



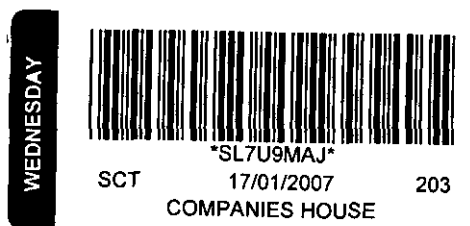
Glasgow Science Centre Charitable Trust
(A Charitable Company Limited by Guarantee and not having a Share Capital)

Annual Report and Financial Statements

31 March 2006

Registered number SC172371

Registered charity number SC025818



Annual Report and Financial Statements

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

Registered No 172371

Trustees, Officers and Advisers

Chairman

J Q Thorburn OBE (appointed as Chairman 19 December 2005)
Sir G J Davies (retired as Chairman and Trustee 19 December 2005)

Vice Chairman

F Pignatelli CBE

Trustees

E Baillie (resigned 12 December 2005)
J Coggins
R Culley (resigned 22 February 2006)
R Dickinson (appointed 26 June 2006)
D L C Fry
M Gray (appointed 13 October 2006)
S Gulliver (resigned 20 June 2005)
R Lander OBE
J McCormick (retired 19 December 2005)
R McGory (appointed 26 June 2006)
D Orr
S Patrick (appointed 22 May 2006)
H K Ramsay (appointed 1 September 2005)
H Reid (appointed 26 June 2006)

Company Secretary

D Marchant (resigned 12 May 2006)
D McQueen (appointed 1 September 2006)
A Smart (appointed 12 May 2006, resigned 1 September 2006)

Audit Committee

R Lander OBE (Chairman)
J Craig
W Hecht
D Orr

Fundraising Committee

J Coggins (Chairman)
D L C Fry
R Lander OBE
F Pignatelli CBE

Remuneration and Appointments Committee

F Pignatelli CBE (Chairman)
J Coggins
J Q Thorburn OBE

Executive Team

H K Ramsay – Chief Executive
F Colley – Director of Development and Marketing
R Hoyle – Director of Science
D McQueen – Director of Finance
A Smart – Director of Customer Experience

Registered No 172371

Trustees, Officers and Advisers

Auditors

Ernst & Young LLP
George House
50 George Square
G2 1RR

Bankers

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

Solicitors

Burness
242 West George Street
Glasgow
G2 4QY

Registered Office

50 Pacific Quay
Glasgow
G51 1EA

Registered Charity Number

SC025818

Company Number

SC172371

Annual Report of the Trustees

The Trustees present their report and financial statements for the year ended 31 March 2006

Structure, Governance and Management

Organisational Structure

Glasgow Science Centre Charitable Trust ('the charity') was incorporated on 5 February 1997 as a company limited by guarantee and without a share capital (number SC172371). The company is a registered Scottish Charity (number SC030809) 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 a Remuneration and Appointments Committee, comprising 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 Remuneration and Appointments 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) shall retire from office. The Trustees to retire in each year are those who have been longest in office since their last election. Retiring Trustees 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 orientation 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 members 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

Annual Report of the Trustees

The Board of Trustees meets monthly to review reports from the Chief Executive and Company Secretary on the charity's operations and financial performance. The Board are also assisted in the performance of their duties by three Committees, Remuneration and Appointments, Audit and Fundraising. Responsibility for governance in these areas is delegated to the appropriate Committee. 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 four Directors of Operations in the areas of Development and Marketing, Science, Finance and Customer Experience.

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 operate the charity's core charitable activities, and
- (b) Glasgow Science Centre (Trading) Limited, a company registered in Scotland, established to operate 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 Executive (£1.891m in the year ended March 2006) in accordance with the Scottish Executive's Science Strategy for Scotland. The Scottish Executive allocate the available funding between the four Scottish science centres (Glasgow Science Centre, Our Dynamic Earth, Sensation and Satrosphere) forming part of the Scottish Science Centre Network (SSCN) in accordance with the SSCN Strategy derived jointly by the four centres and published in November 2005. The four science centres in the SSCN operate as separate entities although do collaborate on sharing of best practice in commercial and science education. The Scottish Executive issue funding based on the SSCN Strategy and do 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. The charity submits individual applications for funding of capital works to the Fund for its consideration on an ad hoc basis.

Risk Management

All material risks are specifically reported to the Trustees as part of the monthly operational reports together with details of the corrective actions being taken by the Chief Executive. The major risks to which the charity is exposed are financial risks and public liability risks. Financial risks are monitored via the elected Audit committee. A full time qualified Health and Safety Manager is employed to monitor and address public liability risks on behalf of the Chief Executive and reports monthly to the Trustees.

Objectives and Activities

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

Annual Report of the Trustees

- (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, are as follows

Our Vision

A dynamic science centre that inspires, challenges, engages and sets the global benchmark for science communication

Our Mission

To promote Science and Technology through thought provoking, fun and exciting experiences that inspires 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. Due to technical difficulties, Glasgow Tower has only been available to the public for nine months (two months in the year to March 2006)

GSC currently employs 70 full time staff and 34 part time staff. GSC is a 7 day a week operation and is open to the public for 345 days 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 main objectives for the current reporting period, as set out in the operating plan dated March 2005, were

- (a) Stabilise business operations within effective operating policy, financial and HR frameworks,
- (b) Grow education business in both visits and outreach,
- (c) Establish effective participating partnerships throughout the science, education and enterprise communities in Scotland,
- (d) Create new channels of funding with net contribution of £200k

Achievements and Performance

Review of Charitable Activities

As expected for a visitor attraction entering its fifth year of operation visitor numbers have declined in the year. For the year to 31 March 2006 the total number of ticketed visitors was 289,000 (2005 324,100) and the total number of admissions 414,800 (2005 475,800). Of these totals Glasgow Tower and IMAX contributed 5,000 and 104,000 admissions respectively (IMAX/Tower figures quoted exclude education packages)

Despite the downturn in visitor numbers GSC has become internationally known as a high quality science centre and has gained a number of awards from the tourism and associated

Annual Report of the Trustees

industries In October 2005 GSC received the prestigious Thistle Award for Customer Care and was acknowledged as the third most popular paid for visitor attraction in Scotland being beaten in visitor numbers only by Edinburgh Castle and Edinburgh Zoo

The wide range of science shows within the Science Show Theatre, Climate Change Theatre, Workshops, and Mini shows generate many opportunities to engage in science in addition to the exhibits available in the Science Mall and shows in the ScottishPower Planetarium Through these resources a total of 130,000 additional engagements in science activities have taken place in the year to end March 2006

A total of 250 exhibits are available on the 4,000m² of the 3 active floors of the Science Mall. A total of 48 exhibits occupying floor 3 have been replaced by the 50 exhibits of the 'Alice Through the Looking Glass' exhibition in an area of 800m² during the 2005/6 year as a result of a joint project with At Bristol costing a total of £1m, £700,000 of which was funded by the Millennium Commission The majority of other exhibits within the Science Mall are as originally installed in 2001

Educational visitors were 51,600 for the year to 31 March 2006 (2005 51,700) with an additional total of outreach visitors of 10,000 through in school activities This figure excludes visitors whose experience was as part of a special event rather than as part of a ticketed package

The Community Liaison programme reached 6,300 individuals in the year 31 March 2006

Capital Project

During the year the Trustees continued to progress the close out of various residual balances owing in relation to the original capital expenditure on the science centre and are confident that all remaining issues will be satisfactorily resolved during 2006 with no unforeseen capital funding issues anticipated

Financial Review

Incoming Resources

Overall income was down by £786,000 on last year at £4,909,000 against £5,695,000 mainly as a result of a reduction in capital grant funding following a significant decrease in the provision for income due from Glasgow Science Centre Endowment Fund for the settlement of the sums due for the main Capital Project

Voluntary Income

The operational subsidy received from Scottish Enterprise Glasgow during 2004/05 was replaced by £1,891,000 of core operational funding from the Scottish Executive No other voluntary income was secured and in an effort to remedy the position the Trustees have formed a Fundraising Committee

Activities for Generating Funds

Despite the downturn in visitor number the income generated from various commercial activities increased by £227,000 or 22.4% from £1,012,000 to £1,239,000 The increase is mainly due to improved performance in corporate hospitality and the expansion of commercial activities into new areas particularly, car parking, exhibition services and vending and snack bar

Annual Report of the Trustees

Investment Income

Surplus cash balances were placed on short term deposit earning interest of £39,000 (2005 £31,000) while various exchange rate gains were generated from fluctuations in the US\$ between the date of invoicing and date of payment

Charitable Activities Admissions

Income from admissions is down by £128,000 at £1,565,000 (2005 £1,693,000) as a result of the drop in visitor numbers

Charitable Activities – Grants

Grant income for capital projects has reduced significantly (see above) but this has been offset by an increase in the funding secured for revenue projects to £184,000 (2005 £20,000) Fundraising activities continue for both capital and revenue projects and a significant improvement in the level of income in this area is expected next year

Resources Expended

Overall expenditure has increased by £375,000 to £8,309,000 (2005 £7,934,000) mainly as a result of the expansion of the activities for generating funds and additional costs relating to the increased number of education projects/programmes being undertaken

Operating Surplus

An operating deficit of £3,400,000 (2005 £2,239,000) was incurred in the year

The deficit is made up of a surplus of £3,000 (2005 £617,000) in the unrestricted financial reserve offset by a deficit of £3,403,000 (2005 £2,856,000) in the endowment fund The significant increase in the deficit on the endowment fund this year is due to the reduction in the receipt of new capital grant funding New capital grant funding partly offsets the release of endowment funds to cover the depreciation charge in the year

Financial Reserves

Total reserves at 31 March 2006 were £50,848,000 (2005 £54,248,000) representing an unrestricted funding deficit of £318,000 (2005 £321,000) and an endowment fund of £51,166,000 (2005 £54,569,000)

Financial Reserves Policy

Due to the continuing deficit on the unrestricted financial reserve the Trustees have not considered it appropriate, to date, to develop a financial reserves policy The Trustees believe that 2006/07 will see this deficit being cleared and work has now commenced on the development of an appropriate policy

Annual Report of the Trustees

Plans for Future Periods

The Trustees instructed the Chief Executive to undertake a major strategic planning exercise during the year, culminating in the publication in January 2006 of a Corporate Plan for 2006 10. The strategic objectives, developed to align with the Scottish Science Centre Network strategy, are

- (a) To position GSC as a world class visitor attraction and must do Glasgow experience
- (b) To educate and inform the public and develop and deliver STEM activities and programmes that support the Scottish 3 18 curriculum
- (c) To promote the science and technology resource of GSC to community groups and develop ways of ensuring that the resource has a positive impact on the lives of individuals
- (d) To provide an exemplary environment and customer services through which the mission can be accomplished
- (e) To grow and develop a portfolio of commercial activities which utilise existing resources to generate complimentary financial returns

An operational funding package was agreed with Scottish Executive in May 2006 for £1 394m with a promise of additional funding to follow. In addition significant sum for loss of revenue from the closure of the Glasgow Tower has been agreed in principle with the main building contractor. The Trustees are of the opinion that these amounts, together with forecast earned revenues, mean that the charity can be considered as a going concern.

Funding for a major exhibit renewal programme was agreed in principle with GSC Endowment Fund in May 2006 and will be progressed during 2006 2008. This is in addition to a £1m programme to reconfigure the entrance area to GSC, for which funding was approved in November 2005 with works commencing in April 2006 and completed in October 2006.

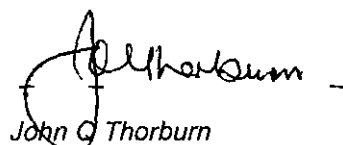
Audit and Auditors

In so far as the Trustees are aware

- there is no relevant audit information of which the charity's auditors are 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 auditors are aware of that information.

A resolution will be proposed at the Annual General Meeting that Ernst & Young LLP be reappointed as auditors to the charity for the ensuing year.

For and on behalf of Board of Trustees



John G Thorburn
Trustee and Chairman of the Board

18 December 2006

Statement of Trustees' responsibilities in respect of the financial statements

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice. Company law requires the Trustees to prepare financial statements 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 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 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 company will continue in business.

The Trustees 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 financial statements comply with the Companies Act 1985. 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 financial statements for the year ended 31 March 2006 which comprise the Consolidated Combined Statement of Financial Activities and Income and Expenditure Account, Consolidated Balance Sheet, Company Balance Sheet and related notes 1 to 22. These financial statements 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 Trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's Trustees (who are also the directors of Glasgow Science Centre Charitable Trust for the purposes of company law) are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 Trustees' remuneration and transactions with the charitable group is not disclosed.

Basis of audit opinion

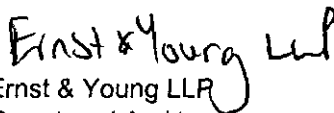
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the charitable company and of the group as at 31 March 2006 and of the incoming resources and application of resources of the group, including its income and expenditure, for the year then ended,
- the financial statements and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements.


Ernst & Young LLP
Registered Auditor
Glasgow

22 December 2006

Consolidated Combined Statement of Financial Activities and Income and Expenditure Account

For the year ended 31 March 2006

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2006 £	Total 2005 £
Incoming Resources						
Voluntary income	2	1,891,036			1,891,036	1,845,468
Activities for generating funds	3	1,238,595			1,238,595	1,011,902
Investment income	4	53,199			53,199	31,084
Charitable activities						
Admissions	5	1,565,347			1,565,347	1,693,793
Grants	6		183,822	(22,678)	161,144	1,113,260
		<u>4,748,177</u>	<u>183,822</u>	<u>(22,678)</u>	<u>4,909,321</u>	<u>5,695,507</u>
Resources Expended						
Cost of generating funds						
Voluntary income						14,210
Fundraising trading: cost of goods sold and other costs		1,157,065			1,157,065	995,955
Charitable activities						
Science Mall	9	4,528,728			4,528,728	4,554,285
IMAX Cinema	9	1,119,527			1,119,527	1,088,396
Tower	9	1,055,204			1,055,204	1,045,100
Education programmes	9	204,191	183,822		388,013	176,205
Governance costs	11	60,905			60,905	59,984
		<u>8,125,621</u>	<u>183,822</u>	<u>-</u>	<u>8,309,443</u>	<u>7,934,135</u>
Net Incoming/ (Outgoing) resources before transfers		<u>(3,377,444)</u>		<u>(22,678)</u>	<u>(3,400,122)</u>	<u>(2,238,628)</u>
Transfers between funds		3,380,882		(3,380,882)		
Net movement in Funds		<u>3,438</u>		<u>(3,403,560)</u>	<u>(3,400,122)</u>	<u>(2,238,628)</u>
Funds b/fwd at 1 April 2005		<u>(320,984)</u>		<u>54,568,910</u>	<u>54,247,926</u>	<u>56,486,554</u>
Funds c/fwd at 31 March 2006		<u><u>(317,546)</u></u>	<u><u></u></u>	<u><u>51,165,350</u></u>	<u><u>50,847,804</u></u>	<u><u>54,247,926</u></u>

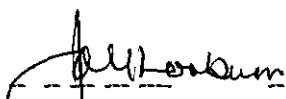
The statement of financial activities includes all gains and losses recognised in the year

Consolidated balance sheet

As at 31 March 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible fixed assets	13	<u>51,003,236</u>	<u>54,465,322</u>
Current assets			
Stock		33,646	31,749
Debtors	15	2,718,257	3,448,540
Cash at bank and in hand		<u>1,657,803</u>	<u>1,347,999</u>
		4,409,706	4,828,288
Creditors: amounts falling due within one year	16	<u>(4,565,138)</u>	<u>(5,045,684)</u>
Net current liabilities		(155,432)	(217,396)
Net assets		<u>50,847,804</u>	<u>54,247,926</u>
Capital funds			
Endowment funds			
Revaluation Reserve		1,999,999	1,999,999
Science Centre		<u>49,165,351</u>	<u>52,568,911</u>
	17	51,165,350	54,568,910
Revenue funds			
Restricted funds	18		
Unrestricted funds	18	<u>(317,546)</u>	<u>(320,984)</u>
		<u>50,847,804</u>	<u>54,247,926</u>

The financial statements were approved by the Board of Trustees on 18 December 2006 and signed on their behalf by


John Q Thorburn
Trustee and Chairman of the Board

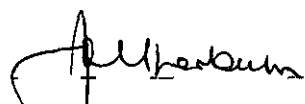
18 December 2006

Company balance sheet

As at 31 March 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible fixed assets	13	2,000,000	2,000,000
Investment in subsidiary undertakings	14	3	3
		<u>2,000,003</u>	<u>2,000,003</u>
Current assets			
Debtors	15	2,374,336	2,978,977
Cash at bank and in hand		462,653	458,431
		<u>2,836,989</u>	<u>3,437,408</u>
Creditors: amounts falling due within one year	16	(2,655,861)	(3,260,502)
Net current liabilities		<u>181,128</u>	<u>176,906</u>
Net assets		<u>2,181,131</u>	<u>2,176,909</u>
Capital funds			
Endowment funds			
Revaluation Reserve		1,999,999	1,999,999
Other		1	1
	17	<u>2,000,000</u>	<u>2,000,000</u>
Revenue funds			
Restricted funds	18		
Unrestricted funds	18	181,131	176,909
		<u>2,181,131</u>	<u>2,176,909</u>

The financial statements were approved by the Board of Trustees on 27 November 2006 and signed on their behalf by



John Q Thorburn
Trustee and Chairman of the Board

18 December 2006

Notes to the financial statements

For the year ended 31 March 2006

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

Since the year end, the company has agreed a funding package with the Scottish Executive and has agreed in principle a loss of revenue claim with the main building contractor. The Trustees believe that the above together with the forecast earned revenues will allow the group to meet all trading liabilities as they fall due. Therefore, the Trustees are of the opinion that it is appropriate that these accounts are prepared on a going concern basis

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. 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 £4,222 (2005 £1,799)

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

Stocks

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

Charitable Activities

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

Pension Scheme

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

Notes to the financial statements

For the year ended 31 March 2006

employers contribution of the same amount to the scheme. In addition a number of other employees received contributions towards their money purchase personal pension schemes. Contributions to all schemes are accounted for on an actual basis.

Support Costs

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

Governance Costs

Governance costs include the costs of staff time in dealing with the strategic as opposed to day to day management of the company's activities, the cost of the statutory audit and legal costs associated with the governance of the company.

2. Voluntary income

	2006 £	2005 £
Scottish Executive Grant	1,891,000	
Scottish Enterprise Glasgow Grant		1,842,932
Donations/sponsorship	36	2,536
	<u>1,891,036</u>	<u>1,845,468</u>

3. Activities for generating funds

	2006 £	2005 £
Corporate hospitality	597,254	510,598
Retail	320,503	349,104
Christmas party nights	80,801	52,822
Catering commission	62,168	69,078
Car parking	58,091	701
Exhibition Services	38,314	
Simulation ride	23,608	12,689
Property rental	17,218	
IMAX advertising	17,065	10,745
Vending and snack bar	12,213	
Berthing charges	7,565	
Other	3,795	6,165
	<u>1,238,595</u>	<u>1,011,902</u>

Notes to the financial statements

For the year ended 31 March 2006

4. Investment income

	2006 £	2005 £
Bank interest	39,280	31,084
Exchange rate gains	13,919	
	<u>53,199</u>	<u>31,084</u>

5. Admission income

	2006 £	2005 £
Science Mall	848,937	920,195
IMAX Cinema	437,321	435,061
Education programmes	261,028	258,892
Tower	18,061	79,645
	<u>1,565,347</u>	<u>1,693,793</u>

6. Grants

	Restricted £	Endowment £	2006 £	2005 £
Capital Projects				
Millennium Commission Exhibits		404,061	404,061	292,133
GSC Endowment Fund Buildings/Exhibits		(476,739)	(476,739)	680,460
Scottish Executive Exhibits/Equipment		50,000	50,000	120,880
		<u>(22,678)</u>	<u>(22,678)</u>	<u>1,093,473</u>
Revenue Projects				
Scottish Executive	77,500		77,500	
LearnDirect Scotland	36,835		36,835	
The Wellcome Trust	22,350		22,350	
Glasgow City Council	15,000		15,000	17,764
Ecsite	12,758		12,758	
Tollcross Housing Association	12,652		12,652	
Institute of Physics	5,500		5,500	
Other	1,227		1,227	2,023
	<u>183,822</u>	<u>(22,678)</u>	<u>161,144</u>	<u>1,113,260</u>

The negative grant income from GSC Endowment Fund has resulted from a reduction in the funding required to meet the final costs of the main Capital Project

Notes to the financial statements

For the year ended 31 March 2006

7. The (deficit)/surplus for the year is stated after charging:

	2006	2005
	£	£
Charitable expenditure includes		
Auditors' remuneration	16,262	18,000
Trustees' liability insurance	4,200	4,200
Trustees' remuneration	57,801	63,582
Depreciation	3,695,244	3,586,051

8. Staff costs and Trustee remuneration

	2006	2005
	£	£
Wages and salaries	2,033,738	1,937,185
Social security costs	183,650	175,709
Pension costs	22,606	10,587
	<u>2,239,994</u>	<u>2,123,481</u>
Average number of employees	No	No
Customer experience	22	23
Science	20	18
Retail/Corporate hospitality	7	8
Facilities	27	28
Support	18	18
	<u>94</u>	<u>95</u>

Remuneration of Trustees (including pension contributions) was as follows

Trustee remuneration in respect of the Chief Executive	<u>57,801</u>	<u>63,582</u>
--------------------------------------------------------	---------------	---------------

No individual employee earned remuneration (excluding pension contributions) in excess of £60,000 during the year (2005 1 employee earned £70,000 to £80,000)

A total of £84,511 (2005 £27,622) of the staff costs noted above relating to the development, building and installation of exhibits have been capitalised

Pension contributions of £8,831 (2005 0) were made on behalf of employees to the Friends Provident stakeholder pension scheme and contributions of £13,775 (2005 £10,587) were made to the personal pensions schemes of other employees

Notes to the financial statements

For the year ended 31 March 2006

9. Expenditure on charitable activities

	Direct Expenditure £	Support Costs £	2006 £	2005 £
Science Mall	3,155,633	1,373,095	4,528,728	4,554,285
IMAX Cinema	780,090	339,437	1,119,527	1,088,396
Tower	735,270	319,934	1,055,204	1,045,100
Education programmes	270,369	117,644	388,013	176,205
	<u>4,941,362</u>	<u>2,150,111</u>	<u>7,091,473</u>	<u>6,863,986</u>

10. Support costs

	Fundraising £	Science Mall £	IMAX Cinema £	Tower £	Education £	2006 £	2005 £
Marketing	51,219	200,470	49,557	46,710	17,176	365,133	417,422
Facilities Management	180,951	708,236	175,080	165,021	60,680	1,289,968	1,120,276
Information Technology	31,468	123,166	30,447	28,698	10,553	224,332	211,459
Finance	56,671	221,811	54,833	51,682	19,004	404,002	333,365
Human Resources	13,507	52,868	13,069	12,318	4,530	96,292	105,140
Management	17,002	66,544	16,450	15,505	5,701	121,202	176,676
	<u>350,818</u>	<u>1,373,095</u>	<u>339,437</u>	<u>319,934</u>	<u>117,644</u>	<u>2,500,929</u>	<u>2,364,338</u>

11. Governance costs

	2006 £	2005 £
Management	38,903	35,404
Statutory audit	16,262	18,000
Legal expenses	5,740	6,580
	<u>60,905</u>	<u>59,984</u>

12. 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

Notes to the financial statements

For the year ended 31 March 2006

13. Tangible fixed assets

Group	Land £	Buildings £	Exhibits £	Plant and equipment £	Computer equipment £	IMAX Projector £	Total £
Cost or valuation:							
As at 1 April 2005	2,000,000	52,587,336	12,018,842	1,061,253	1,510,796	1,549,878	70,728,105
Additions		(679,597)	511,267	334,835	66,653		233,158
As at 31 March 2006	2,000,000	51,907,739	12,530,109	1,396,088	1,577,449	1,549,878	70,961,263
Depreciation:							
As at 1 April 2005		9,065,852	4,649,738	719,691	1,454,756	372,746	16,262,783
Charge for the year		2,107,072	1,227,448	232,991	50,238	77,495	3,695,244
As at 31 March 2006		11,172,924	5,877,186	952,682	1,504,994	450,241	19,958,027
Net book value:							
As at 31 March 2006	2,000,000	40,734,815	6,652,923	443,406	72,455	1,099,637	51,003,236
As at 31 March 2005	2,000,000	43,521,484	7,369,104	341,562	56,040	1,177,132	54,465,322

The negative building additions have resulted from a reduction in the accrual for the final costs of the main Capital Project

Company

	Freehold land £
Valuation At 1 April 2005 and 31 March 2006	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.

Notes to the financial statements

For the year ended 31 March 2006

14 Investment in subsidiary undertakings

	2006	2005
	£	£
Cost		
Investment in subsidiary undertakings	3	3
	<u>3</u>	<u>3</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

15 Debtors

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Trade debtors	101,123	240,679		
Amounts owed by Millennium Commission	1,195,359	1,000,000	1,195,359	1,000,000
Amounts owed by GSC Endowment Fund	1,178,977	1,978,977	1,178,977	1,978,977
Prepayments and accrued income	242,798	228,884		
	<u>2,718,257</u>	<u>3,448,540</u>	<u>2,374,336</u>	<u>2,978,977</u>

Included within prepayments is £84,817 (2005 £103,589) in respect of the IMAX projector
This will be expensed over more than 1 year

16. Creditors: amounts falling due within one year

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Trade creditors	164,432	283,074		
Amount owed to subsidiary undertaking			2,655,861	3,260,502
Tax and social security costs	76,928	48,174		
Accruals and prepaid income	3,758,716	4,384,895		
Loan from GSC Endowment Fund	300,000	300,000		
Other creditors	265,062	29,541		
	<u>4,565,138</u>	<u>5,045,684</u>	<u>2,655,861</u>	<u>3,260,502</u>

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

Notes to the financial statements

For the year ended 31 March 2006

17. Endowment funds

	Balance at 1 April	Incoming resources	Gains/ (losses) and transfers	Balance at 31 March
Group	£	£	£	£
Science Centre and land	54,568,910	(22,678)	(3,380,882)	51,165,350
Company				
Land	2,000,000			2,000,000

The endowment funds represent the capital costs of assets held for the purposes of delivering the charitable activities

18. Other funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
As at 1 April 2005	(320,984)		(320,984)
Movement in resources			
Incoming	4,748,177	183,822	4,931,999
Outgoing	(8,125,621)	(183,822)	(8,309,443)
Transfers	3,380,882		3,380,882
	3,438		3,438
As at 31 March 2006	(317,546)		(317,546)

19. Analysis of fund balances between net assets

	Unrestricted Funds £	Restricted Funds £	Endowment Funds	Total Funds £
Fixed assets			51,003,236	51,003,236
Net current assets	(317,546)		162,114	(155,432)
	(317,546)		51,165,350	50,847,804

Notes to the financial statements

For the year ended 31 March 2006

20. Financial commitments

The annual commitment under a non cancellable operating lease with IMAX Corporation for maintenance and rental of the IMAX projection system is £136,797. This agreement runs for 20 years from 1 October 2000 to 30 September 2020.

At 31 March 2006 the company and its subsidiaries had made commitments for capital expenditure on buildings, exhibits and plant and equipment enhancements of £1,083,235. Funding to meet these commitments has been approved by Glasgow Science Centre Endowment Fund.

Both Scottish Enterprise Glasgow and the Millennium Commission have a bond and floating charge over the assets of the Company.

21. 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 2006 the company had one member, Scottish Enterprise Glasgow.

22. 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 National, 150 Broomielaw, Glasgow, G2 8LU.