

Culture and Sport Glasgow
(A charity limited by guarantee)

Report and Group Financial Statements
Year Ended 31 March 2018

Registered number SC313851 (registered in Scotland)

Scottish Charity number SC 037844

Contents

	Page(s)
Annual Report for the year ended 31 March 2018	1
Statement of directors' responsibilities	9
Statement of internal control	10
Independent auditor's report	11
Group Statement of Financial Activities (incorporating a group income and expenditure account)	14
Parent Charity Statement of Financial Activities	15
Balance sheets	16
Group Statement of Cash Flows	17
Notes to the Financial Statements	18

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018

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 2018. Culture and Sport Glasgow has been entered into the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005, to refer to itself as a charity registered in Scotland.

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

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

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

Objectives and Activities

Principal activity

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

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

Vision Statement

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

Strategic Objectives

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

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

The Company Business and Service Plan which includes our Strategic Context and Strategic Outcomes is approved by the Board on an annual basis. This was last approved by the Board on the 28th March 2018.




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

Achievements and performance




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

- Glasgow Life’s Business and Service Plan (annual)
- Glasgow City Council’s Strategic Plan (2017-2022)
- Commonwealth Games Legacy Framework (2009-2019)








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

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

During 2017/18 we agreed to report to Glasgow City Council on these three key areas:

Measure	Target	Actual	Status
Total no of attendances at Glasgow Life directly managed venues including festivals and events	17.6 million	18.3 million	
Income generated through the company’s charity and CIC	£38.1 million (charity) £30.7 million (CIC) £7.4 million	£35.4 million (charity) £28.7 million (CIC) £6.7 million	
Deliver against key themes set out in 2014 Commonwealth Games Legacy Framework	Active theme	On track	

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

Measure	Target	Actual	Status
Total no of attendances at Glasgow Life directly managed venues, including festivals and events	17,645,409	18,306,442	
Glasgow Communities	1,321,408	1,500,653	
Glasgow Arts, Music & Cultural Venues*	845,470	824,087	
Glasgow Libraries	4,962,574	5,001,378	
Glasgow Museums	3,422,500	3,928,297	
Glasgow Sport	6,276,431	6,267,699	
Glasgow Events **	817,026	784,328	

* Excludes attendances at Arts and Music festivals (Celtic Connections, Merchant City Festival, Mela) which accounted for 302,330 attendances in 2017/18. These were recorded by Glasgow Events in line with approved 2017/18 targets. 15,033 Aye Write and Wee Write attendances, the majority of which take place in The Mitchell library, is reported within Glasgow Libraries figures. Including the above, this would bring Glasgow Arts, Music & Cultural Venues and festival total attendances to 1,126,417

**Also includes BWF Badminton and British Athletics

Glasgow Convention Bureau	Year end 2016/17	Target 2017/18	Actual 2017/18	Status
Economic Value of Conferences	133,000,000	100,000,000	123,713,904	
Actual conference delegate nights in the city	372,954	280,000	344,690	
No of delegate days for future years	389,197	390,000	390,000	
Economic value of conference sales won for future years	142,194,482	140,000,000	143,228,607	

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 2018 was £19,000 (2017: surplus £193,000). 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 2018 was a deficit of £40,941,000 (2017: £101,581,000). The group generated £12,773,000 (2017: £13,544,000) of restricted funds during the year, which after expenditure of £12,121,000 (2017: £8,029,000) and transfer of funds of £663,000 had a closing balance of £11,282,000 (2017: £9,967,000).

The overall group reserve position is a deficit of £29,659,000 (2017: deficit of £91,614,000) as a result of the pension liability as at 31 March 2018 of £42,660,000 (2017: £103,940,000).

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.

The subsidiary company, Culture and Sport Glasgow (Trading) CIC, has a turnover of £9,794,000 (2017: £6,639,000) generating a profit before tax of £1,930,000 (2017: £1,880,000). The subsidiary company gifted £1,931,000 to the charitable company (2017: £1,880,000). It is intended that the subsidiary company will gift aid or covenant all future profits generated to the parent charitable company.

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

Investment policy

The charity had substantial cash balances as at 31 March 2018, 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 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; failure to meet income targets for Sport; ensuring compliance with the new General Data Protection Regulations (GDPR) and future pressure on public sector funding.

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 7th December 2017, 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 £573,000 (2017: £554,000), 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 2018-19 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 2018 this amounted to £73,549,000 (2017: £72,793,769), which is the equivalent of eight months funding of expenditure (2017: 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.

Plans for future periods

Targets for 2018-19

A target of 18,203,470 has been approved for attendances at Glasgow Life directly managed venues, events and festivals for the financial year 2018/19. This takes into account a number of influencing factors, including the planned closure of venues for maintenance and refurbishment and a planned investment programme for Glasgow Sport, Communities and Libraries.

Service	Target
Community Facilities	1,406,235
Glasgow Arts, Music, Cultural Venues and Festivals*	1,357,563
Glasgow Events	427,555
Glasgow Libraries	4,853,666
Glasgow Museums	3,655,225
Glasgow Sport	6,503,226
Total	18,203,470

*Includes attendances at Celtic Connections, Merchant City Festival, Mela and Glasgow International

Glasgow Convention Bureau Finance targets:

Glasgow Conventions	Target
Economic value of conference sales won for future years	£130 million
Actual economic value of conferences taking place in the city during this financial year	£130 million
Total	£260 million

Income generated through the company's charity and CIC targets:

Income generation	Target
Charity	£31.0 million
CIC	£7.4 million
Total	£38.4 million

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 (2017: fourteen) of which:
 - A maximum of five (2017: 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 (2017: eight) directors shall be "Independent Directors"
 - A maximum of one (2017: one) shall be the Executive Director

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

Policies and procedure for induction and training of directors

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

Organisation Structure

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

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

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

Employees

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

Directors' Indemnities

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

Reference and administrative information

Company number	SC 313851 (registered in Scotland)
Charity number	SC 037844
Registered Office	Culture & Sport Glasgow 220 High Street Glasgow G4 0QW
Independent Auditors	Scott-Moncrieff 25 Bothwell Street Glasgow G2 6NL
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	Martin Booth (to August 2018) Jan Buchanan (from August 2018)

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 Archie Graham OBE		18 May 2017
Dr Bridget McConnell CBE (Chief Executive)		
Sir Angus Grossart		
Professor Lesley Sawers		
Mr Dilawer Singh MBE		
Mrs Lee Bonthron		
Councillor Helen Stephen		18 May 2017
Bailie Soryia Siddique		18 May 2017
Councillor Emma Gillan		18 May 2017
Councillor David McDonald (Chair)		
Mr John McCormick		
Ms Amanda McMillan		22 Jan 2018
Professor Anton Muscatelli		
Bailie Norman MacLeod	13 June 2017	
Bailie Elaine Ballantyne	24 May 2017	
Councillor Christina Cannon	24 May 2017	
Councillor Maureen Burke	24 May 2017	
Mr Benny Higgins	13 July 2017	
Mr Iain MacRitchie	20 April 2018	

Key management personnel

		Appointment date	Resignation date
Chief Executive	Dr B McConnell		
Director of City Marketing & External Relations	S Deighan		
Director of Finance & Corporate Services	M Booth		11 May 2018
Director of Cultural Services	S Miller		
Director of Sport & Infrastructure	I Hooper		12 May 2017
Director of Sport and Events	W Garrett	15 May 2017	
Director of Finance & Corporate Services	J Buchanan	23 July 2018	

Disclosure of information to auditors

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

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 12th September 2018 and signed on its behalf by:



David McDonald
Chair

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

STATEMENT OF INTERNAL CONTROL

Scope of Responsibility

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

Purpose of the System of Internal Control

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

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

The process is consistent with guidance in the Scottish Public Finance Manual (SPFM) and has been in place for the year ended 31 March 2018 and up to the date of approval of the annual report and financial statements.

Risk and Control Framework

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

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

Review of Effectiveness

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

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

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



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 2018 which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2018 and of the group's and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Use of our report

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

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



Nick Bennett (Senior Statutory Auditor)
For and on behalf of Scott-Moncrieff, Statutory Auditor
Scott-Moncrieff is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
Allan House
25 Bothwell Street
Glasgow
G4 0QW

Date...12 September 2018.....

**Group Statement of Financial Activities
(incorporating a group income and expenditure account)
For the year ended 31 March 2018**

	Notes	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Pension/ Employee Funds £000	Unrestricted Funds £000	Total Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Income from:									
Donations and legacies	7	1,416	58		1,474	10,484	11,958	14,747	
Other trading activities									
Commercial trading Company	9	6,698			6,698	971	7,669	6,639	
Glasgow City Marketing Bureau								6,534	
Investments	6	40			40	25	65	69	
Charitable activities	8								
Provision of leisure and cultural facilities		26,948			26,948	1,293	28,241	26,485	
Service contract with Glasgow City Council		73,549			73,549		73,549	72,794	
Total		108,651	58		108,709	12,773	121,482	127,268	
Expenditure on:									
Other trading activities									
Commercial trading company	9	(7,141)			(7,141)	(727)	(7,868)	(4,764)	
Glasgow City Marketing Bureau								(6,569)	
Charitable activities									
Provision of leisure and cultural facilities	3	(101,167)	(378)	(10,557)	(112,102)	(11,394)	(123,496)	(113,246)	
Total		(108,308)	(378)	(10,557)	(119,243)	(12,121)	(131,364)	(124,579)	
Net income/(expenditure)		343	(320)	(10,557)	(10,534)	652	(9,882)	2,689	
Transfers between funds									
Other recognised gains/(losses)		(324)	(339)		(663)	663			
Actuarial gains/(losses) on defined benefit pension schemes	21			71,837	71,837		71,837	(49,215)	
Balance on GCMB defined benefit pension scheme								(795)	
Net movement in funds		19	(659)	61,280	60,640	1,315	61,955	(47,321)	
Reconciliation of funds:									
Total funds brought forward		554	1,805	(103,940)	(101,581)	9,967	(91,614)	(44,293)	
Total funds carried forward		573	1,146	(42,660)	(40,941)	11,282	(29,659)	(91,614)	

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 2018**

	Notes	Unrestricted General Funds £000	Unrestricted Designated Funds £000	Unrestricted Pension/Employee Funds £000	Unrestricted Funds £000	Total Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Income from:									
Donations and legacies	7	3,346	58	-	3,404	10,484	13,888	16,627	
Investments	6	36			36	25	61	60	
Charitable activities	8								
Provision of leisure and cultural facilities		26,948			26,948	1,293	28,241	26,485	
Service contract with Glasgow City Council		71,180			71,180	-	71,180	72,794	
Total		101,510	58	-	101,568	11,802	113,370	115,966	
Expenditure on:									
Charitable activities									
Provision of leisure and cultural facilities	3	(101,167)	(378)	(13,267)	(114,812)	(11,394)	(126,206)	(113,246)	
Total		(101,167)	(378)	(13,267)	(114,812)	(11,394)	(126,206)	(113,246)	
Net income/(expenditure)		343	(320)	(13,267)	(13,244)	408	(12,836)	2,720	
Transfers between funds		(324)	(339)		(663)	663			
Other recognised gains/(losses)									
Actuarial gains/(losses) on defined benefit pension schemes	21			71,837	71,837		71,837	(47,334)	
Net movement in funds		19	(659)	58,570	57,930	1,071	59,001	(44,614)	
Reconciliation of funds:									
Total funds brought forward		472	1,805	(101,230)	(98,953)	9,967	(88,986)	(44,372)	
Total funds brought forward GCMB		77			77		77		
Total funds carried forward		568	1,146	(42,660)	(40,946)	11,038	(29,908)	(88,986)	

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 2018

		Group		Charity	
		2018	2017	2018	2017
		£000	£000	£000	£000
	Note				
Fixed Assets					
Tangible assets	10	4,187	4,550	4,042	4,375
Investments	11	-	-	-	-
Total fixed assets		4,187	4,550	4,042	4,375
Current Assets					
Stock and work in progress	12	720	562	15	12
Debtors	13	8,926	7,051	12,498	9,707
Cash at bank and in hand		15,066	16,246	14,513	14,215
Total current assets		24,712	23,859	27,026	23,934
Creditors: amounts falling due in one year	14	(15,898)	(16,083)	(18,316)	(16,065)
Net current assets		8,814	7,776	8,710	7,869
Total assets less current liabilities		13,001	12,236	12,752	12,244
Defined benefit pension liability	21	(42,660)	(103,940)	(42,660)	(101,230)
Net liabilities including pension deficit		(29,659)	(91,614)	(29,908)	(88,986)
The funds of the group:					
Unrestricted income funds		1,719	2,359	1,714	2,277
Pension reserve deficit	21	(42,660)	(103,940)	(42,660)	(101,230)
Total unrestricted income funds		(40,941)	(101,581)	(40,946)	(98,953)
Restricted income funds	18	11,282	9,967	11,038	9,967
Total charity funds	19	(29,659)	(91,614)	(29,908)	(88,986)

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



David McDonald
Chair

12 September 2018

Registered number SC037844

Group Statement of Cash Flows

	<i>Note</i>	2018	2017
		£000	£000
Cash flows from operating activities:			
<i>Net cash provided by (used in) operating activities</i>	20	(397)	7,186
Cash flows from investing activities:			
Interest		65	69
Purchase and disposal of property, plant and equipment		(848)	(697)
		<hr/>	<hr/>
Net cash provided by/(used in) investing activities		(783)	(628)
		<hr/>	<hr/>
<i>Change in cash and cash equivalents in the reporting period</i>		(1,180)	6,558
Cash and cash equivalents at the beginning of the reporting period		16,246	8,752
Cash and cash equivalents at the beginning of the reporting period - GCMB		-	936
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		15,066	16,246
		<hr/>	<hr/>

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 (page 21).

Basis of consolidation

The consolidated financial statements include the financial statements of the charitable company and its subsidiary undertaking Culture and Sport Glasgow (Trading) CIC made up to 31 March 2018.

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 the going concern basis as management believe that the charity has sufficient new 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.

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.

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

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

Investment Income is accounted for on an accruals basis.

Resources Expended

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

Costs of generating funds

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

Costs of charitable activities

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

Support costs relate to corporate services costs and are not allocated to specific service areas but are shown across functions, as outlined in Note 3.

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.

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.

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

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 (2017: £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.

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

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

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. Analysis of resources expended

	Charitable Activities 2018 £000	Support Costs 2018 £000	Total 2018 £000	Total 2017 £000
<i>Unrestricted General funds – charitable activity/cost</i>				
Provision of leisure and cultural facilities (see below)	78,395	22,772	101,167	100,730
<i>Restricted funds – charitable activity / cost</i>				
Provision of leisure and cultural facilities (see below)	11,394	-	11,394	8,029
	<u>89,789</u>	<u>22,772</u>	<u>112,561</u>	<u>108,759</u>

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

Analysis of charitable activities by objective

	Unrestricted General Funds 2018 £000	Restricted Funds 2018 £000	Total 2018 £000	Total 2017 £000
Sports and Leisure Activities	39,338	6,988	46,326	42,508
Libraries and Cultural Venues	9,256	530	9,786	10,462
Arts and Museums	13,697	2,030	15,727	15,708
Area Teams/Learning	13,804	1,263	15,067	14,505
Corporate Services	22,772	554	23,326	23,394
Music	2,300	29	2,329	2,182
	<u>101,167</u>	<u>11,394</u>	<u>112,561</u>	<u>108,759</u>

Expenditure on charitable activities in 2017 was £108,759,000 of which £100,730,000 was unrestricted and £8,029,000 was restricted.

	2018 £000	2017 £000
Depreciation	1,032	4
Auditors remuneration – see note 4	24	26

Net incoming resources are stated after charging:

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

Allocation of Support Costs

	Charitable Activities 2018 £000	Governance 2018 £000	Total 2018 £000	Total 2017 £000
Finance, Procurement and Business Support	3,963	71	4,034	3,446
ICT	2,796	-	2,796	2,846
Human Resources	850	-	850	931
Marketing and Media	2,559	-	2,559	3,183
Administration and Management	12,221	313	12,533	12,808
	<u>22,389</u>	<u>384</u>	<u>22,772</u>	<u>23,214</u>

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

4. Governance costs

	Group			
	Unrestricted General Funds 2018 £000	Restricted Funds 2018 £000	Total 2018 £000	Total 2017 £000
Strategic Planning Costs	313		313	374
External auditors' remuneration: Audit of these financial statements	21		21	23
Audit of financial statements of subsidiaries pursuant of legislation	3		3	3
Other services relating to taxation				-
Audit Fees – Internal	35		35	30
Directors and Officers Indemnity Insurance	12		12	10
	384	-	384	440

5. Staff numbers and costs

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

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Wages and Salaries	55,396	54,144	53,244	51,426
Redundancy Costs	178	426	169	267
Social Security Costs	4,796	4,858	4,651	4,509
Other Pension Costs	18,949	10,588	18,664	10,453
Agency Costs	161	128	160	123
	79,480	70,144	76,888	66,778

15 members of staff were made redundant during the year and received lump sum payments totalling £177,824.

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

	Group and Charity	
	2018 Number	2017 Number
£130,000 - £139,999	1	1
£100,000 – £129,999	1	1
£90,000 - £99,999	1	1
£80,000 - £89,999	3	3
£70,000 - £79,999	9	5
£60,000 - £69,999	4	6
	19	17

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 £136,801 (2017: £135,609) plus an employer's contribution to the defined benefit pension scheme of £23,479 (2017: £23,256)

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

£130,000 - £139,000

Group and Charity	
2018	2017
Number	Number
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 & Infrastructure. The total employee benefits of the key management personnel were £676,017 (2017 £761,224)

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

	Group		Charity	
	2018 FTE	2017 FTE	2018 FTE	2017 FTE
External Relations & Infrastructure	117	144	117	144
Arts & Music	127	135	127	135
Museums & Collections	281	297	281	297
Communities & Libraries	468	479	468	479
Sport & Events	921	866	921	866
Management and Administration	145	161	145	161
Retail	42	42		
	<u>2,101</u>	<u>2,124</u>	<u>2,059</u>	<u>2,082</u>

During the year Glasgow Life also employed staff relating to Burrell Project - 21 (2017: 28) and European Championships – 41 (2017:36) which are not included in figures above.

6. Investment Income

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Interest receivable	65	69	61	60
	<u>65</u>	<u>69</u>	<u>61</u>	<u>60</u>

7. Voluntary Income: grants and donations

Group	Unrestricted	Restricted	Total	Total
	2018 £000	2018 £000	2018 £000	2017 £000
Contributions	172	1,406	1,578	2,497
Donations and Bequests	307	1,548	1,855	516
Grants	995	7,530	8,525	11,734
	<u>1,474</u>	<u>10,484</u>	<u>11,958</u>	<u>14,747</u>

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

Charity	Unrestricted 2018 £000	Restricted 2018 £000	Total 2018 £000	Total 2017 £000
Gift Aid from Trading CIC	1,930		1,930	1,880
Contributions	172	1,406	1,578	2,497
Donations and Bequest	307	1,548	1,855	516
Grants	995	7,530	8,525	11,734
	<u>3,404</u>	<u>10,484</u>	<u>13,888</u>	<u>16,627</u>

Voluntary Income from charitable activities in 2017 was £14,747,000 of which £2,068,000 was unrestricted and £12,679,000 was restricted.

8. Incoming Resources from Charitable Activities

	Unrestricted 2018 £000	Restricted 2018 £000	Total 2018 £000	Total 2017 £000
Sports and Leisure Activities	21,151	1,008	22,159	20,927
Libraries and Community Facilities	2,540	14	2,554	2,330
Arts and Museums	342	371	713	559
Area Teams/Learning	509	71	580	537
Corporate Services	786	(180)	606	833
Music	1,620	9	1,629	1,299
	<u>26,948</u>	<u>1,293</u>	<u>28,241</u>	<u>26,485</u>
Service contract with Glasgow City Council	73,549	-	73,549	72,794
	<u>100,497</u>	<u>1,293</u>	<u>101,790</u>	<u>99,279</u>

Income from charitable activities in 2017 was £99,279,000 of which £98,414,000 was unrestricted and £865,000 was restricted.

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 2018 £000	Total 2017 £000
Turnover	9,794	6,639
Cost of Sales and Administration Costs	(7,868)	(4,764)
Interest receivable	4	5
	<u>1,930</u>	<u>1,880</u>
Net profit on ordinary activities before taxation		
Taxation on profit on ordinary activities		
	<u>1,930</u>	<u>1,880</u>
Profit for the year	1,930	1,880
Gift Aid to charity	(1,930)	(1,880)
Retained in the subsidiary	<u>-</u>	<u>-</u>

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

The assets and liabilities of the subsidiary were:

Fixed Assets	145	161
Current Assets	6,434	5,125
Current Liabilities	(6,578)	(5,283)
Total Net Assets	1	3
Aggregate share capital and reserves	1	3

10. Tangible assets

Group	Leasehold	Plant &	Total
	Improvements	Equipment	
	2018	2018	2018
	£000	£000	£000
<i>Cost</i>			
At the beginning of the year	5,764	4,245	10,009
GCMB Transfer		103	103
Additions	228	619	847
Disposals	-	(179)	(179)
At end of year	<u>5,992</u>	<u>4,788</u>	<u>10,780</u>
<i>Accumulated Depreciation</i>			
At beginning of year	(3,023)	(2,448)	(5,561)
GCMB Transfer		(90)	(90)
Charge of year	(535)	(676)	(1,211)
Disposals	-	179	179
At end of year	<u>(3,558)</u>	<u>(3,035)</u>	<u>6,593</u>
Net book value at 31 March 2018	<u>2,434</u>	<u>1,753</u>	<u>4,187</u>
Net book value at 31 March 2017	<u>2,741</u>	<u>1,809</u>	<u>4,550</u>
Charity			
	Leasehold	Plant &	Total
	Improvements	Equipment	
	2018	2018	2018
	£000	£000	£000
<i>Cost</i>			
At the beginning of year	5,539	4,219	9,758
GCMB Transfer	-	103	103
Additions	218	619	837
Disposals	-	(179)	(179)
At end of year	<u>5,757</u>	<u>4,763</u>	<u>10,520</u>
<i>Accumulated Depreciation</i>			
At beginning of year	(2,945)	(2,438)	(5,383)
GCMB Transfer	-	(90)	(90)
Charge of year	(512)	(672)	(1,184)
Disposals	-	179	179
At end of year	<u>(3,457)</u>	<u>(3,021)</u>	<u>(6,478)</u>
Net book value at 31 March 2018	<u>2,300</u>	<u>1,742</u>	<u>4,042</u>
Net book value at 31 March 2017	<u>2,594</u>	<u>1,781</u>	<u>4,375</u>

All assets owned are held for charitable use.

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

11. Investments

	Charity	2017
	2018	£000
	£000	£000
Investment in subsidiary undertaking	-	-

Glasgow Life holds full share capital of £100 of Culture and Sport Glasgow (Trading) CIC

12. Stocks and work in progress

	Group		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Merchandise for resale	720	562	15	12

13. Debtors

	Group		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade debtors	4,298	3,369	3,807	1,599
Amounts owed by group undertakings	82	215	70	166
VAT	-	-	4,320	4,045
Prepayments and accrued income	4,546	3,467	4,301	3,897
	<u>8,926</u>	<u>7,051</u>	<u>12,498</u>	<u>9,707</u>

14. Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade creditors	2,414	2,507	2,109	2,177
Amounts owed by group undertakings	-	-	4,426	2,256
Accruals	8,433	8,327	8,043	8,193
Taxation and Social Security	1,921	1,851	1,928	1,858
VAT	1,111	979	-	-
Deferred Income	2,019	2,419	1,810	1,581
	<u>15,898</u>	<u>16,083</u>	<u>18,316</u>	<u>16,065</u>

15. Deferred income

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

	Group	Charity
	£000	£000
Balance as at 1 April 2017	2,419	1,581
Amounts released during the year	(400)	229
Balance at 31 March 2018	<u>2,019</u>	<u>1,810</u>

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

16. Financial assets and liabilities

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Financial assets measured at amortised cost	22,703	21,661	21,470	17,616
Financial liabilities measured at amortised cost	(10,847)	(10,879)	(14,578)	(12,627)
	<u>11,856</u>	<u>10,782</u>	<u>6,892</u>	<u>4,989</u>

Group financial assets comprise of trade debtors, accrued income, other debtors, all due within one year and cash and bank balances. Company financial assets also include an intercompany balance due from the wholly owned subsidiary.

Financial liabilities comprise of trade creditors and other creditors and accruals.

17. Designated income funds

Group and Charity	Total £000
Balance as at 1 April 2017	1,805
Income	(301)
Expenditure	(358)
Transfers	-
Balance at 31 March 2018	<u>1,146</u>

Fund Name	Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2018 £000
Cycle to Work	59	1	(12)		48
IT Investment	573		(239)		334
City Hall Maintenance	460		(111)		349
Energy Efficiency	606	49	6	(339)	322
Tourism Strategy	100	8	(15)		93
Other	7		(7)		-
	1,805	58	(378)	(339)	1,146

FUND DESCRIPTION

Cycle to Work

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

IT Investment

Improve/enhance IT infrastructure

Energy Efficiency

Implement new energy efficiency measures and reduce carbon emissions

City Hall Maintenance Fund

Funding for works at City Hall

Tourism Strategy

Promoting the city as a visitor destination

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

18. Restricted income funds

Group	Total £000
Balance as at 1 April 2017	9,967
Income	12,773
Expenditure	(12,121)
Transfers	663
Balance at 31 March 2018	11,282

The other reserve represents a number of small funds received from external organisations for specific purposes.

Sufficient resources are held to enable each fund to be applied in accordance with all restrictions.
Transfers between funds are not performed.

Restricted Funds

	Fund Balance Brought Forward £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Fund Balances Carried Forward £000
Area Teams	839	1,377	(1,238)	2	980
Arts	157	635	(1,049)	446	189
Corporate	233	415	(513)	379	514
Events	178	2,581	(1,954)	(484)	321
Libraries	283	723	(738)	-	268
Museums	5,427	1,938	(838)	35	6,562
Music	23	36	(29)	-	30
Sport and Leisure Activities	2,827	4,097	(5,035)	285	2,174
CIC	-	971	(727)	-	244
	9,967	12,773	(12,121)	663	11,282

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

Restricted income funds

Analysis by fund of amounts received during the year in excess of £50,000 or where the fund balance at 31 March 2018 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 2018 £000
Area Teams	Glasgow Digital Skill Prog	-	203	-	5	208
	ESOL	53	41	(37)	-	57
	Youth Dev Officer	18	62	(66)	-	14
	South Youth Prog	56	110	(141)	(1)	25
	Central West Hubs	36	-	-	-	36
	North Glasgow Youth	45	18	(13)	-	50
	West Hubs	78	50	(42)	-	86
	NE Volunteering Prog	32	-	(1)	-	31
	Family Learning	49	456	(410)	-	95
	Lib Self Service Project	-	187	(159)	-	28
	Fin Capability Project	-	91	(91)	-	-
	St Francis Community Project	-	37	(1)	-	36
	Other	471	122	(277)	(2)	314
	Total Area Teams	839	1,377	(1,238)	2	980
Arts	Arts Grants Payments	9	78	(76)	-	11
	Agent For Change	-	100	(26)	-	74
	GI 2018	46	269	(436)	150	29
	MCF 2017	-	130	(350)	220	-
	Other	102	58	(161)	76	75
	Total Arts	157	635	(1,049)	446	189
Corporate	Energy Projects	(250)	-	49	-	(201)
	City Centre Strategy	-	295	(274)	-	21
	BT Contr To Telecoms	72	-	(14)	-	58
	Charles Rennie Mac	-	-	(1)	40	39
	Development Income	89	13	(2)	-	100
	Facility ENV2 Funding	158	-	-	-	158
	Facilities Mgt Rest	67	-	-	-	67
	Salix Fund	95	107	(263)	339	278
	Other	2	-	(8)	-	(6)
	Total Corporate	233	415	(513)	379	514
Events	Christmas Lights 2017	-	5	(115)	110	-
	Fireworks 2017	-	19	(119)	100	-
	BBC Proms 2017	-	166	(166)	-	-
	World Pipe Band	105	367	(736)	401	137
	Tour of Britain	70	-	-	-	70
	Subvention	-	2,024	(818)	(1,095)	111
	Other	3	-	-	-	3
	Total Events	178	2,581	(1,954)	(484)	321

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

Service Area	Fund Name	Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2018 £000
		Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2018 £000
Libraries	Aye Write Festival	51	185	(144)	-	92
	MacMillan at CCLB	-	298	(298)	-	-
	Ftre Family – Clyde GTW	54	50	(63)	-	41
	Baillies Book Fund	21	7	(2)	-	26
	Other	157	184	(231)	-	110
	Total Libraries	283	723	(738)	-	268
Museums	Mackintosh 2018	-	29	(177)	-	(148)
	Contemporary Art Fund	46	18	(24)	-	40
	Riverside Events	1	67	(56)	-	12
	Burrell Tapestries					
	Tcone Re-design	79	-	(24)	-	55
	Exhibitions	113	78	(110)	-	81
	Christine Borland WW	27	45	(15)	-	57
	Altogether Glasgow	381	-	(41)	(5)	335
	Host City Volunteers	(301)				(301)
	Burrell Renaissance	4,845	1,554	(261)	-	6,138
	CRM 150 Programme	-	-	-	40	40
	Touring Exh Dev	63				63
	Other	173	147	(130)	-	190
	Total Museums	5,427	1,938	(838)	35	6,562
Music	UNESCO	15	36	(26)	-	25
	Other	8	-	(3)	-	5
	Total Music	23	36	(29)	-	30
CIC	Trading Events	-	105	(105)	-	-
	Conventions Subventions	-	866	(622)	-	-
	Total CIC	-	971	(727)	-	244

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

Service Area	Fund Name	Balance at Beginning of Year £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2018 £000
Sport	Walk Glasgow	96	35	(2)	-	129
	Active Living	35	18	(8)	-	45
	Keep Well Project	58	-	-	-	58
	Netball Super League	74	65	(40)	-	99
	COPD	34	19	(20)	-	33
	Obesity	42	1	(6)	2	39
	Active ABC	59	-	(9)	-	50
	Sports Grants	42	73	(74)	-	41
	Active Ageing Week	145	20	(1)	-	164
	Euro Short Course	-	30	(106)	120	44
	Indoor Athletics Res	111	63	(250)	80	4
	2017 Badminton World	680	701	(1,381)	-	-
	Health Referrals	68	-	-	-	68
	Park Lives	89	100	(76)	-	113
	CRF	140	23	(6)	-	157
	Community Sports Hub	433	151	(181)	50	453
	Sport Spaces	-	-	-	-	-
	ESC2018	-	2,124	(2,124)	-	-
	Badminton Grand Prix	-	25	(59)	34	-
	Coach Core	172	101	(143)	-	130
	Revitalise	92	53	(2)	(4)	139
	HWC Volunteer Legacy	130	58	(93)	-	95
	Europe Indoor Ath	(2)	337	(146)	-	189
	Other	329	100	(308)	3	124
	Total Sport	2,827	4,097	(5,035)	285	2,174
	Total Restricted Funds	9,967	12,773	(12,121)	663	11,282

FUND DESCRIPTION

Glasgow Digital Skills Programme
Promote and support Digital Skills

ESOL (English as a second language)
National grant from Scottish Funding Council to support ESOL learning

Youth Development Officer
Toryglen Youth Development Project

South Youth Programme
Engaging young people in diverse activities

Central West Hubs

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

Community Learning and Development Programmes in the North West

North Glasgow Youth

Activities programme for 11 – 16 year olds with behavioural problems

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

Library Self Service Project

Installation of self -service technology across 12 libraries

Financial Capability Project

Financial capability, mentoring and learning project

St Francis Community Project

Repair of community centre windows in line with HES and delivery of workshops/activities

Arts Grants Payments

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

Agent For Change

Creative Scotland funding for implementation of Diversity Programme

Merchant City Festival 2017

Scottish and International art and entertainment event

GI 2018

Bi-annual arts festival

Energy Projects

Central Energy Efficiency Fund (CEEF) which is a Public Sector Energy Efficiency Initiative. Upfront costs offset by long term efficiency savings.

City Centre Strategy

Marketing and promotion of City Centre Strategy & Action Plan

BT Cont. To Telecoms

Partnership arrangement with BT supplying and funding 10 year's broadband connectivity at 31 community facilities

Charles Rennie Mackintosh (CRM)

Marketing of CRM project

Development Income

Fundraising activities/Individual Giving

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

Facility ENV2 Funding

Funding for grounds maintenance and management facility services

Facilities Management

Requests to be used for refurbishment of various Glasgow Life properties

Salix Fund

Government funding to improve energy efficiency, carbon emissions etc.

Christmas Lights 2017

Christmas light switch on in George Square

Fireworks 2017

Fireworks display at Glasgow Green

Major Events – Subvention

Culture & Rec Funding for events across Glasgow

BBC Proms 2017

Bringing people together in a night of music.

Tour of Britain

UK wide cycling event

World Pipe Band

Pipe Band competition with bands from across the world competing.

Aye Write Festival

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

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).

Baillie's Book Fund

Funding from Baillie's Institution for books and computer equipment at Mitchell Library

Contemporary Art Fund

Acquisition of contemporary artworks

Riverside Events

Develop and utilise outdoor space for Events at Riverside Museum

Exhibitions

Museums general exhibitions.

Altogether Glasgow

Flexible learning programme that aims to enable Glasgow's communities to better engage with the city's cultural/sporting opportunities. Offset against Host City Volunteers

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

Host City Volunteers

Volunteer Programme to maximise opportunities for local people to feel connected to and play an active part in the Games. Offset by Altogether Glasgow

Burrell Renaissance

Tour and fundraising elements of Burrell Project

Tcone Redesign

Funding from The Hunter Foundation for educational wing at Kelvingrove

Christine Borland WW

Co-commission of artwork by artist Christine Borland

Mackintosh 2018 Exhibition

Temporary Exhibition at Kelvingrove Art Gallery and Museum

CRM 150 Programme

Programme to celebrate the 150th anniversary of Charles Rennie Mackintosh's birth

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.

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

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

2017 Badminton World Championships

2017 World Badminton Championships

Park Lives

Funding from Coca Cola to hold free activities in parks

CRF

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

Community Sports Hubs

Community sports development programme.

Euro Short Course

LEN 2019 European Short Course Swimming Championships

European Indoor Athletics

2019 Championships 1-3 March 2019

ESC2018

2018 European Sport Championships

Badminton Grand Prix

Scottish Badminton Open

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.

Trading Events

Culture & Rec funding for events across Glasgow

Conventions Subvention

Funding for conferences across Glasgow

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

19. Analysis of net assets between funds

Group	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fund balances at 31 March 2018 are represented by:			
Tangible fixed assets	4,187	-	4,187
Current assets	13,674	11,282	24,956
Current liabilities	(16,142)	-	(16,142)
Pension Deficit	(42,660)	-	(42,660)
Total net assets	(40,941)	11,282	(29,659)
Charity	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fund balances at 31 March 2018 are represented by:			
Tangible fixed assets	4,042	-	4,042
Current assets	15,988	11,038	27,026
Current liabilities	(18,316)	-	(18,316)
Pension Deficit	(42,660)	-	(42,660)
	(40,946)	11,038	(29,908)

20. Notes to the cash flow statement

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018 £000	2017 £000
Net income/(expenditure) for the reporting period	(9,882)	2,689
Depreciation	1,211	1,189
Loss on disposal	-	7
Retirement benefit scheme	10,557	4,497
Interest received	(65)	(69)
Decrease/(increase) in stocks	(158)	-
(Increase)/decrease in debtors	(1,875)	(334)
Increase/(decrease) in creditors and provisions	(185)	(793)
Net cash used in operating activities	(397)	7,186

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

Analysis of cash and cash equivalents

	2018 £000	2017 £000
Cash in hand	5,566	7,746
Notice deposits (less than 3 months)	9,500	8,500
Net cash used in operating activities	15,066	16,246

21. Pension Scheme

Group and Charity

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

The Strathclyde Pension Fund is a defined benefit scheme into which employee' and employer's contributions, and interest and dividends from investments are paid and from which pensions, lump sums and superannuation benefits are paid out. Employees' contributions are tiered and employer's basic contributions are assessed every three years by an actuary and are fixed to ensure the fund remains solvent and in a position to meet its future liabilities. The actuarial method used is known as Projected Unit Credit Method. The last actuarial valuation was at 31 March 2017 and following this valuation employer's contributions remained at 19.3% for the years ended 31 March 2017 and 2018 -2021 respectively. Employer's contributions for the period 31 March 2018 amounted to £8,410,000 and w based on a 19.3% contribution.

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

	31 March 2018 £'000	31 March 2017 £'000
Opening defined benefit obligation	425,932	306,530
Current service cost	15,981	10,598
Interest cost	11,238	10,872
Contributions by members	2,859	2,735
Actuarial losses/(gains)	(65,779)	100,275
Past service costs	-	676
Benefits paid	(5,570)	(5,366)
Unfunded benefits paid	(322)	(388)
Effect of business combinations and disposals	183	
Closing defined benefit obligation	384,522	425,932

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

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

	31 March 2018 £'000	31 March 2017 £'000
Opening fair value of plan assets	321,992	256,302
Interest income on plan assets	8,435	9,068
Contributions by members	2,859	2,735
Contributions by the employer	8,088	8,193
Contributions in respect of unfunded benefits	322	388
Actuarial loss/gain	6,058	51,060
Benefits paid	(5,570)	(5,366)
Unfunded benefits paid	(322)	(388)
Effect of business combinations and disposals	-	
Closing fair value of plan assets	341,862	321,992

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

	31 March 2018 £'000	31 March 2017 £'000
Current service cost	(15,981)	(10,598)
Past Service Cost (including curtailment)	-	(676)
Total service cost	(15,981)	(11,274)
Net interest		
Interest income on plan assets	8,435	9,068
Interest cost on defined benefit obligation	(11,238)	(10,872)
Total net interest	(2,803)	(1,804)
Total defined benefit cost recognised in net income/expenditure per the SOFA	(18,784)	(13,078)

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

	31 March 2018 %	31 March 2017 %
Equities	62	73
Bonds	23	12
Property	11	10
Cash	4	5

The estimated employer contributions for the year to 31 March 2019 are £8,914,000.

The bid value of the Fund's assets as at 31 March 2018 is estimated to be £20,806,000,000 based on information provided by the Administering Authority, index returns where necessary and estimated adjustments for the difference between the mid-market (as supplied) and bid (as required) value of assets.

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

The principal actuarial assumptions used in the calculations are:

	31 March 2018 % per annum	31 March 2017 % per annum
Pension Increase Rate	2.3	2.4
Salary Increase Rate	3.5	4.4
Discount Rate – Culture and Sport Glasgow	2.7	2.6
Discount Rate - GCMB	—	2.7

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2016 model with an allowance for smoothing of recent mortality experience and long term rates of 1.5% p.a for males and 1.25% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	21.4 years	23.7 years
Future Pensioners	23.4 years	25.8 years

22. Operating leases

The Charity utilises 1,988 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 £410,494. (2017: £344,260). The future minimum lease payments due under non-cancellable leases in future years and in cash terms are as follows:

Operating lease commitments	2018 £'000	2017 £'000
No later than one year	468	410
Later than one year and not later than five	752	524
Total	1,220	934

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 2018 GCC provided funds of £73.5m (2017: £72.8m) to the charity in respect of the services undertaken by the charity on its behalf. At 31 March 2018 GCC owed the charity £1.1m (2017: £1.0m) in relation to normal trading activities.

The charity supplied goods and services amounting to £65,766 and purchased goods and services of £119,870 from City Property (Glasgow) LLP of which Baillie Norman MacLeod is a Board Member.

The charity provided goods and services amounting to £14,081 to and purchased goods and services of £725 from Scottish Chamber Orchestra of which Councillor Christina Cannon is a Director.

The charity provided goods and services amounting to £4,067 to Murray International Holdings of which Sir Angus Grossart is a Director. The Charity purchased goods and services of £4,656 from Lyon & Turnbull Ltd of which Sir Angus Grossart is Chairman.

The charity provided goods and services amounting to £1,938 to Scottish Opera of which John McCormick is Chairman.

The charity provided goods and services of £190,155 to and purchased goods and services of £40,974 from Glasgow University of which Professor Anton Muscatelli is Principal. The charity also provided goods and services amounting to £37,244 to High School of Glasgow of which Professor Anton Muscatelli is Director. Professor Anton Muscatelli also is a Director of the Beatson Institute and during 17/18 the Glasgow Life provided goods and services to it of £5,261.40.

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

During 2017/18 Martin Booth, Director of Finance & Corporate Services, was acting as Interim Chief Executive of Jobs and Business Glasgow. The Charity supplied goods and services amounting to £70,000 during the year.

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.