

**Glasgow Science Centre Charitable Trust**  
(A company limited by guarantee and not having a share capital)

**Report and Accounts**

31 March 2004

Registered number SC172371  
Registered charity number SC025818



## Directors' report

The Directors present their report and accounts for the year ended 31 March 2004.

### Principal activity, review of the business and future prospects

The Glasgow Science Centre Charitable Trust ("the Company") is a recognised Scottish Charity and is a company limited by guarantee which does not have share capital. The liability of each member is limited by guarantee to the sum of £1. At 31 March 2004, the company had one member.

The principal activity of the Company is to hold shares in its subsidiary companies. The principal activities of the subsidiary companies, Glasgow Science Centre Limited and Glasgow Science Centre (Trading) Limited, are the operation of the Science Centre, including the catering and retail activities. Any surpluses from the activities of the subsidiary companies are contributed to the Company. The costs associated with operating the Company and its subsidiaries are met by a combination of earned Revenues, fundraising and operating subsidies from its stakeholders.

Since the opening of the Science Centre, in excess of 1,240,000 people have visited the attraction and customer feedback has been overwhelmingly positive.

In the view of the Directors it is estimated that capital expenditure on the project will be finalised during 2004 and no capital funding issues are anticipated.

Since the end of the financial year under review, a revenue funding package has been agreed between the Company, the Scottish Executive and the shareholder. The directors believe that this funding package of £2.2m, together with the forecast earned revenues of £2.8m, will allow the Company and its subsidiaries to meet all trading liabilities as they fall due.

### Results for the year

The result for the year is set out in the Consolidated Statement of Financial Activities on page 6.

### Dividends

The Memorandum and Articles of Association of the Company do not permit the payment of a dividend.

### Directors

The Directors of the Company during the year ended 31 March 2004 and since the year ended were those listed on page 1.

The Directors are also the Trustees of the company for charitable purposes.

### Risk commentary

The Directors meet on a regular basis to receive reports on a wide range of operational matters, including a comparison of actual financial performance against budget. Such reports allow the directors to discuss fully and to examine critically the various issues facing the organisation.

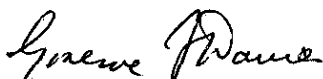
The Company also maintains comprehensive insurances and works in partnership with its professional advisors to ensure that the exposure to all areas of risk is minimised as far as practicable.

## Directors' report

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the member at the Annual General Meeting.

On behalf of the board



Sir Graeme Davies  
Director

6 September 2004

## Statement of Directors' responsibilities in respect of the accounts

Company law requires the Directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those accounts, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report**

### **to the members of Glasgow Science Centre Charitable Trust**

We have audited the group's accounts for the year ended 31 March 2004 which comprise the Consolidated Statement of Financial Activities, Consolidated Summary Income and Expenditure Account, Consolidated Balance Sheet, Company Balance Sheet and related notes 1 to 13. These accounts have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the charity's directors (who are also the trustees of the Glasgow Science Centre Charitable Trust) are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements with the accounts. Our responsibilities do not extend to any other information.

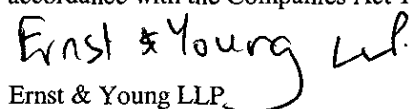
### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the charitable company and of the group as at 31 March 2004 and of the incoming resources and application of resources of the group, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

Ernst & Young LLP  
Registered Auditor  
Glasgow

6 September 2004

## Consolidated statement of financial activities

for the year ended 31 March 2004

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2004 £	Total 2003 £
<b>Incoming resources</b>						
Charitable activities						
Admission and other charges		1,508,841	-	-	1,508,841	1,565,756
Activities to generate funds		895,420	-	-	895,420	1,034,936
Donations		32,569	-	-	32,569	167,831
Grants		960,000	-	2,089,135	3,049,135	3,812,317
Investment income		13,220	-	-	13,220	9,004
Other income		13,132	-	-	13,132	13,682
<b>Total incoming resources</b>		<b>3,423,182</b>	<b>-</b>	<b>2,089,135</b>	<b>5,512,317</b>	<b>6,603,526</b>
<b>Resources expended</b>						
Costs of generating funds						
Fund raising		67,627	-	-	67,627	118,294
Non charitable trading		623,623	-	-	623,623	775,051
		<b>691,250</b>	<b>-</b>	<b>-</b>	<b>691,250</b>	<b>893,345</b>
Charitable expenditure:						
Learning		3,291,987	-	-	3,291,987	3,430,557
Marketing		456,315	-	-	456,315	475,201
Property		3,065,758	-	-	3,065,758	3,303,894
Support		908,439	-	-	908,439	1,442,850
Management		191,576	-	-	191,576	172,580
		<b>7,914,075</b>	<b>-</b>	<b>-</b>	<b>7,914,075</b>	<b>8,825,082</b>
<b>Total resources expended</b>	3	<b>8,605,325</b>	<b>-</b>	<b>-</b>	<b>8,605,325</b>	<b>9,718,427</b>
Net incoming/(outgoing) resources before transfers		(5,182,143)	-	2,089,135	(3,093,008)	(3,114,901)
Release of grant income		3,949,197	-	(3,949,197)	-	-
Net outgoing resources before revenue funding		(2,192,946)	-	(1,860,062)	(4,053,008)	(3,114,901)
Revenue funding		960,000	-	-	960,000	-
Transfer of funding received in prior year		(1,232,946)	-	(1,860,062)	(3,093,008)	(3,114,901)
		1,618,577	-	(1,618,577)	-	-
<b>Funds as at 1 April 2003</b>		<b>385,631</b>	<b>-</b>	<b>(3,478,639)</b>	<b>(3,093,008)</b>	<b>(3,114,901)</b>
		<b>(1,324,340)</b>	<b>-</b>	<b>60,903,902</b>	<b>59,579,562</b>	<b>62,694,463</b>
<b>Funds as at 31 March 2004</b>		<b>(938,709)</b>	<b>-</b>	<b>57,425,263</b>	<b>56,486,554</b>	<b>59,579,562</b>

## Consolidated summary income and expenditure account

for the year ended 31 March 2004

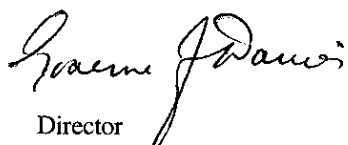
	Notes	2004 £	2003 £
Charitable activities			
Admission and other charges		1,508,841	1,565,756
Activities to generate funds		895,420	1,034,936
Donations		32,569	167,831
Grants		960,000	-
Investment income		13,220	9,004
Other income		13,132	13,682
		<u>3,423,182</u>	<u>2,791,209</u>
Resources expended	3	8,605,325	9,718,427
		<u>(5,182,143)</u>	<u>(6,927,218)</u>
Net expenditure for the year before transfers		3,949,197	4,249,957
Release of grant income		<u>(1,232,946)</u>	<u>(2,677,261)</u>
Transfer of funding received in prior year		1,618,577	1,179,276
<b>Net income/(expenditure) for year</b>		<u><u>385,631</u></u>	<u><u>(1,497,985)</u></u>

The Summary Income and Expenditure Account is derived from the Consolidated Statement of Financial Activities which, together with the notes to the accounts provides full information on the movements during the year on all the funds of the group.

## Consolidated balance sheet

at 31 March 2004

	Notes	2004 £	2003 £
<b>Fixed assets</b>			
Tangible fixed assets	5	57,302,903	60,762,914
<b>Current assets</b>			
Stock		24,988	73,277
Debtors	7	3,463,860	3,775,914
Cash at bank and in hand		1,248,460	687,191
		4,737,308	4,536,382
<b>Creditors: amounts falling due within one year</b>	8	(5,534,748)	(5,694,450)
<b>Net current liabilities</b>		(797,440)	(1,158,068)
<b>Total assets less current liabilities</b>		56,505,463	59,604,846
<b>Creditors: amounts falling due after more than one year</b>	9	(18,909)	(25,284)
		56,486,554	59,579,562
<b>Capital funds</b>			
Endowment funds	10	1,999,999	1,999,999
Revaluation reserve		55,425,264	58,903,903
Other		57,425,263	60,903,902
<b>Income funds</b>			
Restricted funds		-	-
Unrestricted funds		(938,709)	(1,324,340)
		56,468,554	59,579,562

  
Director

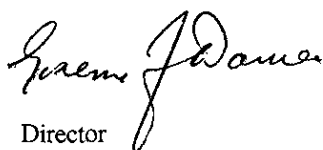
6 September 2004



## Company balance sheet

at 31 March 2004

	Notes	2004 £	2003 £
<b>Fixed assets</b>			
Tangible fixed assets	5	2,000,000	2,000,000
Investment in subsidiary undertakings	6	3	3
		<u>2,000,003</u>	<u>2,000,003</u>
<b>Current assets</b>			
Debtors	7	3,083,516	3,000,000
Cash at bank and in hand		456,632	455,567
		<u>3,540,148</u>	<u>3,455,567</u>
<b>Creditors:</b> amounts falling due within one year	8	(3,365,041)	(3,281,525)
		<u>175,107</u>	<u>174,042</u>
<b>Net current assets</b>			
		<u>175,110</u>	<u>174,045</u>
<b>Total assets less current liabilities</b>		<u>2,175,110</u>	<u>2,174,045</u>
<b>Capital funds</b>			
Endowment funds	10	1,999,999	1,999,999
Revaluation reserve		1	1
Other			
		<u>2,000,000</u>	<u>2,000,000</u>
<b>Income funds</b>			
Restricted funds		-	-
Unrestricted funds		175,110	174,045
		<u>2,175,110</u>	<u>2,174,045</u>

  
Director

6 September 2004

## Notes to the accounts

at 31 March 2004

### 1. Accounting policies

#### *Fundamental accounting concept*

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.

Since the year end, the Company has agreed a funding package with its member, Scottish Enterprise Glasgow and the Scottish Executive. The directors believe that this funding package together with the forecast earned revenues will allow the Group to meet all trading liabilities as they fall due. Therefore, the directors are of the opinion that it is appropriate that these accounts are prepared on a going concern basis.

#### *Accounting convention*

The accounts 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 accounts which include the subsidiary group are available.

During the period covered by these accounts, the Group received an operating subsidy of £960,000 from Scottish Enterprise Glasgow. The Group also received a contribution to its capital project costs of £1,733,000 from the Glasgow Science Centre Endowment Fund, which is included within the "Capital Grants" figure of £2,089,135 shown on page 6 of the accounts. Scottish Enterprise Glasgow reallocated £1,733,000 of capital funding advanced to the Group in previous years as revenue expenditure giving the Company a total revenue subsidy of £2,693,000. £2,194,012 of this was applied to current year trading, £114,423 to renewals, with the balance applied to the satisfaction of trading liabilities incurred in prior years. The net effect of the above is that £1,618,577 has been reclassified from the capital account to the revenue account on page 6 of the accounts.

#### *Basis of consolidation*

The group accounts consolidate the accounts of the company and its subsidiary undertakings Glasgow Science Centre Limited and Glasgow Science Centre (Trading) Limited made up to 31 March each year. No income and expenditure account is presented for the company as provided by section 230 of the Companies Act 1985. The surplus dealt with in the accounts of the holding company was £1,065 (2003: £399).

#### *Depreciation of tangible fixed assets*

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	-	10 years
Plant and equipment	-	5-10 years
Computer equipment	-	3 years

#### *Grants*

Grants in respect of capital expenditure are credited to endowment funds and are released to the income and expenditure account over the expected useful lives of the relevant assets by equal annual instalments.

Revenue grants are credited to revenue in the year to which they apply.

## Notes to the accounts

at 31 March 2004

### 1. Accounting policies (continued)

#### **Stocks**

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

### 2. Expenditure

Charitable expenditure includes:

	2004 £	2003 £
Auditors' remuneration for:		
Audit services	15,500	15,500
Other services	-	5,720
Directors' remuneration	77,452	-
Directors' liability insurance	4,200	3,675

Staff costs:

	2004 £	2003 £
Salaries and wages	2,121,504	2,137,435
Social Security Costs	194,174	177,538
	<u>2,315,678</u>	<u>2,314,973</u>

	No.	No.
Average number of group employees	<u>117</u>	<u>132</u>

The number of higher paid Director was

	2004 £	2003 £
£70,000 - £80,000	<u>1</u>	<u>1</u>

## Notes to the accounts

at 31 March 2004

### 3. Analysis of total resources expended

2004

	<i>Operational costs</i>		<i>Other</i>	<i>Total</i>
	<i>Staff</i>	<i>Depreciation</i>		
	£	£	£	£
Charitable activities				
Learning	1,080,926	1,670,492	540,569	3,291,987
Marketing	164,715	-	291,600	456,315
Property	271,546	2,220,772	573,440	3,065,758
Support	477,268	39,306	391,865	908,439
Management	103,354	-	88,222	191,576
	<u>2,097,809</u>	<u>3,930,570</u>	<u>1,885,696</u>	<u>7,914,075</u>
Generating funds				
Fund raising	49,412	-	18,215	67,627
Non charitable trading	168,457	-	455,166	623,623
	<u>2,315,678</u>	<u>3,930,570</u>	<u>2,359,077</u>	<u>8,605,325</u>

2003

	<i>Operational costs</i>		<i>Other</i>	<i>Total</i>
	<i>Staff</i>	<i>Depreciation</i>		
	£	£	£	£
Charitable activities				
Learning	1,062,490	1,795,738	572,329	3,430,557
Marketing	144,784	-	330,417	475,201
Property	230,275	2,391,700	681,919	3,303,894
Support	529,292	62,519	851,039	1,442,850
Management	113,135	-	59,445	172,580
	<u>2,079,976</u>	<u>4,249,957</u>	<u>2,495,149</u>	<u>8,825,082</u>
Generating funds				
Fund raising	95,519	-	22,775	118,294
Non charitable trading	139,478	-	635,573	775,051
	<u>2,314,973</u>	<u>4,249,957</u>	<u>3,153,497</u>	<u>9,718,427</u>

### 4. 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 Charitable Trust.

**at 31 March 2004**

## 5. Tangible fixed assets

## Group

	<i>Land</i>	<i>Buildings</i>	<i>Exhibits</i>	<i>Plant and equipment</i>	<i>Computer equipment</i>	<i>Imax Projector</i>	<i>Total</i>
	£	£	£	£	£	£	£
Cost:							
At 1 April 2003	2,000,000	52,059,113	11,554,694	918,656	1,426,736	1,549,878	69,509,077
Additions	-	433,020	20,770	16,768	-	-	470,558
At 31 March 2004	2,000,000	52,492,133	11,575,464	935,424	1,426,736	1,549,878	69,979,635
Depreciation:							
At 1 April 2003	-	4,867,634	2,290,308	381,008	989,444	217,769	8,746,163
Charge for the year	-	2,097,205	1,157,546	161,146	437,183	77,489	3,930,569
At 31 March 2004	-	6,964,839	3,447,854	542,154	1,426,627	295,258	12,676,732
Net book value							
At 31 March 2004	2,000,000	45,527,294	8,127,610	393,270	109	1,254,620	57,302,903
At 31 March 2003	2,000,000	47,191,479	9,264,386	537,648	437,292	1,332,109	60,762,914
Valuation							
At 1 April 2003 and 31 March 2004							2,000,000

The freehold land was valued at its open market value on 24 February 1999 by the District Valuer, Scotland South West. The company received it for £1. In line with the transitional provisions of FRS15, the group has elected to freeze the valuation of tangible fixed assets at 31 March 2000.

## 6. Investment in subsidiary undertakings

	2004	2003
<i>Cost</i>	<i>£</i>	<i>£</i>
Investment in subsidiary undertakings	3	3

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.

## Notes to the accounts

at 31 March 2004

### 7. Debtors

	2004	Group 2003	2004	Company 2003
	£	£	£	£
Trade debtors	108,948	126,550	-	-
Amount owed by Millennium Commission	1,000,000	1,000,000	1,000,000	1,000,000
Amount owed by Scottish Enterprise Glasgow	-	428,847	-	-
Amount owed by Endowment Fund	2,083,516	2,000,000	2,083,516	2,000,000
Prepayments	268,869	186,851	-	-
Other debtors	2,527	33,666	-	-
	<u>3,463,860</u>	<u>3,775,914</u>	<u>3,083,516</u>	<u>3,000,000</u>

Included within prepayments is £122,360 (2003 - £140,988) in respect of the IMAX projector. This will be expensed over more than 1 year.

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

	2004	Group 2003	2004	Company 2003
	£	£	£	£
Trade creditors	243,450	161,997	-	-
Amount owed to subsidiary undertaking	-	-	3,365,041	3,281,525
Tax and social security costs	70,246	59,171	-	-
Accruals and prepaid income	4,288,834	4,479,825	-	-
Loan from the Glasgow Science Centre Endowment Fund	900,000	900,000	-	-
Other creditors	32,218	93,457	-	-
	<u>5,534,748</u>	<u>5,694,450</u>	<u>3,365,041</u>	<u>3,281,525</u>

The loan from the Glasgow Science Centre Endowment Fund is interest free with no fixed date of repayment.

### 9. Creditors: amounts falling due after more than one year

	2004	Group 2003	2004	Company 2003
	£	£	£	£
Other creditors	18,909	25,284	-	-
	<u>18,909</u>	<u>25,284</u>	<u>-</u>	<u>-</u>



## Notes to the accounts

at 31 March 2004

### 10. Endowment Funds

<i>Group</i>	<i>Balance at 1 April 2003 £</i>	<i>Incoming resources £</i>	<i>Gains/(losses) and transfers £</i>	<i>Balance at 31 March 2004 £</i>
Construction of Centre	60,903,902	2,089,135	(5,567,774)	57,425,263

<i>Company</i>	<i>Balance at 1 April 2003 £</i>	<i>Incoming resources £</i>	<i>Gains/(losses) and transfers £</i>	<i>Balance at 31 March 2004 £</i>
Construction of Centre	2,000,000	-	-	2,000,000

### 11. Financial commitments

There is a bond and floating charge over the assets of the company.

### 12. 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 2004 the company had one member.

### 13. Ultimate parent undertaking

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