



Glasgow Science Centre Charitable Trust
(A Charitable Company Limited by Guarantee and not having a Share Capital)

Annual Report and Financial Statements

31 March 2014

Registered number SC172371

Registered charity number SC025818

Annual Report and Financial Statements

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Trustees, Officers and Advisers

Chairman

Professor Sir Jim McDonald

Vice Chairman

Professor J Coggins OBE

Trustees

Dr K G Chrystie

D Colquhoun

J Downes

Dr W Duncan

Professor A Ferguson

A Kidd

S Patrick

H Reid OBE

Company Secretary

D McQueen

Audit Committee

Dr W Duncan (Chairman)

Professor J Coggins OBE

J G Wylie CA

Finance Committee

S Patrick (Chairman)

D Colquhoun

A Kidd

Nominations Committee

Professor J Coggins OBE (Chairman)

H Reid OBE

S Patrick

Remuneration and Appointments Committee

D Colquhoun (Chairman)

J Downes

Dr W Duncan

Science Advisory Committee

Professor J Coggins OBE (Chairman)

Professor A Ferguson

Professor G Graham

Professor J Hough

Dr R Hoyle

M Mathers

H Reid OBE

Professor C Tannahill

Professor I Underwood

C Yates

Trustees, Officers and Advisers

Executive Team

Dr S Breslin – Chief Executive
D McQueen – Director of Finance
Dr R Hoyle – Director of Science

Independent Auditor

KPMG LLP
Chartered Accountants
191 West George Street
Glasgow
G2 2LJ

Bankers

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

Solicitors

Burness
120 Bothwell Street
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G2 7JL

Registered Office

50 Pacific Quay
Glasgow
G51 1EA

Registered Charity Number

SC025818

Company Number

SC172371

Annual Report of the Trustees

The Trustees present their annual report, strategic report and financial statements for the year ended 31 March 2014.

Structure, Governance and Management

Organisational Structure

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

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

Governance

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

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

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

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

Management

The main responsibilities of the Trustees are:

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

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

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

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- Audit Committee – External audit of statutory accounts.
- Finance Committee – Financial stewardship.
- Nominations Committee – Trustee appointments.
- Remuneration and Appointments Committee – Remuneration and appointment of senior executives.
- Science Advisory Committee – Scientific integrity of mission related work.

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

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

Related Parties

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

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

The charity receives core operational funding from the Scottish Government (£904k in the year ended 31 March 2014) in accordance with the Scottish Government's Science Strategy for Scotland. The Scottish Government issues funding based on the Strategy and does not exercise, or have any general power to exercise, any control over the activities of the charity or its affairs and the Trustees do not consider it to be a related party to the charity.

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

Risk Management

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

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

Objectives and Activities

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

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

The charity's vision and mission statement, as set out in its Corporate Plan 2013 - 14, are as follows:

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Our Vision

A brighter future for Scotland through science experiences that engage, challenge and inspire.

Our Mission

To promote Science & Technology through thought-provoking, fun and exciting experiences that inspire all to explore and understand the world around them.

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

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

GSC currently employs 113 full-time staff, 17 part-time staff and 49 casual staff. GSC is a 7 day a week operation for the majority of the year. Extended opening hours for all or part of the site are required on many days to accommodate evening science programmes, IMAX screenings and corporate events.

The charity's strategic and primary objectives for the current reporting period as set out in its Corporate Plan for 2013 - 14 are:

1. *Maximise accessibility and impact to attract more visitors from a wider audience and inspire them to return.*

- To achieve a total of 285,000 visitors to the Science Mall made up of 215,000 public visitors and 70,000 education in-reach participants.
- From the above visitor numbers to achieve a total of 376,906 admissions made up of 285,000 to the Science Mall, 24,906 to the IMAX and 67,000 to the Planetarium.
- To achieve 65,000 community and education outreach participants.
- To achieve 74,000 visitors to Whitelee Visitor Centre including 5,150 education participants.
- Deliver a 5* customer experience.

2. *Create interactive and inspirational experiences to increase awareness and engagement in science, technology, engineering and medicine.*

- Complete the design process for the replacement of the Tower lifts and, subject to the outcome, secure the necessary funding and implement the proposed solution together with other works to bring Glasgow Tower back into operation.
- Refurbish the Children's Discovery Area on Floor 1.
- Develop and create a number of new Energise exhibits throughout the Science Mall.
- Given the age of the Starball undertake a feasibility study into the options for upgrading the Planetarium to digital and seek funding support to implement.
- Review and update the Exhibition and Experience Development overview and develop and implement further exhibit refresh projects subject to resource availability.
- Deliver School & Public inreach programmes.
- Deliver School & Community outreach programmes.

3. *Build partnerships to develop our national role as a key player in science communication and education.*

- Continue to develop and implement a communications, marketing and PR strategy to improve the profile of GSC.

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- Work with the BBC to develop plans to create a Cultural Hub at Pacific Quay during the Commonwealth Games 2014.
 - Continue to be an active partner of the Glasgow City of Science initiative and lead on the delivery of the PLACES project on developing European Cities of Scientific Culture.
 - Seek continuation of support from Glasgow City Council to fund free access to GSC for Glasgow schools and seek support from other local authorities and businesses in the West of Scotland to offer free access and transport subsidy to schools.
 - Develop relationships with HE / FE / TEIs.
 - Develop relationships with industry, career and enterprise organisations to raise awareness of GSC's current and potential contribution to science careers.
 - To network with local communities and businesses to raise the profile of GSC in its locality to ensure the widest possible access by all groups of society.
- 4. Deliver staff development and maximise operational efficiency.**
- Select and implement a new ticketing and membership system.
 - Continue to investigate and implement further operational efficiencies including a review of the existing management/staffing structure, pay policy, training/development for staff and volunteering programme.
- 5. Expand/diversify fundraising activities to build a high performing responsive and sustainable Glasgow Science Centre.**
- Complete the transfer of the IMAX Cinema operations to Cineworld.
 - Secure the remaining funding for the Powering the Future exhibition and commence development.
 - Produce and implement a structured fundraising strategy to significantly improve, on a sustainable basis, the current return from unrestricted and restricted fundraising activities from all funding sectors i.e. public, charitable and industry.
 - Continue to develop an exhibit design and fabrication business for third parties including Scottish Water and NHS Greater Glasgow and Clyde.
 - Maximise the return from all other commercial operations including IMAX DMR showings, IMAX property rental, Corporate Events, Whitelee Visitor Centre, Retail Café and Shop and Car Parking.

Strategic Report

Achievements and Performance

The Trustees are pleased to report good progress in delivery of the majority of the Corporate Plan objectives for 2013-14 despite continuing resource constraints.

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

Accessibility and Impact

In-reach Visitors/Admissions

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

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Visitors/Participants	Actual 2013/14	Budget 2013/14	Variance	Actual 2012/13
Science Mall – Public	229,775	215,000	14,775	209,768
Tower – Public	0	0	0	0
Education In-reach (incl. special events)	75,710	70,000	5,710	69,649
Total	305,485	285,000	20,485	279,417

Total visitor/participants at 305,485 were 20,485 or 7.2% ahead of budget and 26,068 or 9.3% ahead of the previous year (2013: 279,417) due to strong interest in the new Bodyworks exhibition on floor 3 assisted by the competitive season ticket offer which maintained season ticket numbers at approximately 11,000 throughout the year. The total of 305,485 is the highest ever number of visitors to the Science Mall in a financial year easily beating the previous best of last year.

Glasgow City Council continue to directly meet the costs of one visit per year for all their primary and assisted needs school pupils and in August 2013 West Dunbartonshire Council adopted the same approach for the 2013/14 school year. Efforts continue to encourage other local authorities to adopt the same approach.

Included in the total education numbers are 13,990 (2013: 13,609) of school visitors from remote, economically and/or socially disadvantaged communities who visited GSC as a result of transport subsidy provided by the Scottish Government.

Included in the total visitor numbers is 1,340 participants from remote, economically and/or socially disadvantaged communities who were engaged in community led activities through funding from the Scottish Government. GSC took lead responsibility for delivering the Scottish Government's Community Subsidy programme with assistance from the other 3 Scottish Science Centres (Our Dynamic Earth, Dundee Science Centre and Satrosphere).

The Tower has remained closed throughout the year while work on its refurbishment has been undertaken.

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

Admissions	Actual 2013/14	Budget 2013/14	Variance	Actual 2012/13
Science Mall – Public & Education	305,485	285,000	20,485	279,417
IMAX – Public & Education	20,171	24,906	(4,735)	48,293
Tower – Public	0	0	0	0
Planetarium – Public & Education	77,121	67,000	10,121	63,035
Total	402,777	376,906	25,871	390,745

Total admissions at 402,777 were 25,871 or 6.4% ahead of budget and 12,032 or 3.1% ahead of last year (2013: 390,745).

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Outreach

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

Participants	Actual 2013/14	Budget 2013/14	Variance	Actual 2012/13
Education	35,169	17,500	17,669	23,741
Community	52,743	47,500	5,243	48,163
Total	87,912	65,000	22,912	71,904

Total outreach participants at 87,912 were 22,912 or 35.2% ahead of budget and 16,008 or 22.3% ahead of the previous year (2013: 71,904).

Whitelee Visitor Centre

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

Visitors	Actual 2013/14	Budget 2013/14	Variance	Actual 2012/13
Public	70,080	68,850	1,230	67,368
Education	5,708	5,150	558	5,096
Total	75,788	74,000	1,788	72,464

Total visitors at 75,788 were 1,788 or 2.4% ahead of budget and 3,324 or 4.6% ahead of the previous year (2013: 72,464).

Customer Satisfaction/Impact

The overall customer satisfaction rating monitored through third party surveys for the Science Mall for the year was 8.57 out of 10 (Target: 8, 2013: 8.65).

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

- 93% of teachers indicated that their visit helps them deliver Curriculum for Excellence outcomes.
- 80% of visitors believe they learned something new from their visit.
- 77% of visitors believe their visit had encouraged their children's interest in science and technology.
- 75% of visitors believe their visit made them feel science is relevant to their life.
- 73% of visitors believe that Science Centres portray science more honestly than the media or government.
- 67% of visitors believe their visit made them more confident about science in general.
- 66% of visitors want to find out more about science following their visit.
- 66% of visitors find science more interesting following their visit.

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

- 72% of visitors indicated that they had learned from Bodyworks with 69% indicating potential changes to lifestyle from the experience

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- 80% of visitors who attended the “Water, water everywhere” show indicated that they had become more aware of water pollution and the need to preserve water.
- 87% of visitors to the Natural Scotland project indicated that they were feeling more inspired to make environmental changes.
- 87% of school pupils attending the Your Science Futures project indicated that they had learned about new careers and their awareness of My World of Work had improved.
- 98% of participants in the community led engagement project indicated that they had learned new things.

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

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

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

Our status as a 5 Star visitor attraction has been maintained throughout the year and renewed following a site inspection from Visit Scotland on 20 March 2014.

Quality Science Experiences

Exhibit Refresh Programme

Further refresh of our exhibition stock has been undertaken during the year as follows:

- The Children’s Discovery Area has been refreshed with the addition of some new exhibits including musical footsteps, crawling tubes and a puppet theatre.
- The obsolete Science in the Dock exhibition has been removed from floor 2 with 21 exhibits from Science Fundamentals on floor 1 used to replace it.
- 12 new exhibits have been installed in the Schoolworks area on floor 1 including sound puzzle, electro magnet and tangled circuits with a further 10 exhibits added to the Maths area on floor 1.
- In March 2014 a new My World of Work Careers Hub exhibition supported by Skills Development Scotland was opened on floor 2 with the principal aim of enabling school visitors to find out more about careers.
- Plans to create more “Energise” exhibits around the floors have been delayed due to the transfer of resources to deliver the unplanned My World of Work Careers Hub. The concept for the exhibits has also been altered to a more general “Do Science” concept. Work on this exhibit refresh has been rescheduled for completion by the end of Summer 2014.
- Creation of a Bodyworks on Tour 3D film show which takes audiences on a voyage through a virtual human body.
- Further development work on the concept for the proposed “Powering the Future” exhibition on floor 2 aimed at raising awareness of the science, innovation and engineering behind the generation of electricity has been completed.

In addition to the above we hosted a number of temporary exhibitions during the year including:

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- “Viruses a century of discovery” from Glasgow University Centre for Virus Research.
- “Vision for the future” from St Andrew’s University EPSRC.
- “Images of Research: An Exhibition of Strathclyde’s Global Relevance” from Strathclyde University.
- “Wellcome Images” a satellite version of the Wellcome Trust Image Awards.

Digital Planetarium Upgrade

A full tender process has been completed and three contractors shortlisted as possible suppliers of a digital planetarium system subject to funding availability. Demonstrations are planned over the next few months, at least one of which will be in the GSC Planetarium, to complete the selection process but also to engage stakeholders, potential funders and customers. A review of current operations is also underway to create a revised business model for the longer term development of the Planetarium.

Glasgow Tower

Following the satisfactory completion of the design process for the replacement of the two Tower lifts and the securing of £1.766m of funding to implement the proposed solution the Board of Trustees approved proceeding with the refurbishment of Glasgow Tower on 12 September 2013. The funding of £1.776m was secured from the GSC Endowment Fund (£600k), Scottish Enterprise (£500k) and Glasgow City Council (£376k) with £300k of designated unrestricted funds from the charity. Alimak Hek were formally contracted on 17 October 2013 to undertake the design, manufacture and installation of the two new lifts with engineering support provided by Elevate Consulting. A number of other contractors were also appointed to repair superficial corrosion damage to the Tower, to repair the podium, to refurbish the internal galleries and undertake remedial work to the bearing. All works have progressed satisfactorily with the new lifts connected to the new mast in early May 2014. The expected completion date for the lift installation is 5 June 2014 and following work on refreshing the Tower experience it is expected that the Tower will open again to the public in early July 2014. Costs have overrun by £40k due to the identification and completion of additional areas of corrosion treatment.

Schools and Public In-reach Programmes

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

- 6 different science shows have been delivered including the new Water, Water Everywhere show developed with Scottish Water to 22,192 public visitors and 14,718 school pupils;
- 38 different interactive workshops including Lung Dissection, Invisible Science and Is it in my Genes were delivered to 55,810 public visitors while 5,875 school pupils took part in workshops in the Lab and a further 8,560 in various mini activities including Journey through my Body and Fun with Forces;
- Extensive “Meet the Expert” programme of talks and demonstrations with 130 events delivered by 450 experts including Battle with Bacteria, Explore Renewable Energy and What is a Nano?
- Education films such as Under the Sea 3D, Galapagos 3D, Born to be Wild 3D and Hubble 3D shown to 10,471 public visitors and 9,700 school visitors in the IMAX Cinema up to 24 July 2014 when Cineworld took over operations. Cineworld are contractually obliged to continue to provide the education films to both public and schools visitors and since the takeover date GSC has paid for a further 8,028 school pupils to view films (public visitors now pay Cineworld direct).
- 7 Planetarium shows including The Sky Tonight, Sky Safari, Stargazers and Our Place in Space delivered to 50,327 public visitors and 26,794 school pupils. In addition we also took part in World Space Week in October, National Astronomy week in March and were part of Explore Your Universe a national programme delivered across 10 UK Science Centres.

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- Little Explorer series of events for under 5s delivered including Dino Dig, Up, Up and Away and Sound Bite to 2,789 children and parents.
- As part of the celebration of 2013 Year of Natural Scotland a 3 day Sustainable Science Festival including workshops, shows and Meet the Expert sessions was held.
- 3 sleepovers, 4 special evenings and 4 day time events were held for uniformed groups (cubs, scouts, boys brigade, girl guides and brownies) attracting 4,000 young people.
- Delivery of Coder Dojo monthly computer coding workshop to 264 youngsters.

Schools and Community Outreach Programmes

The main Outreach activity continues to be the delivery of the Bodyworks on Tour outreach programme to schools and community groups throughout the country. Key achievements during the period included:

- Engagement with over 1,000 young people at the Big Bang Scotland event to inspire young people to pursue STEM careers.
- Attendance at Science Festivals around the country including Orkney, Glasgow, Caithness, Dunbar and Edinburgh.
- 6 CPD training sessions for 130 Primary school teachers in South Lanarkshire.
- Delivery of programmes for inmates at HM Prison Low Moss

Profile Raising/Partnership Working

Work is continuing on the development of an overarching Communication Strategy to raise the profile of GSC. Various initiatives have been undertaken during the year including:

- A high profile "in house" A Question of Science dinner in October 2013 with guest speaker Dara O'Brian entertaining over 300 guests.
- Extensive media coverage of the new Bodyworks exhibition including a blog.
- Distribution of 100,000 What's On guides throughout Scotland.
- Production and distribution of Mercury newsletter aimed at raising awareness of our activity among stakeholders including MSPs, MPs Local Councillors and extensive University contacts.
- Various PR campaigns using digital, radio, print and outdoor advertising.
- Continuing updating of website and Facebook and Twitter activity with followers having increased by over 50% to approximately 11,300 and 7,875 respectively.

GSC also continues to be an active participant in the Glasgow City of Science initiative, administrating the funds and acting as employer for the Programme Director and Digital Communications Executive. This initiative aims to build on Glasgow's long tradition of excellence in science, technology, engineering and medicine by co-ordinating the work of its universities, colleges, schools, the City Council, commerce and industry to encourage interest, education and investment in the STEM sectors.

During the year GSC has worked with over 50 organisations including 11 universities, research institutions, public sector, voluntary organisations and industry. The main profile raising and partnership work in the four identified priority areas is summarised below:

Networking with other Science Engagement Organisations

- The initiative with Glasgow City Council to allow one free visit during the school year to the Science Centre for every Glasgow primary and assisted needs school pupil has continued with 12,630 pupils benefitting in the 2013/14 school year to 31 March (2012/13 full school year 21,457).

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- For school year 2013/14 West Dunbartonshire Council agreed to fund one free visit to the Science Centre for every primary and assisted needs school pupils in their area with 3,085 benefiting in the period to 31 March.
- GSC with Glasgow City of Science is an active partner in the European PLACES project with 69 other City partnerships drawn from 27 European countries to develop the concept of European Cities of Scientific Culture.
- Working with NHS Greater Glasgow & Clyde and the Yorkhill Children's Foundation to create a permanent exhibition in the out-patients, emergency and diagnostics area of the new Southern General Children's Hospital.
- Worked with Science and Technology Facilities Council and the Association of Science & Discovery Centres to deliver the Explore Your Universe project.

Relationships with HE / FE / TEs

- Partnering Strathclyde University, Glasgow University, Glasgow Caledonian University and the University of the West of Scotland in the development of the Glasgow City of Science initiative.
- Delivered our "Inspire and Challenge" science communication training programme to numerous researchers and academics drawn from various organisations.

Relationships with Industry, Careers and Enterprise Organisations

- Continued to work with GlaxoSmithKline to deliver the Bodyworks on Tour outreach programme and in particular as part of their NHS Smokefree Services during 18 awareness raising events at a range of venues.
- Continued to work with ScottishPower Renewables through the ongoing management of Whitelee Windfarm Visitor Centre by GSC (Trading) Limited.
- Working with a number of key companies and industry bodies in the development of the proposed "Powering the Future" exhibition.
- Working with Scottish Water to create/deliver a three year "Making it Clear" education programme including the creation of a set of exhibits on the sustainable use of water and the water process.
- Working with Skills Development Scotland to promote their "My World of Work" initiative including the installation of a Careers Hub on floor 2 and the delivery of 4 Your Science Future days to 1,744 S1 to S3 school pupils.
- Working with Cineworld to deliver an enhanced film education programme in the IMAX cinema and piloting a GSC Outreach presence at their multiplex cinemas.

Relationships with Community and Local Businesses

During the year GSC took lead responsibility for delivery of the Scottish Government Community Led Engagement project. As lead body, as well as delivering its own programmes, GSC assisted the other Scottish Science Centres to make contact with Community Groups to identify their needs, develop programmes to meet these needs and then deliver the programmes. GSC itself engaged directly with 33 Community Groups representing 1,340 participants including Galgael, Deaf Connections, Ayrshire Adult Literacy Group, Govan Stoke Support and Westerhouse Parents Group. Key topics identified by the groups included, Health and Wellbeing, Adult Literacy and Numeracy, Environment, Astronomy and Climate Change.

In addition to the above project there are now over 550 groups (2013: 483) registered through our Community Membership Scheme which allows entry at £4 per person.

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Staff Development/Operational Efficiency

Staff Structure/Management Practices and Procedures

As the result of the transfer of the IMAX Cinema operations the 3 projection staff were transferred to Cineworld under the TUPE regulations. Restructuring of our fundraising function has also been completed with one other member of staff being made redundant with two further redundancies in the Science Learning department as a result of the completion of fixed term contracts. The existing management and staff structure continues to be reviewed to improve operational efficiency and ensure that the available resources match operational needs.

Staff Development

The performance of all staff continues to be reviewed twice a year through the Personal Development Review (PDR) process which assesses individual performance against the personal objectives directly linked to the corporate plan.

The Staff Terms and Conditions Committee (comprising CEO, Director of Science, Director of Finance and HR Manager) continues to meet, as necessary, to review the level of staff resources, staff performance, recruitment, job pay banding and any grievance or disciplinary issues.

Despite ongoing resource constraints, there has been a significant amount of staff training undertaken during the year involving 120 individuals and including: Emergency First Aid, Practical Fire Extinguisher, Data Protection, Equality and Diversity, Managing People and Time Management.

Volunteering Programme

During the year 21 volunteers spent over 1,000 hours in assisting our staff develop, deliver and evaluate our exhibitions and programmes. In addition, 450 experts contributed 3,600 hours for our "Meet the Expert" programmes.

New Ticketing and Membership System

Following a tender process Gamma Dataware Limited were selected to supply and install a new ticketing and membership system. The new system went live in December 2013 and although there have been some teething problems it has significantly improved our processing and reporting capabilities.

Income Expansion and Diversification

IMAX Cinema

Following their selection as the preferred partner through a competitive tender process the IMAX Cinema was eventually leased to Cineworld Cinemas Limited by GSC (Trading) Limited from 24 July 2013 for an initial period of 10 years with an option for a further 10 years. At the same time a Partnering Agreement was signed between Cineworld Cinemas Limited, Glasgow Science Centre (Trading) Limited and Glasgow Science Centre Limited with all three parties agreeing to work together in a number of areas including Cineworld continuing to provide the education film offer to school and public visitors.

Since this date Cineworld has replaced the old print projection system with a digital system enabling it to expand both the DMR and education film offers. Various improvements to the cinema infrastructure have also been completed including new staircase, new concessions area and Starbucks coffee shop.

The upgraded Cineworld IMAX at Glasgow Science Centre was formally opened to the public with the Scottish premiere of Gravity 3D on 17 October 2013.

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Powering the Future Exhibition

Good progress has been made in securing the required funding for the £1.5m estimated cost of the new Powering the Future exhibition with approximately £700k committed or pledged in writing with discussions close to finalisation for a further £400k.

Fundraising Strategy

In conjunction with the development of the new corporate strategy work is ongoing on the production of a long term fundraising strategy. This strategy is required to assist in improving, on a sustainable basis, the return from unrestricted and restricted fundraising activity from all funding sectors i.e. public, charitable and industry.

In the absence of the overarching fundraising strategy, project specific strategies have been successfully implemented during the year on a case by case basis e.g. Glasgow Tower, Powering the Future.

Fundraising Progress

It's been an exceptional year for fundraising with a number of notable successes:

- Receipt of £800,000 from the GSC Endowment Fund to fund various capital renewals and the refurbishment of Glasgow Tower.
- Receipt of £563,955 from Scottish Enterprise to fund the refurbishment of Glasgow Tower, a large LED Display Screen and ICT relating to the new Bodyworks exhibition.
- Receipt of £283,450 from Skills Development Scotland to fund the new Careers Hub on Floor 2, a large LED Display Screen, Powering the Future exhibition and My World of Work programming.
- Receipt of £260,000 from Glasgow City Council to fund the refurbishment of Glasgow Tower, one free access visit for every Glasgow primary and assisted needs school pupil and the City of Science initiative.
- Receipt of £250,000 from the Offshore Training Foundation to fund the Powering the Future exhibition.
- Receipt of £140,000 being the second instalment of a total of £500,000 from GlaxoSmithKline for the funding of Bodyworks on Tour.
- Receipt of £114,947 from the Scottish Government to fund transport subsidy, community subsidy and the Natural Scotland project.
- Receipt of £75,000 from EDF Energy to fund the Powering the Future exhibition.
- Receipt of £50,000 from Scottish Power to fund the Powering the Future exhibition.

Commercial Activities

It's been good year for our commercial activities with turnover up £115,143 or 4.6% to £2,639,767 (2013: £2,524,624) mainly due to an increase in the sale of exhibit and programming services, the rental of the IMAX cinema to Cineworld partly offset by the poor performance from the showing of DMR films prior to the transfer to Cineworld.

Financial Review

It has been a good year for the charity in financial terms with operational performance £37k ahead of budget at a surplus of £37k despite major financial challenges from the transfer of the operation of the IMAX Cinema to Cineworld and the refurbishment of Glasgow Tower. In addition, there was a significant improvement in restricted fundraising success with funds raised for various projects including the Tower and exhibition renewal.

Incoming Resources

Total income increased by £1,612,254 or 25.5% on last year to £7,923,915 (2013: £6,311,661) due mainly to the following:

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- increase in grants for charitable activities of £1,781,331;
- increase in activities for generating funds of £115,143; and
- increase in admissions income for charitable activities of £47,578.

Partly offset by:

- decrease in other incoming resources of £302,000;
- decrease in voluntary income of £28,726; and
- decrease in investment income of £1,072.

Voluntary Income

Voluntary income decreased by £28,726 or 2.2% to £1,288,283 (2013: £1,317,009) due mainly to a reduction of £20,256 in the core Scottish Government Grant.

Activities for Generating Funds

Income generated from various commercial activities increased by £115,143 or 4.6% to £2,639,767 (2013: £2,524,624) due to the following:

- an increase in income from the sale of exhibition and programming services of £203,649 or 378% to £257,466 (2013: £53,817) due mainly to the major contracts from the NHS Greater Glasgow and Clyde for the fit out of various areas in the new Southern Children's Hospital and Scottish Water for the creation of a number of portable exhibits;
- rental and service charge income from Cineworld for the IMAX Cinema of £140,253 (2013: £0); and
- an increase in car parking revenues of £39,283 or 19.6% to £239,625 (2013: £200,342) due to passing trade from the Cineworld IMAX and from the opening of the new SSE Hydro concert venue.

Partly offset by:

- a decrease in admissions income from the showing of DMR feature films in the IMAX cinema of £232,688 or 65.3% to £123,536 (2013: £356,224) due to lack of availability of film prints and the poor performance of those secured in the early part of the year followed by the transfer of operations to Cineworld in July 2013; and
- a decrease in Retail – Shop, Snack Bar and Vending of £62,683 or 16.0% to £329,705 (2013: £392,388) due mainly to the poor admission numbers to the IMAX cinema in the early part of the year and subsequent transfer of the Snack bar to Cineworld in July 2013.

Investment Income

Investment income from interest on cash balances has decreased by £1,072 or 43.7% to £1,382 (2013: £2,454) due to lower cash balances being held during the year.

Charitable Activities – Admissions

Income from admissions has increased by £47,578 or 3.8% to £1,302,547 (2013: £1,254,969) due mainly to the increase in Science Mall visitors partly offset by reduced admissions to IMAX education films following the transfer of operations to Cineworld in July 2013.

Charitable Activities - Grants

Grant income for capital and major repair projects has increased by £1,849,182 or 720% to £2,106,144 (2013: £256,962) due mainly to the receipt of £1.25m of funding for the Glasgow Tower refurbishment project and £450k for the proposed new Powering the Future exhibition.

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Grant income for revenue projects decreased by £67,851 or 10.4% to £585,792 (2013: £653,643) due mainly to reduced income received for the City of Science initiative. Last year funds held on behalf of this project were transferred from Glasgow Chamber of Commerce.

Other Incoming Resources

There were no other incoming resources this year (2013: £302,000).

Resources Expended

Total expenditure increased by £1,748,335 or 22.0% to £9,710,626 (2013: £7,962,291) due to the following:

- increase in the costs of generating funds of £21,432;
- increase in the costs of charitable activities of £1,720,729; and
- increase in governance costs of £6,173.

Costs of Generating Funds

The costs of generating funds have increased by £21,432 or 0.7% to £2,929,780 (2013: £2,908,348) due to the increased level of activity during the year.

Charitable Activities

Total costs of charitable activities have increased by £1,720,729 or 34.5% to £6,709,211 (2013: £4,988,482).

Direct charitable costs have increased by £1,673,532 or 31.2% to £5,361,865 (2013: £3,688,333) due mainly due mainly to the Glasgow Tower refurbishment project, increased exhibits depreciation (Bodyworks) and increased education project activity.

Direct charitable support costs have increased by £47,197 or 3.6% to £1,347,346 (2013: £1,300,149).

Governance Costs

Governance costs have increased by £6,173 or 9.4% to £71,634 (2013: £65,461).

Staff Costs

Total staff costs at £3,122,952 have decreased by £29,325 or 9.3% (2013: £3,152,277) due mainly to the transfer of the IMAX projection team to Cineworld and the loss of a number of fixed term posts related to the creation of the Bodyworks exhibition.

In total average staff numbers have increased by 4 to 137 (2013: 141) during the year.

Operating Deficit

An operating deficit of £1,786,711 (2013: £1,650,630) was incurred in the year.

The operating deficit is made up of a deficit of £262,888 (2013: surplus £257,937) in unrestricted funds and a deficit of £1,523,823 (2013: deficit £1,908,567) in restricted funds.

Capital Expenditure

Capital expenditure of £516,672 was incurred in the year (2013: £1,809,739) mainly on the following:

- final costs of the new Bodyworks exhibition for floor 3;
- creation of a Careers Hub on floor 2;
- creation of a 3D film show for Bodyworks on Tour;
- upgrading of the Children's Discovery Area on floor 1;
- new Gamma ticketing system; and

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- new website for the City of Science initiative.

Financial Reserves

Total financial reserves at 31 March 2014 were £30,659,500 (2013: £32,446,211) representing unrestricted funds of £611,102 (2013: £837,990) and restricted funds of £30,048,398 (2013: £31,572,221).

At 31 March 2014 the unrestricted funds of £611,102 are all held in a general unrestricted financial reserve.

Financial Reserves Policy

The charity's unrestricted (general) financial reserves policy was approved in May 2007 as follows:

“To retain sufficient unrestricted funds to allow Glasgow Science Centre (GSC) to be managed effectively, ensure the uninterrupted delivery of its Corporate Strategy and avoid the necessity of realising fixed assets held for its use. To achieve this GSC estimates that, following a review of its Risk Register, unrestricted funds of £500,000 should be retained as financial reserves. This level represents cover for 3 months matching funding for core mission activities, administration and support costs.”

At £611,102 the charity's general unrestricted financial reserves are above the level identified however given the current economic uncertainty and possible further reductions in Scottish Government funding the Trustees believe it to be prudent to hold a higher level of financial reserves for the foreseeable future.

The financial reserves policy is reviewed by the Trustees on an annual basis. The review in 2014 confirmed it remains appropriate.

Plans for Future Periods

The Corporate Plan for 2014 – 15 sets out the following main targets:

- Visitor and admission numbers of 296,000 and 368,600 respectively to the Science Mall including 76,000 in-reach education participants.
- Complete the Glasgow Tower refurbishment project including improvements to the experience, reopen to the public in July 2014 and achieve 21,000 admissions during its operational period to 31 October 2014.
- Achieve 125,000 education and community outreach participants through touring with the Queens Baton Relay and being part of the Glasgow Green event zone during the Commonwealth Games 2014.
- Secure the remaining funding for the Powering the Future exhibition, finalise concepts and designs and commence fabrication with the aim of installing on floor 2 in Summer 2015.
- Complete the Do Science exhibits and install at various points around the Science Mall.
- Deliver the “In the Zone” experience as part of the BBC @ the Quay event during the Commonwealth Games 2014.
- Work with Cryptic to deliver the Sound to the Sea concert at Pacific Quay as part of Festival 2014.
- Install a large LED Display Screen to replace the current Features Wall and with the BBC utilise this to deliver live sport in Millennium Square during the Commonwealth Games 2014.
- Purchase and install a new car parking ticketing system.
- Complete the digital Planetarium tender process and subject to securing the necessary funding and development of a revised business model, implement the preferred solution.

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- Continue to develop curriculum linked science engagement activities that meet the needs of schools.
- Continue to be an active partner of the Glasgow – City of Science initiative.
- Seek new and develop, expand and enhance our existing partnerships with the Scottish Government, Glasgow City Council, Skills Development Scotland, universities, colleges and other research institutions, other public sector bodies and industry.
- Seek continuation of support from Glasgow City Council and West Dunbartonshire Council to fund free access for primary and assisted needs schools and seek support from other local authorities and businesses in the West of Scotland to offer free access and transport subsidy to other schools.
- Continue to develop and implement a communications, marketing and PR strategy to improve the profile of GSC.
- Produce and implement a structured fundraising strategy to improve, on a sustainable basis, the current return from unrestricted and restricted fundraising activities from all funding sectors i.e. public, charitable and industry.
- Continue to investigate and implement further operational efficiencies including a review of the existing management/staffing structure, pay policy, training/development for staff, volunteering programme and greater and more efficient use of ICT.
- Successfully deliver the exhibit design and fabrication services contract for NHS Greater Glasgow and Clyde at the new Southern Children's Hospital and achieve the budgeted profit while developing the business model to proactively seek and deliver new business.
- Achieve other targets set for commercial income generation from IMAX property rental, Corporate Events, Whitelee Visitor Centre, Retail Café and Shop and Car Parking operations and develop proposals for the improvement in the quality and financial return from these activities.

Principal Risks and Uncertainties

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

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

The Scottish Government have confirmed funding of £922,680 an increase of 2.1% for financial year 2014/15 and the Trustees currently have no indication that there will be any significant change in the level of support for future years.

Good progress has been made in fundraising for the new Powering the Future exhibition planned to be installed in floor 2 in Summer 2015 and with the new Bodyworks exhibition installed last year on floor 3 the Trustees believe that the exhibition stock is being refreshed at a rate that should sustain visitor numbers at current levels for the foreseeable future.

Funds are also in hand to expand the programming offer and again the Trustees are confident that this is being refreshed at a rate that should sustain visitor numbers at current levels for the foreseeable future.

The above principal risks and uncertainties form part of the Risk Register which is monitored by the Trustees and Executive Team.

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Going Concern

The Trustees are of the opinion that, taking into consideration Scottish Government funding for 2014/15 and the continuing uncertain economic outlook, forecast earned revenues and unrestricted financial reserves are sufficient for the charity to be considered as a going concern.

Thanks

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

The Trustees also wish to thank all of the charity's corporate, statutory and charitable funders for their continuing support, in particular the Scottish Government, GSC Endowment Fund, Scottish Enterprise, Skills Development Scotland, Glasgow City Council, Offshore Training Foundation, GlaxoSmithKline, EDF, Scottish Power, Nesta, University of Strathclyde, Royal Academy of Engineering, West Dunbartonshire Council and University of Glasgow.

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

The Trustees are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which 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 company and group for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Annual Report of the Trustees

Auditor

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

Approval

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

For and on behalf of Board of Trustees

Professor Sir Jim McDonald
Trustee and Chairman of the Board

2013

Independent auditor's report to the Trustees and Members of Glasgow Science Centre Charitable Trust

We have audited the financial statements of Glasgow Science Centre Charitable Trust for the year ended 31 March 2014 set out on pages 23 to 37. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its trustees as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 regulations made under those Acts. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Strategic Report and the Annual Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the Trustees and Members of Glasgow Science Centre Charitable Trust (continued)

Matters on which we are required to report by exception

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

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

Andrew Shaw (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
191 West George Street
Glasgow
G2 2LJ

KPMG is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Combined Statement of Financial Activities and Income and Expenditure Account

For the year ended 31 March 2014

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income	2	1,288,283	-	1,288,283	1,317,009
Activities for generating funds	3	2,639,767	-	2,639,767	2,524,624
Investment income	4	1,382	-	1,382	2,454
Incoming resources from charitable activities:					
Admissions	5	1,302,547	-	1,302,547	1,254,969
Grants	6	-	2,691,936	2,691,936	910,605
Other incoming resources	7	-	-	-	302,000
		<u>5,231,979</u>	<u>2,691,936</u>	<u>7,923,915</u>	<u>6,311,661</u>
Resources Expended					
Cost of generating funds					
Fundraising trading: cost of goods sold and other costs		2,885,890	43,890	2,929,780	2,908,348
Charitable activities					
Science Mall	10	1,733,199	1,860,472	3,593,671	3,314,146
IMAX Cinema	10	218,415	334,275	552,690	705,892
Tower	10	40,000	1,751,549	1,791,549	508,583
Education programmes	10	245,729	525,573	771,302	459,861
Governance costs	12	71,634	-	71,634	65,461
		<u>5,194,867</u>	<u>4,515,759</u>	<u>9,710,626</u>	<u>7,962,291</u>
Net income/(expenditure) for the year before transfers		37,112	(1,823,823)	(1,786,711)	(1,650,630)
Transfers between funds	13	(300,000)	300,000	-	-
Net movement in Funds		<u>(262,888)</u>	<u>(1,523,823)</u>	<u>(1,786,711)</u>	<u>(1,650,630)</u>
Funds b/fwd at 1 April 2013		873,990	31,572,221	32,446,211	34,096,841
Funds c/fwd at 31 March 2014		<u>611,102</u>	<u>30,048,398</u>	<u>30,659,500</u>	<u>32,446,211</u>

The above results are wholly derived from continuing activities. The profit for the year for Companies Act purposes comprises the deficit of unrestricted income over expenditure/transfers and totals £262,888 (2013: Surplus £257,937)

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

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

Consolidated balance sheet

As at 31 March 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible fixed assets	15	28,674,369	30,915,294
Current assets			
Stock		85,733	114,607
Debtors	17	1,682,689	1,147,271
Cash at bank and in hand		959,272	1,046,941
		2,727,694	2,308,819
Creditors: amounts falling due within one year	18	(742,563)	(777,902)
Net current assets		1,985,131	1,530,917
Net assets		30,659,500	32,446,211
Reserves			
Restricted funds	19	30,048,398	31,572,221
Unrestricted funds	20	611,102	873,990
		30,659,500	32,446,211

The financial statements were approved by the Board of Trustees on 2013 and signed on their behalf by:

 Professor Sir Jim McDonald
Trustee and Chairman of the Board

2013

Company balance sheet

As at 31 March 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible fixed assets	15	-	2,000,000
Investment in subsidiary undertakings	16	3	3
		<u>3</u>	<u>2,000,003</u>
Current assets			
Debtors	17	-	-
Cash at bank and in hand		491	552
		<u>491</u>	<u>552</u>
Creditors: amounts falling due within one year	18	-	-
		<u>-</u>	<u>-</u>
Net current assets		491	552
		<u>491</u>	<u>552</u>
Net assets		<u>494</u>	<u>2,000,555</u>
Reserves			
Restricted funds	19	-	2,000,000
Unrestricted funds	20	494	555
		<u>494</u>	<u>2,000,555</u>

The financial statements were approved by the Board of Trustees on 2013 and signed on their behalf by:

Professor Sir Jim McDonald
Trustee and Chairman of the Board

2013

Notes to the financial statements

For the year ended 31 March 2014

1. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future and be able to meet its liabilities as they fall due.

Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and in accordance with applicable accounting standards and the Statement of Recommended Practice, Accounting by Charities. No cash flow statement has been prepared in accordance with the exemption for subsidiary undertakings where consolidated financial statements which include the subsidiary group are available.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings Glasgow Science Centre Limited and Glasgow Science Centre (Trading) Limited made up to 31 March each year. The Trustees have taken advantage of the exemption available under Section 657 of the Companies Act 2006 and not presented a profit and loss account of the parent charitable company. A deficit of £2,000,061 (2012: deficit £61) was incurred by the parent charitable company.

Fixed assets

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

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

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

Stocks

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

Pension Scheme

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

Funds

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

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

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

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

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

Notes to the financial statements

For the year ended 31 March 2014

Incoming Resources

Voluntary Income

Voluntary income includes grants for core funding from government, donations and any gift aid claimed and sponsorships where these are, in substance, donations rather than payment for goods and services. Income is recognised in the accounting period when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability unless the donor specifies that the grant or donation must only be used in a future accounting period.

Activities for Generating Funds

Activities for generating funds are trading and other fundraising activities carried out to generate incoming resources which will be used to undertake the charitable activities. Income is recognised when earned and includes sponsorships which cannot be considered as pure donations and income from property letting and licensing arrangements.

Investment Income

Investment income from investment assets is recognised when earned.

Admissions

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

Grants

Grants in respect of capital expenditure are credited to restricted funds when they are receivable without condition. When the related assets are purchased and brought into use, depreciation is charged annually against the restricted fund. Revenue grants are credited to unrestricted or restricted funds, in line with the terms of the grant, in the year in which they are receivable.

Other Incoming Resources

Other incoming resources are recognised when received.

Resources Expended

Costs of Generating Funds

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable Activities

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

Royalties payable in respect of admissions to the IMAX theatre are charged in the year in which they are payable.

Support Costs

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

Governance Costs

Governance costs include the costs of staff time in dealing with governance issues, the cost of the statutory audit and legal costs associated with the governance of the company.

Operating Leases

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

Notes to the financial statements

For the year ended 31 March 2014

Taxation

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

2. Voluntary income

	Unrestricted funds	
	2014	2013
	£	£
Scottish Government Grant	904,044	924,300
Donations	207,161	199,293
Gift Aid - Income Tax Recovered	175,411	164,191
Britvic Sponsorship	1,167	20,000
Other Donations	500	1,350
BiP Solutions Sponsorship	-	4,375
Institute of Biomedical Science	-	3,500
	<u>1,288,283</u>	<u>1,317,009</u>

3. Activities for generating funds

	Unrestricted funds	
	2014	2013
	£	£
Corporate events	813,496	804,151
Retail - Cafe	412,568	401,595
Retail - Shop, Snack Bar and Vending	329,705	392,388
Management Fees - Whitelee Visitor Centre	292,858	280,986
Car parking	239,625	200,342
Exhibition and programme services	257,466	53,817
Property rental and service charge - IMAX Cinema	140,253	-
IMAX Admissions DMR Films	123,536	356,224
Property rental - other	16,854	16,595
Berthing charges	10,434	8,975
IMAX advertising	2,972	9,551
	<u>2,639,767</u>	<u>2,524,624</u>

Notes to the financial statements

For the year ended 31 March 2014

4. Investment income

	Unrestricted funds	
	2014	2013
	£	£
Bank interest	1,382	2,454

5. Charitable Activities - Admission income

	Unrestricted funds	
	2014	2013
	£	£
Science Mall	1,099,545	985,465
Education programmes	175,691	190,112
IMAX Cinema	27,311	79,392
Tower	-	-
	<u>1,302,547</u>	<u>1,254,969</u>

Notes to the financial statements

For the year ended 31 March 2014

6. Grants towards Charitable Activities

	Restricted funds	
	2014	2013
	£	£
Capital and Major Repair Projects		
GSC Endowment Fund - Buildings/Exhibits/Tower	800,000	160,000
Scottish Enterprise - Tower/Exhibits	563,995	-
Offshore Training Foundation - Exhibits	250,000	-
Skills Development Scotland - Exhibits	213,450	-
Glasgow City Council - Tower	150,000	76,000
EDF Energy - Exhibits	75,000	-
Scottish Power - Exhibits	50,000	-
Wellcome Trust - Exhibits	2,199	-
University of Central Lancashire - Exhibits	1,500	-
People's Postcode Lottery - Big Explorer	-	10,000
University of Strathclyde - Clyde Artworks	-	8,300
Scottish Enterprise - Website	-	2,662
	<u>2,106,144</u>	<u>256,962</u>
Revenue Projects		
GlaxoSmithKline	140,000	221,000
Scottish Government	114,947	85,053
Glasgow City Council	110,000	125,000
Skills Development Scotland	70,000	81,855
Nesta	46,000	-
University of Strathclyde	28,797	12,500
Royal Academy of Engineering	21,696	-
West Dunbartonshire Council	18,000	-
University of Glasgow	10,000	10,000
European Funding - PLACES Project	9,679	6,152
Theratre Sans Frontiers	7,490	-
The Association for Science and Discovery Centres	3,100	3,400
Bellahouston Bequest Fund	2,500	-
Scottish Qualification Authority	2,000	-
Merchants House Glasgow	1,000	-
Other	583	-
Glasgow Chamber of Commerce (City of Science)	-	71,289
Graphic Science	-	14,377
Medical Research Council	-	6,500
NHS GCC	-	5,000
University of Stirling	-	3,500
Institution of Engineering and Technology	-	3,356
Craighish Trust	-	3,000
Science and Technology Facilities Council	-	1,661
	<u>585,792</u>	<u>653,643</u>
	<u>2,691,936</u>	<u>910,605</u>

Notes to the financial statements

For the year ended 31 March 2014

7. Other incoming resources

	2014	2013
	£	£
Carillion Construction Settlement	-	300,000
Profit or (Loss) on sale of assets	-	2,000
	<u>-</u>	<u>302,000</u>

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

	2014	2013
	£	£
Auditor's remuneration:		
- Audit of these financial statements	1,000	2,000
- Audit of subsidiaries' financial statement pursuant to legislation	8,250	8,250
Trustees' liability insurance	5,968	5,968
Trustees' remuneration	-	-
Depreciation - owned assets	2,757,597	2,402,649

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

9. Staff costs and Trustee remuneration

	2014	2013
	£	£
Wages and salaries	2,871,683	2,910,131
Social security costs	229,747	231,281
Pension costs	11,776	10,865
Redundancy costs	9,746	0
	<u>3,122,952</u>	<u>3,152,277</u>
Average number of employees	No.	No.
Customer experience	33	36
Science	17	15
Retail/Corporate Hospitality/Catering/Whitelee	41	41
Facilities/Exhibits	29	33
Support	17	16
	<u>137</u>	<u>141</u>

No Trustee received any remuneration during the year (2013: £0). No Trustee was reimbursed for any out of pocket travel and subsistence expenses (2013: one, £19).

One individual employee earned remuneration (excluding pension contributions) in the range of £60,000 - £70,000 (2013: one), one earned remuneration (excluding pension contributions) in

Notes to the financial statements

For the year ended 31 March 2014

the range of £70,000 - £80,000 (2013: one) and one earned remuneration (excluding pension contributions) in the range of £90,000 - £100,000 during the year (2013: one).

Pension contributions of £11,776 (2013: £10,865) via salary sacrifice were made on behalf of employees to the Friends Provident stakeholder pension scheme but no contributions were made to the personal pension schemes of any other employees (2013: £0).

A total of £52,511 (2013: £276,559) of the staff costs noted above relating to the development, building and installation of new exhibitions have been capitalised.

10. Expenditure on charitable activities

	Direct Expenditure £	Support Costs £	Unrestricted and restricted funds	
			2014 £	2013 £
Science Mall	2,609,073	984,598	3,593,671	3,314,146
IMAX Cinema	401,263	151,427	552,690	705,892
Tower	1,791,549	-	1,791,549	508,583
Education programmes	559,980	211,322	771,302	459,861
	<u>5,361,865</u>	<u>1,347,347</u>	<u>6,709,212</u>	<u>4,988,482</u>

11. Support costs

	Fundraising £	Science Mall £	IMAX Cinema £	Tower £	Education £	Unrestricted and restricted funds	
						2014 £	2013 £
Marketing	83,900	102,913	15,828	-	22,088	224,729	193,458
Facilities Management	429,566	526,907	81,036	-	113,089	1,150,598	1,238,492
Information Technology	88,511	108,567	16,697	-	23,301	237,076	206,879
Finance	113,932	139,750	21,493	-	29,994	305,169	288,531
Human Resources	41,735	51,191	7,873	-	10,987	111,786	113,469
Management	45,060	55,270	8,500	-	11,863	120,693	103,376
	<u>802,704</u>	<u>984,598</u>	<u>151,427</u>	<u>-</u>	<u>211,322</u>	<u>2,150,051</u>	<u>2,144,205</u>

12. Governance costs

	2014 £	2013 £
Management	59,884	53,711
Statutory audit	9,250	10,250
Legal expenses	2,500	1,500
	<u>71,634</u>	<u>65,461</u>

Notes to the financial statements

For the year ended 31 March 2014

13. Transfers

Designated unrestricted funds of £300,000 were transferred during the year to meet a deficit on the restricted fund for the major repair of Glasgow Tower.

14. Taxation on net incoming resources

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

15. Tangible fixed assets

Group	Land and Buildings £	Exhibits £	Plant and equipment £	Computer equipment £	IMAX Projector £	Total £
Cost or valuation:						
As at 1 April 2013	54,583,973	14,295,404	2,143,543	690,393	1,549,878	73,263,191
Additions	1,100	365,157	50,111	100,304	-	516,672
Disposals	-	(4,710,367)	(162,500)	(233,570)	(1,549,878)	(6,656,315)
As at 31 March 2014	54,585,073	9,950,194	2,031,154	557,127	-	67,123,548
Depreciation:						
As at 1 April 2013	25,860,709	12,248,134	2,049,128	640,048	1,549,878	42,347,897
Charge for the year	2,100,923	539,113	53,891	63,670	-	2,757,597
On disposals	-	(4,710,367)	(162,500)	(233,570)	(1,549,878)	(6,656,315)
As at 31 March 2014	27,961,632	8,076,880	1,940,519	470,148	-	38,449,179
Net book value:						
As at 31 March 2014	26,623,441	1,873,314	90,635	86,979	-	28,674,369
As at 31 March 2013	28,723,264	2,047,270	94,415	50,345	-	30,915,294

Included in land and buildings is land owned by Glasgow Science Centre Charitable Trust which was leased to Glasgow Science Limited on 24 July 2013 for 175 years at an annual rental of £1. As Glasgow Science Centre Limited now has the full beneficial interest in the land its value of £2,000,000 was transferred from Glasgow Science Centre Charitable Trust to Glasgow Science Centre Limited as a donation.

The freehold land was valued at its open market value on 24 February 1999 by the District Valuer, Scotland South West at £2,000,000 and given that the Group still has the full beneficial interest the value is deemed to remain unchanged. In line with the transitional provisions of FRS15, the company and group has elected to freeze the valuation of tangible fixed assets at 31 March 2000.

Included in land & buildings is the IMAX Cinema at a cost of £7,150k, aggregate depreciation £3,963k and net book value of £3,187k. This asset was leased on 24 July 2013 by Glasgow Science Centre Limited to Glasgow Science (Trading) Limited for a minimum period of 10 years. On the same date Glasgow Science (Trading) Limited sub-leased the IMAX Cinema to Cineworld Cinemas Limited for a minimum period of 10 years.

Notes to the financial statements

For the year ended 31 March 2014

Included in exhibits is the sum of £140,952 in respect of the new Careers Hub exhibition on Floor 2 (2013: £1,717,489 in respect of Bodyworks). No depreciation was charged during the year as the exhibition was only completed and opened at the end of March 2014.

16. Investment in subsidiary undertakings

	2014	2013
Cost	£	£
Investment in subsidiary undertakings	3	3
	<u> </u>	<u> </u>

The investment in subsidiary undertakings represents a holding of 100% of the issued ordinary shares of £1, in Glasgow Science Centre Limited and Glasgow Science Centre (Trading) Limited.

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

	2014		2013	
	GSC Limited £	GSC (Trading) Limited £	GSC Limited £	GSC (Trading) Limited £
Income	7,997,898	2,597,279	4,407,305	2,482,233
Expenditure	(7,784,548)	(2,159,087)	(6,057,874)	(2,045,471)
Gift aid payment	-	438,192	-	436,762
Assets	31,054,278	1,170,420	31,077,349	779,470
Liabilities	(395,271)	(1,170,418)	(631,692)	(779,468)
Net assets	<u>30,659,007</u>	<u> 2</u>	<u>30,445,657</u>	<u> 2</u>

17. Debtors

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	415,008	304,801	-	-
Amounts owed by GSC Endowment Fund	150,000	-	-	-
Due from subsidiary undertaking	-	-	-	-
Prepayments and accrued income	480,372	491,095	-	-
Other debtors	637,309	351,375	-	-
	<u>1,682,689</u>	<u>1,147,271</u>	<u> -</u>	<u> -</u>

Notes to the financial statements

For the year ended 31 March 2014

18. Creditors: amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	150,695	165,802	-	-
Tax and social security costs	56,761	62,901	-	-
Accruals and prepaid income	533,590	540,340	-	-
Other creditors	1,517	8,859	-	-
	<u>742,563</u>	<u>777,902</u>	<u>-</u>	<u>-</u>

Included within accruals and prepaid income is the sum of £404,017 (2013: £143,706) in respect of admissions, corporate events, service charge, rental, service charge and car parking income received in advance. This income is released in or over the specified future period that it relates to.

19. Restricted funds

Group	Balance at 1 April	Incoming resources	Outgoings/ Transfers	Balance at 31 March
	£	£	£	£
Science Centre - Fixed Assets	30,915,295	516,672	(2,757,597)	28,674,370
GSC Endowment Fund - Capital Renewals	80,386	200,000	(163,908)	116,478
Powering the Future Exhibition	-	450,000	-	450,000
Glasgow Tower	50,200	1,550,000	(1,218,344)	381,856
Bodyworks Exhibition	134,222	12,495	(146,717)	-
Outreach - Bodyworks on Tour	111,026	140,000	(154,152)	96,874
City of Science	114,651	60,583	(88,513)	86,721
External Screen	-	75,000	-	75,000
Careers Hub/Your Science Futures	81,695	183,450	(195,145)	70,000
Free Access for Schools	23,686	88,000	(81,107)	30,579
Outreach - General	39,155	-	(13,210)	25,945
Coder Dojo	-	48,000	(35,621)	12,379
Other Projects	21,905	69,461	(63,170)	28,196
Transport Grant/Community Subsidy	-	114,947	(114,947)	-
	<u>31,572,221</u>	<u>3,508,608</u>	<u>(5,032,431)</u>	<u>30,048,398</u>
Company				
Land	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>-</u>

The restricted funds represent the capital cost of assets held for the purposes of delivering the Group's charitable activities, funds available for capital renewals including new exhibitions and various funds for the delivery of science education projects.

Notes to the financial statements

For the year ended 31 March 2014

20. Unrestricted funds

Group	Balance at 1 April £	Incoming resources £	Outgoings/ Transfers £	Balance at 31 March £
General reserve	573,990	5,231,979	(5,194,867)	611,102
Designated Fund - Tower	300,000	-	(300,000)	-
	<u>873,990</u>	<u>5,231,979</u>	<u>(5,494,867)</u>	<u>611,102</u>
Company				
General reserve	555	-	(61)	494
	<u>555</u>	<u>-</u>	<u>(61)</u>	<u>494</u>

21. Analysis of fund balances between net assets

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	-	28,674,369	28,674,369
Net current assets	611,102	1,374,029	1,985,131
	<u>611,102</u>	<u>30,048,398</u>	<u>30,659,500</u>

22. Financial commitments

The group has no financial commitments under non-cancellable financial agreements (2013: None).

23. Capital and major repair commitments

At 31 March 2014 the Group had commitments for major repair expenditure on the Glasgow Tower of £531,856, all of which has been contracted (2013: new Bodyworks exhibition £98,511, all of which has been contracted).

The funding to meet these commitments is either included within restricted funds or committed to be received during 2014/15.

24. Contingent liabilities

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

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

Notes to the financial statements

For the year ended 31 March 2014

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

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

25. Share capital

The company does not have a share capital and is limited by guarantee. The liability of members is limited to £1 each. At 31 March 2014 the company had one member, Scottish Enterprise Glasgow.

26. Ultimate parent undertaking

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

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

27. Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard 8 not to disclose details of intra-group transactions, on the grounds that transactions are within the group and are fully eliminated on consolidation.