tangible assets	10	2,870	3,874	2,790	3,766
Investments	11	-	-	-	-
Total fixed assets		<u>2,870</u>	<u>3,874</u>	<u>2,790</u>	<u>3,766</u>
Current Assets					
Stock and work in progress	12	280	393	-	11
Debtors	13	21,910	8,864	26,405	13,345
Cash at bank and in hand	14	31,181	32,064	23,105	25,225
Total current assets		<u>53,371</u>	<u>41,321</u>	<u>49,510</u>	<u>38,581</u>
Creditors: amounts falling due in one year	15	<u>(22,462)</u>	<u>(26,222)</u>	<u>(19,393)</u>	<u>(23,876)</u>
Net current assets		<u>30,909</u>	<u>15,099</u>	<u>30,117</u>	<u>14,705</u>
Total assets less current liabilities		<u>33,779</u>	<u>18,973</u>	<u>32,907</u>	<u>18,471</u>
Defined benefit pension liability	21	<u>(109,115)</u>	<u>(53,442)</u>	<u>(109,115)</u>	<u>(54,442)</u>
Net liabilities including pension deficit		<u>(75,336)</u>	<u>(34,469)</u>	<u>(76,208)</u>	<u>(34,971)</u>
The funds of the group:					
Unrestricted income funds	17	14,703	3,098	14,733	3,093
Pension reserve deficit	21	<u>(109,115)</u>	<u>(53,442)</u>	<u>(109,115)</u>	<u>(53,442)</u>
Total unrestricted income funds		<u>(94,412)</u>	<u>(50,344)</u>	<u>(94,382)</u>	<u>(50,349)</u>
Restricted income funds	18	19,076	15,875	18,174	15,378
Total charity funds	19	<u>(75,336)</u>	<u>(34,469)</u>	<u>(76,208)</u>	<u>(34,971)</u>

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



David McDonald
Chair

08 September 2021

Registered number SC037844

Group Statement of Cash Flows

	<i>Note</i>	2021 £000	2020 £000
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	20	(997)	12,357
Cash flows from investing activities:			
Interest		129	124
Purchase and disposal of property, plant and equipment		(15)	(1,154)
Net cash generated/(used in) investing activities		114	(1,030)
<i>Change in cash and cash equivalents in the reporting period</i>		(883)	11,327
Cash and cash equivalents at the beginning of the reporting period		32,064	20,737
Cash and cash equivalents at the beginning of the reporting period - GCMB		-	-
Cash and cash equivalents at the end of the reporting period		31,181	32,064

Analysis of net debt

	As at 1 April 2020 £000	Cashflows £000	Other changes £000	As at 31 March 2021 £000
Cash and cash equivalents	32,064	(883)	-	31,181
	32,064	(883)	-	31,181

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

1. Accounting policies

Basis of accounting

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

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

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

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

Basis of consolidation

The consolidated financial statements include the financial statements of the charitable company and its subsidiary undertaking Culture and Sport Glasgow (Trading) C.I.C. made up to 31 March 2021.

Income and expenditure

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

Going concern

The financial statements have been prepared on a going concern basis. COVID-19 has had a significant impact on the organisation both operationally and financially. As an organisation we are doing all we can to mitigate losses, including engaging fully in a number of national and local recovery forums to map a way forward and accessing the various initiatives/funds that have been made available by Government. We are owned by Glasgow City Council from whom we receive an annual Service Fee and a letter of support has been provided by GCC to ensure the ongoing financial sustainability of Culture and Sport Glasgow, whilst we recover from Covid. We have adapted our delivery models and are forward planning to balance short term needs with a longer term financially sustainable business model.

Fund Accounting

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

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

Incoming resources

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

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

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

Incoming resources (continued)

Income from Glasgow City Council is accounted for on an accruals basis and is agreed in advance based on the level of service provided.

Investment Income is accounted for on an accruals basis.

Resources Expended

All expenditure is accounted for on an accruals basis. Where costs cannot be directly attributed to a cost heading, they have been allocated on a basis consistent with use of the resources.

Costs of generating funds

Costs of generating funds represents the direct operational costs involved within the subsidiary undertaking to provide services such as catering facilities, hire of conference facilities and the provision of retail shopping in the venues and events operated by the parent company.

Costs of charitable activities

Costs of charitable activities represent the direct operational costs expended on the provision of cultural, recreational and leisure facilities in accordance with the company's charitable objectives.

Support costs relate to corporate services costs and are not allocated to specific service areas but are shown across functions, as outlined in Note 6.

Governance costs

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

Leases

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

Stocks

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

Debtors

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

Cash and Liquid resources

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

Creditors

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

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

Financial assets and financial liabilities

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

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

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

Depreciation

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

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

The de-minimis applied, when considering capitalisation of expenditure, is £1,000 (2020: £1,000).

Taxation
Group

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

Charitable company

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

Pensions

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

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

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

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

Pensions (continued)

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

Termination benefits

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

2. Critical judgements and estimates

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

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

Defined benefit pension and other post-employment benefits

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

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

3. Donations and legacies

Group	Unrestricted 2021 £000	Restricted 2021 £000	Total 2021 £000	Total 2020 £000
Contributions	32	360	392	1,519
Donations and Bequests	8	278	286	580
Grants	1,040	7,458	8,498	9,345
	1,080	8,096	9,176	11,444
Charity	Unrestricted 2021 £000	Restricted 2021 £000	Total 2021 £000	Total 2020 £000
Gift Aid from Trading CIC	-	-	-	1,665
Contributions	32	360	392	1,519
Donations and Bequest	8	278	286	580
Grants	1,040	7,458	8,498	9,345
	1,080	8,096	9,176	13,109

Voluntary Income from charitable activities in 2020 was £11,444,000 of which £2,694,000 was unrestricted and £8,750,000 was restricted.

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

4. Investment Income

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Interest receivable	129	124	122	105
	129	124	122	105

5. Incoming Resources from Charitable Activities

	Unrestricted	Restricted	Total	Total
	2021	2021	2021	2020
	£000	£000	£000	£000
Sports and Events	9,646	70	9,716	22,752
Libraries and Community Facilities	2,123	69	2,192	3,974
Arts and Music	485	30	515	1,688
Comm Facs/Learning	74	146	220	1,046
Corporate Services	14,781	66	14,847	45
Museums	41	128	169	696
	27,150	509	27,659	30,201
Service contract with Glasgow City Council	77,988	-	77,988	75,545
	105,138	509	105,647	105,746

Income from charitable activities in 2020 was £105,746,000 of which £103,923,000 was unrestricted and £1,823,000 was restricted.

6. Analysis of resources expended

	Charitable	Support	Total	Total
	Activities	Costs	2021	2020
	2021	2021	2021	2020
	£000	£000	£000	£000
<i>Unrestricted General funds – charitable activity/cost</i>				
Provision of leisure and cultural facilities (see below)	69,585	22,596	92,181	104,756
<i>Restricted funds – charitable activity / cost</i>				
Provision of leisure and cultural facilities (see below)	6,724	-	6,724	10,642
	76,309	22,596	98,905	115,398

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

6. Analysis of resources expended (continued)

Analysis of charitable activities by objective

	Unrestricted General Funds 2021 £000	Restricted Funds 2021 £000	Total 2021 £000	Total 2020 £000
Sports and Events	34,804	3,742	38,546	47,354
Libraries and Cultural Venues	9,426	378	9,804	10,752
Arts and Music	1,045	1,015	2,060	4,201
Comm Facs/Learning	13,396	1,165	14,561	15,592
Corporate Services	22,596	13	22,609	24,156
Museums	10,914	411	11,325	13,343
	92,181	6,724	98,905	115,398

Expenditure on charitable activities in 2020 was £115,398,000 of which £104,756,000 was unrestricted and £10,642,000 was restricted.

	2021 £000	2020 £000
Net incoming resources are stated after charging:		
Depreciation	1,018	1,317
Auditor's remuneration – see note 7	26	26

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

Allocation of Support Costs

	Charitable Activities 2021 £000	Governance 2021 £000	Total 2021 £000	Total 2020 £000
Finance, Procurement and Business Support	3,474	75	3,549	4,058
ICT	4,154	-	4,154	3,756
Human Resources	960	-	960	1,000
Marketing and Media	1,638	-	1,638	2,271
Administration and Management	11,973	328	12,301	12,439
	22,199	403	22,602	23,524

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

7. Governance costs

	Group Unrestricted General Funds 2021 £000	Restricted Funds 2021 £000	Total 2021 £000	Total 2020 £000
Strategic Planning Costs	328	-	328	277
External auditors' remuneration:				
Audit of these financial statements	23	-	23	23
Audit of financial statements of subsidiaries pursuant of legislation	3	-	3	3
Other services relating to taxation	3	-	3	-
Audit Fees – Internal	30	-	30	44
Directors and Officers Indemnity Insurance	16	-	16	14
	403	-	403	361

8. Staff numbers and costs

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

	Group 2021 £000	2020 £000	Charity 2021 £000	2020 £000
Wages and Salaries	56,496	55,914	54,518	53,650
Redundancy Costs	77	46	77	44
Social Security Costs	4,941	4,993	4,766	4,821
Other Pension Costs	20,901	22,417	20,572	22,110
Agency Costs	23	120	23	109
	82,438	83,490	79,956	80,734

6 members (2020: 15) of staff retired due to ill health or were made redundant during the year and received lump sum payments totalling £70,381 (2020: £270,322).

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

	Group and Charity 2021 Number	2020 Number
£140,000 - £149,999	1	1
£130,000 - £139,999	-	-
£100,000 - £129,999	1	1
£90,000 - £99,999	3	2
£80,000 - £89,999	-	1
£70,000 - £79,999	13	11
£60,000 - £69,999	18	14
	36	30

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

8. Staff numbers and costs (continued)

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

No remuneration or expenses were paid to directors in their capacity as directors. However, one of the directors, Dr Bridget McConnell, was employed by the company as Chief Executive and received total remuneration in her capacity as an employee of £146,974 (2020: £144,315) plus an employer's contribution to the defined benefit pension scheme of £24,410 (2020: £22,928)

	Group and Charity	
	2021	2020
	Number	Number
£140,000 - £149,000	1	1
	<u>1</u>	<u>1</u>

The key management personnel of the Group comprise the Chief Executive, Director of City Marketing & External Relations, Director of Finance & Corporate Services, Director of Cultural Services and Director of Sport & Events. The total employee benefits of the key management personnel were £699,370 (2020: £668,727).

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

	Group		Charity	
	2021	2020	2021	2020
	FTE	FTE	FTE	FTE
External Relations & Infrastructure	92	96	92	96
Arts & Music	151	136	151	136
Museums & Collections	273	279	273	279
Communities & Libraries	457	464	457	464
Sport & Events	880	877	880	877
Management and Administration	143	150	143	150
Retail	35	39	-	-
	<u>2,031</u>	<u>2,041</u>	<u>1,996</u>	<u>2,002</u>

During the year Glasgow Life also employed staff relating to Burrell Project - 21 (2020: 24) which are not included in figures above.

9. Activities for Generating Funds

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

	Total	Total
	2021	2020
	£000	£000
Turnover	3,123	9,313
Cost of Sales and Administration Costs	(3,165)	(7,667)
Interest receivable	7	19
Net (loss)/profit on ordinary activities before taxation	<u>(34)</u>	<u>1,665</u>
Taxation on profit on ordinary activities		
(Loss)/profit for the year	(34)	1,665
Gift Aid to charity	-	(1,665)
Retained in the subsidiary	-	-

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

9. Activities for Generating Funds (continued)

The assets and liabilities of the subsidiary were:

	2021 £'000	2020 £'000
Fixed Assets	79	106
Current Assets	9,826	8,536
Current Liabilities	(9,939)	(8,641)
Total Net Assets	(34)	1
Aggregate share capital and reserves	(34)	1

10. Tangible assets

Group	Leasehold Improvements 2021 £000	Plant & Equipment 2021 £000	Total 2021 £000
<i>Cost</i>			
At the beginning of the year	7,757	5,173	12,930
Additions	-	15	15
Disposals	(1,745)	(358)	(2,103)
At end of year	6,012	4,830	10,842
<i>Accumulated Depreciation</i>			
At beginning of year	(4,724)	(4,332)	(9,056)
Charge of year	(712)	(307)	(1,019)
Disposals	1,745	358	2,103
At end of year	(3,691)	(4,281)	(7,972)
Net book value at 31 March 2021	2,321	549	2,870
Net book value at 31 March 2020	3,033	841	3,874
Charity	Leasehold Improvements 2021 £000	Plant & Equipment 2021 £000	Total 2021 £000
<i>Cost</i>			
At the beginning of year	7,504	5,148	12,652
Additions	-	15	15
Disposals	(1,745)	(358)	(2,103)
-At end of year	5,759	4,805	10,564
<i>Accumulated Depreciation</i>			
At beginning of year	(4,573)	(4,313)	(8,886)
Charge of year	(688)	(303)	(991)
Disposals	1,745	358	2,103
At end of year	(3,516)	(4,258)	(7,774)
Net book value at 31 March 2021	2,243	547	2,790
Net book value at 31 March 2020	2,931	835	3,766

All assets owned are held for charitable use.

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

11. Investments

	Charity 2021 £000	2020 £000
Investment in subsidiary undertaking	-	-

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

12. Stocks and work in progress

	Group 2021 £000	2020 £000	Charity 2021 £000	2020 £000
Merchandise for resale	280	393	-	11

13. Debtors

	Group 2021 £000	2020 £000	Charity 2021 £000	2020 £000
Trade debtors	2,072	2,936	1,837	2,460
Amounts owed by group undertakings (parent)	60	95	60	82
Amounts owed by group undertakings	-	-	652	-
VAT	-	-	5,305	5,070
Prepayments and accrued income	4,228	5,833	4,221	5,733
Deficit funding debtor	15,550	-	14,330	-
	<u>21,910</u>	<u>8,864</u>	<u>26,405</u>	<u>13,345</u>

14. Cash at bank and in hand

	Group 2021 £000	2020 £000	Charity 2021 £000	2020 £000
Cash at bank and in hand	20,936	19,581	12,860	13,012
Short term deposits	10,245	12,483	10,245	12,213
	<u>31,181</u>	<u>32,064</u>	<u>23,105</u>	<u>25,225</u>

15. Creditors: amounts falling due within one year

	Group 2021 £000	2020 £000	Charity 2021 £000	2020 £000
Trade creditors	1,643	1,668	1,492	1,322
Amounts owed by group undertakings	-	-	-	720
Other Creditors	11,521	10,638	11,491	10,543
Taxation and Social Security	2,055	2,054	2,064	2,060
VAT	2,657	2,419	-	-
Accruals and Deferred Income	4,586	9,443	4,346	9,231
	<u>22,462</u>	<u>26,222</u>	<u>19,393</u>	<u>23,876</u>

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

16. Deferred income

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

	Group £000	Charity £000
Balance as at 1 April 2020	9,443	9,231
Movement during the year	(4,857)	(4,885)
Balance at 31 March 2021	4,586	4,346

17. Unrestricted Income Funds

Group 2021

	Unrestricted General Funds 2021 £000	Unrestricted Designated Funds 2021 £000	Total 2021 £000
Balance as at 1 April	618	2,480	3,098
Income	108,072	115	108,187
Expenditure	(95,499)	(143)	(95,642)
Transfers	(12,573)	11,633	(940)
Balance at 31 March	618	14,085	14,703

Charity 2021

	Unrestricted General Funds 2021 £000	Unrestricted Designated Funds 2021 £000	Total 2021 £000
Balance as at 1 April	613	2,480	3,093
Income	104,789	115	104,904
Expenditure	(92,181)	(143)	(92,324)
Transfers	(12,573)	11,633	(940)
Balance at 31 March	648	14,085	14,733

Group 2020

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

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

17. Unrestricted Income Funds (continued)

Charity 2020

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

Designated income funds

	Total £000
Group and Charity	
Balance as at 1 April 2020	2,480
Income	115
Expenditure	(143)
Transfers	11,633
Balance at 31 March 2021	14,085

Fund Name	Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2021 £000
Cycle to work	19	65	(40)	-	44
Transition	680	50	-	5,762	6,492
IT Investment	1,152	-	(142)	761	1,771
City Hall Maintenance	197	-	-	-	197
Energy Efficiency	382	-	39	460	881
Remediation works	-	-	-	4,650	4,650
Tourism Strategy	50	-	-	-	50
	2,480	115	(143)	11,633	14,085

FUND DESCRIPTION

Cycle to Work

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

Transition

GL transformation programme

IT Investment

Improve/enhance IT infrastructure

Energy Efficiency

Implement new energy efficiency measures and reduce carbon emissions

City Hall Maintenance Fund

Funding for works at City Hall

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

17. Unrestricted Income Funds (continued)

Remediation Works

Fund to support maintenance programme of buildings

Tourism Strategy

Promoting the city as a visitor destination

18. Restricted income funds

2021	Group £000	Charity £000			
Balance as at 1 April	15,875	15,378			
Income	8,832	8,580			
Expenditure	(6,571)	(6,724)			
Transfers	940	940			
Balance at 31 March	19,076	18,174			
2020	Group £000	Charity £000			
Balance as at 1 April	15,670	15,353			
Income	11,375	10,615			
Expenditure	(11,222)	(10,642)			
Transfers	52	52			
Balance at 31 March	15,875	15,378			
2021 Group	Fund Balance Brought Forward £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Fund Balances Carried Forward £000
Area Teams	1,590	1,765	(1,163)	311	2,503
Arts	413	1,353	(988)	192	970
Corporate	579	145	(14)	300	1,010
Events	574	3,107	(3,271)	-	410
Libraries	198	583	(404)	-	377
Museums	9,870	1,374	(412)	(6)	10,826
Music	34	-	(2)	24	56
Sport and Leisure Activities	2,120	253	(470)	119	2,022
CIC	497	252	153	-	902
	15,875	8,832	(6,571)	940	19,076

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

18. Restricted income funds (continued)

2020 Group

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

Analysis by fund of amounts received during the year in excess of £50,000 or where the fund balance at 31 March 2021 is greater than £25,000.

Service Area	Fund Name	Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2021 £000
Area Teams	Glasgow Digital Skill Prog	198	149	(83)	-	264
	ESOL	51	58	(29)	-	80
	South Youth Prog	41	2	(6)	-	37
	West Hubs	120	31	(16)	226	361
	North East CEV	45	(8)	-	-	37
	Family Learning	78	466	(423)	-	121
	North East Youth Programme	130	17	(62)	37	122
	Universal Credit Digital Support	231	452	(230)	-	453
	ALN Family Literacies Grant	44	-	(7)	15	52
	Primary Care MW	174	-	-	-	174
	Gaelic Development	27	21	(9)	-	39
	North East AL	56	-	(1)	-	55
	South West AL	67	92	(80)	-	79
	Digital Volunteering	1	233	(6)	-	228
	F.F Key Workers Proj	-	99	(63)	-	36
	IGF Funding Various	-	-	-	33	33
	Other	327	153	(148)	-	332
	Total Area Teams	1,590	1,765	(1,163)	311	2,503

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

18. Restricted income funds (continued)

Arts	Arts Grants Payments	19	16	(83)	66	18
	Agent for Change	-	-	(63)	63	-
	Artist in Residence	433	52	(273)	-	212
	MCF 2020	(23)	111	(41)	-	47
	GI 2020	(83)	549	(322)	60	204
	East End Residency	14	30	(16)	-	28
	Festival 2022	-	175	(86)	-	89
	PAV Relief Fund	-	250	(94)	-	156
	Scot Venice 2022	-	155	2	-	157
	Other	53	15	(12)	3	59
Total Arts		413	1,353	(988)	192	970
Corporate	Arena Fund	50	-	(2)	-	48
	City Centre Strategy	43	80	(6)	-	117
	Development Income	155	8	-	-	163
	Facility ENV2 Funding	207	-	-	-	207
	Facilities Mgt Rest	67	-	-	-	67
	Salix Fund	114	-	(33)	300	381
	Visit Scotland	-	50	(11)	-	39
	Other	(57)	7	38	-	(12)
	Total Corporate	579	145	(14)	300	1,010
Service Area	Fund Name	Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2021 £000
Events	Christmas Lights	14	210	(214)	-	10
	MCF 2021	0	43	(17)	-	26
	Mens World Curling	266	118	(376)	-	8
	Subvention – Major Events	119	93	6	-	218
	World Pipe Band	106	2	(48)	-	60
	EUFA EURO 2020	17	639	(711)	-	(55)
	UCI Cycling WC 2023	-	2,002	(1,858)	-	144
	Other	52	-	(53)	-	(1)
	Total Events	574	3,107	(3,271)	-	410
Service Area	Fund Name	Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2021 £000
Libraries	MacMillan at CCLB	2	279	(269)	-	12
	Future Families –Clyde Gtw	58	21	(29)	-	50
	Barlinnie Prison Lib.	29	18	(1)	-	46
	Baillies Book Fund	27	5	-	-	32
	Power up project.	8	67	(77)	-	(2)
	Aye Write Festival	-	112	(26)	-	86
	PLIF INVSTDIGTLOFFER	-	60	-	-	60
	Other	74	21	(2)	-	93
	Total Libraries	198	583	(404)	-	377

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

18. Restricted income funds (continued)

Museums	Exhibitions	83	98	(9)	(10)	162
	Burrell Renaissance	9,451	918	(138)	-	10,231
	Going Green	25	25	(4)	-	46
	Tcone Re-design	73	79	(149)	-	3
	C R Mackintosh Tour	(38)	60	(8)	-	14
	MHG- Burrell Schools	20	10	-	-	30
	GOMA Youth Group 21/22	-	27	-	-	27
	Touring Exhn. Devpt	38	3	(7)	-	34
	Other	218	154	(97)	4	279
	Total Museums	9,870	1,374	(412)	(6)	10,826
Music	UNESCO	31	-	(2)	24	53
	Other	3	-	-	-	3
	Total Music	34	-	(2)	24	56
CIC	Conventions Subvention	446	252	154	-	852
	Other	51	-	(1)	-	50
	Total CIC	497	252	153	-	902
Service Area	Fund Name	Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2021 £000
Sport	Walk Glasgow	127	-	-	-	127
	Active Living Development	44	-	-	-	44
	Keep Well Project	58	-	-	-	58
	Netball Super League	169	65	-	-	234
	COPD	42	-	-	-	42
	Obesity	34	-	-	-	34
	Activity Work	29	-	-	-	29
	Active ABC	50	-	-	-	50
	Sports Grants	57	21	(75)	69	72
	Active Ageing Week	161	-	-	-	161
	Indoor Athletics Res	60	8	-	-	68
	Health Referrals	68	-	-	-	68
	Park Lives	39	-	-	-	39
	CRF	135	-	-	-	135
	Community Sport Hubs	511	119	(227)	50	453
	Garrowhill Tennis	50	-	(1)	-	49
	Coach Core	129	24	(53)	-	100
	Revitalise	80	-	-	-	80
	HWC Volunteer Legacy	76	-	(14)	-	62
	Other	201	16	(100)	-	117
	Total Sport	2,120	253	(470)	119	2,022
Total Restricted Funds		15,875	8,832	(6,571)	940	19,076

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

18. Restricted income funds (continued)

FUND DESCRIPTION

Glasgow Digital Skills Programme

Promote and support Digital Skills

ESOL (English as a second language)

National grant from Scottish Funding Council to support ESOL learning

South Youth Programme

Engaging young people in diverse activities

Primary Care Mental Wellbeing Programme

Pilot – Learning on Prescription

South West Learning

Youth project

West Hubs

Youth Programmes in West

NE Volunteering Programme

Programme to support volunteering in the community

Family Learning

Support literacy and numeracy for parents and children

Adult Learning NE

Support literacy and numeracy in North East

North East Youth Programme

Activities programme for 11-16 year olds in North East

Universal Credit Digital Support

GCC funding to support roll out of Universal Credit

ALN Family Literacies Grant

Delivery of family literacy programmes across the city

Gaelic Development

Raising awareness and development of Gaelic

Fab Life Changes Trust

Youth, cultural and sporting activities for care experienced young people

Digital Volunteering

Scottish Government funding for Digital Volunteer Co-ordinator

F.F Key Workers Proj

Family Employment Support Programme

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

IGF Funding Various

GCC funding for variety of Community based projects

Arts Grants Payments

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

Agent for Change

Programme to support & improve representation and inclusion of ethnic minorities in the arts

Artist in Residence

Community engagement through Artists in Residence programme

MCF

Outdoor Arts Event within Glasgow's Merchant City Festival

GI 2020

Bi-annual arts festival

East End Residency

Clyde Gateway funded artist in residence programme based in the Calton/Barrowfield community

Festival 2022

Nationwide festival of creativity and innovation in 2022

PAV Relief Fund

Performing Arts Venue Relief Funding

Scot Venice 2022

Hosting of the Scottish Pavilion at Venice Biennial 2022

Arena Fund

Funding for redevelopment of Kelvinhall

City Centre Strategy

Marketing and promotion of City Centre Strategy & Action Plan

Development Income

Fundraising activities/Individual Giving

Facility ENV2 Funding

Funding for grounds maintenance and management facility services

Facilities Management

Bequests to be used for refurbishment of various Glasgow Life properties

Salix Fund

Government funding to improve energy efficiency, carbon emissions etc.

Visit Scotland

Funding for redevelopment of Glasgow's official tourism and visitor website

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

Christmas Lights

Christmas light switch on in George Square

MCF2021

Outdoor Arts Event within Glasgow's Merchant City Festival

Men's World Curling

LGT World Men's Curling Championships

Major Events – Subvention

Culture & Rec Funding for events across Glasgow

World Pipe Band

Pipe Band competition with bands from across the world competing.

EUFA EURO 2020

2020 European Football Championships

UCI Cycling WC 2023

UCI Cycling World Championships 2023

MacMillan at CCLB

Delivery of Cancer support groups/services

Future Family – Clyde Gateway

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

Barlinnie Prison Lib

Provision of library service at Barlinnie Prison

Baillie's Book Fund

Baillie's Institution Funding for purchase of books

Power up project

Drive economic inclusion through digital

Aye Write Festival

Annual Book Festival

PLIF INVSTDIGTLOFFER

Investing in Digital

Exhibitions

Museums general exhibitions

Burrell Renaissance

Tour and fundraising elements of Burrell Project

Going Green

Programme on climate change and sustainability at Riverside Museum

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

Tcone Redesign

Funding from The Hunter Foundation for educational wing at Kelvingrove

CR Mackintosh Tour

Touring Exhibition

MHG- Burrell Schools

Engagement programme providing school children from deprived areas access to the newly renovated Burrell Collection

GOMA Youth Group

Set up GOMA Youth Panel

Touring Exhibition Dev

Seed funding for the development of future touring exhibitions

UNSECO

Music programme related to Glasgow being a Unesco City of Music

Active Living Development

Activities designed for older adults.

Walk Glasgow

Walking Programme.

Keep Well Project

NHS funding for sporting activities

Netball Super League

Development of Glasgow Wildcats netball team

COPD

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

Obesity

NHS funded project addressing obesity in children and young people

Active ABC

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

Sports grants

Talented Sports Performer scheme to subsidise cost of certain sports

Active Ageing Week

A week of activities tailored towards older people in Glasgow

Health Referrals

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

Indoor Athletics

Glasgow Sainsbury's Indoor Athletics Championships

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

Activity Work

Promoting healthy activities for employees

Park Lives

Funding from Coca Cola to hold free activities in parks

CRF

Sportscotland funding for delivery of Active Schools programme and Coaching Network

Community Sports Hubs

Community sports development programme.

Garrowhill Tennis

ENV2 Funding for the building of tennis courts

HWC Volunteer Legacy

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

Coach Core

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

Revitalise

GHA funding to support easy exercise, dance or craft classes

Overseas Digital Campaign

Funding for China Digital Campaign

Conventions Subvention

Funding for conferences across Glasgow

19. Analysis of net assets between funds

Group	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	2,870	-	2,870	3,874
Current assets	34,295	19,076	53,371	41,321
Current liabilities	(22,462)	-	(22,462)	(26,222)
Pension Deficit	(109,115)	-	(109,115)	(53,442)
Total net assets	(94,412)	19,076	75,336	(34,469)

The 2021 figures include restricted fund balances of £15,875,000 all of which are deemed to be current assets.

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

19. Analysis of net assets between funds (continued)

Charity	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	2,790	-	2,790	3,766
Current assets	31,336	18,174	49,510	38,581
Current liabilities	(19,393)	-	(19,393)	(23,876)
Pension Deficit	(109,115)	-	(109,115)	(53,442)
	(94,382)	18,174	(76,208)	(34,971)

The 2020 figures include restricted fund balances of £15,378,000 all of which are deemed to be current assets.

20. Notes to the cash flow statement

Reconciliation of expenditure to net cash flow from operating activities

	2021 £000	2020 £000
Net income/(expenditure) for the reporting period	1,909	(11,049)
Depreciation	1,019	1,317
Retirement benefit scheme	12,897	12,828
Interest received	(129)	(124)
Decrease in stocks	113	240
(Increase)/decrease in debtors	(13,046)	760
(Decrease)/increase in creditors and provisions	(3,760)	8,385
Net cash (used)/generated in operating activities	(997)	12,357

Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand	20,936	19,581
Notice deposits (less than 3 months)	10,245	12,483
Net cash used in operating activities	31,181	32,064

21. Pension Scheme

Group and Charity

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

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

21. Pension Scheme (continued)

The Strathclyde Pension Fund is a defined benefit scheme into which employee' and employer's contributions, and interest and dividends from investments are paid and from which pensions, lump sums and superannuation benefits are paid out. Employees' contributions are tiered and employer's basic contributions are assessed every three years by an actuary and are fixed to ensure the fund remains solvent and in a position to meet its future liabilities. The actuarial method used is known as Projected Unit Credit Method. The last actuarial valuation was at 31 March 2020 and following this valuation employer's contributions remained at 19.3% for the years ended 31 March 2021 and 2022 -2023 respectively. Employer's contributions for the period 31 March 2021 amounted to £10,156,000 and were based on a 19.3% contribution.

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

	31 March 2021 £'000	31 March 2020 £'000
Opening defined benefit obligation	413,898	448,762
Current service cost	21,693	24,147
Interest cost	9,711	11,490
Contributions by members	3,610	3,681
Actuarial losses/(gains)	106,209	(65,038)
Past service costs	-	(3,008)
Benefits paid	(7,618)	(5,795)
Unfunded benefits paid	(350)	(341)
Effect of business combinations and disposals		
Closing defined benefit obligation	547,153	413,898

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

	31 March 2021 £'000	31 March 2020 £'000
Opening fair value of plan assets	360,456	368,207
Interest income on plan assets	8,351	9,305
Contributions by members	3,610	3,681
Contributions by the employer	9,806	10,155
Contributions in respect of unfunded benefits	350	341
Actuarial loss/gain	63,433	(25,097)
Benefits paid	(7,618)	(5,795)
Unfunded benefits paid	(350)	(341)
Effect of business combinations and disposals		-
Closing fair value of plan assets	438,038	360,456

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

21. Pension Scheme (continued)

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

	31 March 2021	31 March 2020
	£'000	£'000
Current service cost	(21,693)	(24,147)
Past Service Cost (including curtailment)	-	3,008
Total service cost	(21,693)	(21,139)
Net interest		
Interest income on plan assets	8,351	9,305
Interest cost on defined benefit obligation	(9,711)	(11,490)
Total net interest	(1,360)	(2,185)
Total defined benefit cost recognised in net income/expenditure per the SOFA	(23,053)	(23,324)

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

	31 March 2021	31 March 2020
	%	%
Equities	68	62
Bonds	21	25
Property	10	12
Cash	1	1

The estimated employer contributions for the year to 31 March 2022 are £11,285,000

The bid value of the Fund's assets as at 31 March 2021 is estimated based on information provided by the Administering Authority, index returns where necessary and estimated adjustments for the difference between the mid-market (as supplied) and bid (as required) value of assets.

The principal actuarial assumptions used in the calculations are:

	31 March 2021	31 March 2020
	% per annum	% per annum
Pension Increase Rate	2.85	1.8
Salary Increase Rate	3.55	2.9
Discount Rate – Culture and Sport Glasgow	2.0	2.3
Discount Rate – GCMB	-	-

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

21. Pension Scheme (continued)

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2020 model with a 0% weighting of 2020 data, standard smoothing, initial adjustment of 0.5% and a long term rate of improvement of 1.5%. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	19.8 years	22.6 years
Future Pensioners	21.2 years	24.7 years

22. Operating leases

The Charity utilises 932 items of plant and equipment under the terms of operating leases. Lease rental payments charged to the Statement of Financial Activities in the year for such assets were £437,045 (2020: £403,351). The future minimum lease payments due under non-cancellable leases in future years and in cash terms are as follows:

Operating lease commitments	2021 £'000	2020 £'000
No later than one year	342	349
Later than one year and not later than five	146	368
Total	488	717

23. Related Party

Culture and Sport Glasgow is contracted to provide cultural, community, recreation and leisure services by Glasgow City Council (GCC). In the year to 31 March 2021 GCC provided funds of £77.9m (2020: £75.5m) to the charity in respect of the services undertaken by the charity on its behalf. At 31 March 2021 GCC owed the charity £16.9m (2020: £2.8m) in relation to normal trading activities.

The charity purchased goods and services of £101,106 (2020: £92,681) from and provided goods and services of £31,073 (2020: £29,325) to City Property (Glasgow) LLP of which Baillie Norman MacLeod is a Board Member.

The Charity provide goods and Services of £23,525 (2020: £37,965) to Jobs & Business Glasgow of which Councillor Franny Scally is a Trustee.

The charity provided goods and services amounting to £1,193 (2020: £7,050) to Sistema of which Benny Higgins is Chair.

The charity provided goods and services of £2,940 (2020: £nil) to Scottish Opera of which John McCormick is Vice- Chair.

The charity provided goods and services amounting to £206,790 (2020: £917,558) to NHS of which Professor John Brown is Chair.

The charity provided goods and services amounting to £14,968 (2020: £18,344) to Glasgow Citizen's Advice of which Councillor Michael Cullen is a board member.

The charity provided goods and services of £77,567 (2020: £165,363) to and purchased goods and services of £9,000 (2020: £15,350) from Glasgow University of which Professor Anton Muscatelli is Principal and Benny Higgins is Honorary Professor. The charity also provided goods and services amounting to £885 (2020: £5,416) to High School of Glasgow of which Professor Anton Muscatelli is Director. The Charity also provided £4,650 (2020: £4,650) of goods and services to Beatson Institute of which he is Director.

The charity provided goods and services of £30 (2020: £2,920) to MCR Pathways of which Iain MacRitchie is CEO.

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

24. Contingent Liabilities and Assets

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

Glasgow City Council has agreed to meet any financial liability.

25. Ultimate Holding Organisation

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

26. Post balance sheet event

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

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