



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

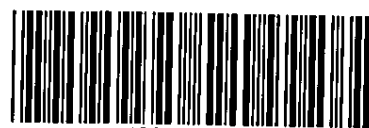
**Annual Report and Financial Statements**

**31 March 2011**

Registered number SC172371

Registered charity number SC025818

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## Annual Report and Financial Statements

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# Glasgow Science Centre Charitable Trust (Reg. No. SC172371)

(A Company Limited by Guarantee and not having a Share Capital)

## Trustees, Officers and Advisers

### Chairman

Professor Jim McDonald (appointed 19 May 2011)

Sir K Calman (resigned 31 March 2011)

### Vice Chairman

R McGrory (resigned 1 October 2010)

Professor J Coggins OBE (appointed as Vice Chairman 8 October 2010)

### Trustees

C Bell

C Campbell (resigned 13 April 2011)

Dr K G Chrystie

D Colquhoun

Dr W Duncan

V Featherstone

Professor A Ferguson

M Gray

S Patrick

H K Ramsay (resigned 26 November 2010)

H Reid OBE

### Company Secretary

D McQueen

### Audit Committee

Dr K G Chrystie (Chairman)

Professor J Coggins OBE

J G Wylie CA

### Finance Committee

S Patrick (Chairman)

Dr K G Chrystie

Dr W Duncan

### Nominations Committee

Professor J Coggins OBE (Chairman)

H Reid OBE

S Patrick

### Science Advisory Committee

Professor J Coggins OBE (Chairman)

Professor A Ferguson

Professor G Graham

Professor J Hough

R Hoyle

M Mathers

B McLeary

H Reid OBE

Professor C Tannahill

Professor I Underwood

C Yates

### Remuneration and Appointments Committee

D Colquhoun (Chairman)

M Gray

# **Glasgow Science Centre Charitable Trust (Reg. No. SC172371)**

(A Company Limited by Guarantee and not having a Share Capital)

## **Trustees, Officers and Advisers**

### **Executive Team**

D McQueen – Acting Chief Executive and Director of Finance

R Hoyle – Director of Science

### **Independent Auditors**

KPMG LLP

Chartered Accountants

191 West George Street

Glasgow

G2 2LJ

### **Bankers**

The Royal Bank of Scotland plc

Sauchiehall Street Branch

23 Sauchiehall Street

Glasgow

G2 3AD

### **Solicitors**

Burness

120 Bothwell Street

Glasgow

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 report and financial statements for the year ended 31 March 2011.

### 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) 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 6 weeks 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;

- Audit Committee – External audit of statutory accounts.

## Annual Report of the Trustees

- 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 (£1.08m in the year ended 31 March 2011) 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 2010 - 11, are as follows:

## Annual Report of the Trustees

### 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 120 full-time staff, 20 part-time staff and 56 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 2010 -11 are:

- 1. *Maximise accessibility and impact to attract more visitors from a wider audience and inspire them to return.***
  - To achieve a total of 272,000 visitors made up of 200,000 public visitors to the Science Mall, 2,000 public visitors to the Tower and 70,000 education in-reach participants.
  - From the above visitor numbers to achieve a total of 385,250 admissions made up of 270,000 to the Science Mall, 60,000 to the IMAX, 13,250 to the Tower and 42,000 to the Planetarium.
  - To achieve 60,000 community and education outreach participants.
  - Deliver a 5\* customer experience.
- 2. *Create interactive and inspirational experiences to increase awareness and engagement in science, technology, engineering and medicine.***
  - Deliver exhibition refresh programme including securing a further high profile temporary travelling exhibition for 2011.
  - Deliver School & Public inreach programmes.
  - Deliver School & Community outreach programmes.
  - Develop and implement a Science Engagement Quality Assurance Framework that enables the outcome and impact of all activities to be captured and assessed.
  - Create a programme to celebrate the 10<sup>th</sup> anniversary of the opening of GSC during 2011.
- 3. *Build partnerships to develop our national role as a key player in science communication and education.***
  - Establish good working partnerships with a network of key stakeholders in science engagement including supporting the development of Glasgow City of Science and progressing a feasibility study into a joint venture with RZSS.
  - Develop relationships with HE / FE / TEs.
  - 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 to GSC by all groups of society.

## Annual Report of the Trustees

### 4. Deliver staff development and maximise operational efficiency.

- Establish a company structure and management practices and procedures (including management information systems) that promote continuous improvement and effectively deliver all GSC services.
- Delivery of GSC Staff Development programme.
- Development and implementation of a volunteering programme.

### 5. Expand/diversify fundraising activities to build a high performing responsive and sustainable Glasgow Science Centre.

- Produce and implement a structured fundraising strategy to significantly improve the current return from unrestricted and restricted fundraising activities from all funding sectors i.e. public, charitable and industry.
- Secure the remaining funding required to develop and implement a new innovations area on Floor 2 during 2010 and the Bodyworks exhibition on Floor 3 in early 2012.
- Maximise the return from all commercial operations (IMAX DMR, Corporate Events, Retail and Car Parking).

## Achievements and Performance

The Trustees are pleased to report good progress in delivery of the majority of the Corporate Plan objectives for 2010-11 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:

Visitors/Participants	Actual 2010/11	Budget 2010/11	Variance	Actual 2009/10
Science Mall – Public	176,901	200,000	(23,099)	164,684
Tower – Public	849	2,000	(1,151)	1,527
Education In-reach (incl. special events)	63,507	70,000	(6,493)	63,551
<b>Total</b>	<b>241,257</b>	<b>272,000</b>	<b>(30,743)</b>	<b>229,762</b>

Total visitor/participants at 241,257 were 30,743 or 11.3% behind budget but 11,495 or 5.0% ahead of last year (2010: 229,762).

The main reasons for the shortfall in visitor numbers against budget were lower than expected demand for the Wallace & Gromit offer, exceptional good weather over peak visitor times in the first quarter of the year and extreme winter weather during late November and early December 2010 which forced the Science Centre to close on a number of occasions.

The standard admission price to the Science Mall was increased by £1.70 (Adult £8.25 to £9.95 and Child/concession £6.25 to £7.95) at the start of the financial year to assist in financing the hosting of the "Wallace & Gromit present a World of Cracking Ideas" exhibition but given that visitor numbers are 5% ahead of last year it is not considered that this was a major factor in the shortfall against budget.

Due to reliability issues with its lifts the Tower closed for the season in August 2010 rather than the planned end of October 2010 and as a result there was a significant shortfall in visitor numbers to this part of the GSC offer.



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Included in the total visitor numbers are 16,763 school and community group visitors from remote, economically and/or socially disadvantaged communities who visited GSC as a result of transport subsidy provided by the Scottish Government.

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 2010/11	Budget 2010/11	Variance	Actual 2009/10
Science Mall – Public & Education	240,408	270,000	(29,592)	228,262
IMAX – Public & Education	59,063	60,000	(937)	52,606
Tower – Public	6,375	13,250	(6,875)	8,199
Planetarium – Public	41,877	42,000	(123)	37,524
<b>Total</b>	<b>347,723</b>	<b>385,250</b>	<b>(37,527)</b>	<b>326,591</b>

Total admissions at 347,723 were 37,527 or 9.2% behind budget but 21,132 or 6.5% ahead of last year (2010: 326,591).

### *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 2010/11	Budget 2010/11	Variance	Actual 2009/10
Education	29,037	20,000	9,037	22,314
Community	53,358	40,000	13,358	39,861
<b>Total</b>	<b>82,395</b>	<b>60,000</b>	<b>22,395</b>	<b>62,175</b>

Total outreach participants at 82,395 were 22,395 or 37.3% ahead of budget and 20,220 or 32.5% ahead of last year (2010: 62,175).

The main reason for the increase in education participants is the high level of interest being generated by the Bodyworks on Tour offer in schools.

Community participants have increased through collaboration with Visit Scotland which has resulted in attendance in an increased number of high profile events including various Science Festivals around Scotland.

### *Customer Satisfaction/Impact*

The overall customer satisfaction rating monitored through third party surveys has remained above target at 8.5 out of 10 (Target: 8, 2010: 8.3).

In February 2011 the annual inspection by Visit Scotland reconfirmed our status as a 5 Star Visitor attraction.

Development of our evaluation and impact assessment processes has continued during the year with a summary of the key findings noted below:

- An enjoyable place to spend time with family and friends and encourage children's interest in science is the main motivation for people to visit GSC.
- Visitors are predominately families with 70% from the ABC1 groupings.
- Customer satisfaction levels for the "Wallace & Gromit present a World of Cracking Ideas" exhibition were high at 92% with the average dwell time in the Centre approximately 3 hours.
- Customer satisfaction levels for Meet the Expert events were 99%.

## Annual Report of the Trustees

- Experts that presented their work at GSC were motivated to develop skills and inspire learning, to increase the quality and impact of their own work and to win support for science.
- Feedback from teachers for both in-reach and outreach activities indicates that teacher and pupil enthusiasm for science increases post visit.
- Feedback from the evaluation of "Wallace & Gromit present a World of Cracking Ideas" and Meet the Expert events indicates strong agreement from visitors that they have learned something new.
- 58% of visitors at Meet the Expert events stated that the experience had inspired them to find out more about science.
- Initial feedback from the evaluation of the new "Be Creative Be Innovative" exhibition has indicated that visitors are becoming more aware of the contribution that Scotland makes in science and technology and are developing new skills in problem solving through the exhibits.
- Strong agreement from visitors that they feel science is more interesting following their visit and science is relevant to their life.

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

### **Quality Science Experiences**

#### *Exhibit Refresh Programme*

It has been an exceptional year for the refresh of our exhibition stock with the following achieved:

- A major temporary exhibition "Wallace & Gromit present a World of Cracking Ideas" was hosted from April 2010 to end of February 2011 on Floor 3 and a significant part of Floor 2.
- In April 2010 a new permanent dedicated learning zone for under 7s, the "Big Explorer" was opened on Floor 1.
- In February 2011 a new 450m<sup>2</sup> exhibition developed and created "in house" called "Be Creative Be Innovative" was opened on Floor 2. This exhibition which has over 25 new interactive exhibits and hands on workstations is intended to encourage creativity and problem solving to nurture a culture of innovation in participants to engage and inspire the next generation of innovators.
- Following difficulties in identifying a suitable and affordable major temporary exhibition that could be hosted during the main 2011 season a further new exhibition called "Mindworks" was developed and created 'in house'. This exhibition, which opened on 1 April 2011 on Floor 3 and incorporates our existing "Alice in Wonderland" exhibition, uses the phenomena of illusion to present insights into how your senses and mind work to give you a perception of the world around you.
- Development work on the concept and design of new Bodyworks Exhibition has continued throughout the year. This exhibition is now planned to open on Floor 3 in April 2013.
- Development work has commenced on a number of new exhibition concepts. These include space, renewable energy and sport.

#### *Schools and Public In-reach Programmes*

A high quality public and schools education programme continues with new innovative interactive shows being developed and rolled out over the year receiving excellent responses from all participants. In addition to our ongoing programmes, new shows/programmes developed and rolled out during the year include:

- New science shows "Imagine That" and "Phenomenal Phenomena" developed and delivered.
- New early years planetarium show "Sky Safari" developed and delivered.

## Annual Report of the Trustees

- 10 new enquiry based challenge workshops developed and delivered to compliment the "Wallace & Gromit present a World of Cracking Ideas" exhibition.
- Developed and delivered a summer nights planetarium show to tie in with the World Cup in South Africa.
- Celebration of science event delivered throughout September with 95 different experts from numerous fields engaging with the public on how science impacts on everyday lives.
- New Little Explorer public and education programmes (Splish Splosh - about water and its properties and the Bug Ball - about minibeasts and their life cycles).
- Perception Deception workshop and Mindworks on The Move busking activities developed to compliment the new Mindworks exhibition.
- Delivered two evening events for uniforms groups "A Grand Night Out" for all groups and "Thinking Day: Women Hold Up Half the Sky" tailored for Girl Guiding Glasgow. Both events were designed to link with their badges with a total of 1,686 attending.
- CPD activity for teachers covered sessions on "Introduction to Informal Learning Strategies" and "Facilitating Dialogue and Debate in the Classroom".
- Continuing development of pre and post visit resource materials for teachers linked to the Curriculum for Excellence.

### *Schools and Community Outreach Programmes*

The main Outreach activity has been the delivery of the Bodyworks Outreach Programme (Understanding how your body works) to schools and community groups throughout the country.

A new early years show "Journey through my Body" was developed and delivered to 55 nursery schools throughout Glasgow.

### *Science Engagement Quality Assurance Framework*

Due to continuing resource constraints limited progress has been made with the development of a Science Engagement Quality Assurance Framework that enables the outcome and impact of all our activities to be captured and assessed. Work is continuing but it is expected that it will be some time before a full and comprehensive framework is developed and in place.

### *10<sup>th</sup> Anniversary Celebrations*

An extensive programme of events has been developed to celebrate the 10<sup>TH</sup> Anniversary of the opening of the Science Centre. Events already held and still to come are noted below:

- On the 31 March 2011 the Government's Chief Scientific Adviser, Professor Anne Glover assisted Sir Kenneth Calman with the opening of the new Mindworks exhibition on Floor 3 to over 500 guests.
- On 20 April 2011 the celebratory programme was formally launched by HRH Princess Anne and Vice Chairman Professor John Coggins following a guided tour.
- On 19 May 2011 a fundraising dinner, a Question of Science, was held, with 300 paid and invited guests enjoying an evening in the company of Professor Brian Cox and Muriel Gray including a science quiz.
- Further fundraising events are planned for later in the year including "A Matter of Science & Sport: The Future of Sport Refereeing" hosted by John Beattie, "A Taste of Science" hosted by John Torode and "The Science of Laughter" host to be confirmed.
- Over the traditional Glasgow fair weekend (16-18 July 2011) the Science Centre will host a birthday party for its customers based around the theme of "the Science of the Circus".
- Over the Glasgow September weekend our customers will be engaged with four days of activity on the topic of dirt.
- During the October mid term school holidays a "Celebration of Science" will be held with experts from wide ranging areas of science engaging with our customers.

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### *Profile Raising/Partnership Working*

A number of profile raising initiatives have been developed and delivered during the year including the creation of a GSC Manifesto for the Scottish Parliament elections, frequent appearances on the radio (Fred McAulay Show) and TV (The Hour), preparation and distribution of our annual report, GSC presence on GLOW and attendance at various events in the Scottish Parliament.

GSC has also continued to be an active participant in the Glasgow City of Science initiative which continues to gather momentum. 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.

Work in developing other partnerships in a range of areas has continued with some progress but there is still much work remaining to establish and take forward more focussed and strategic partnerships that will make a significant difference to the delivery of the GSC mission.

The main profile raising and partnership work in the four identified priority areas is summarised below:

### *Networking with other Science Engagement Organisations*

- Work commenced on the feasibility of establishing a joint venture vehicle to construct an RZSS facility as part of or adjacent to the Science Centre. An initial concept was agreed and developed however various significant constraints were identified which could not be easily resolved. The proposed development is now considered closed.
- Partner in national Embedding Dialogue project with 5 UK Science Centres to improve facilitation skills in science communicator professionals across the UK.
- Delivered "Game On: The Science of Sport" as part of the Edinburgh International Science Festival.
- Worked with the Institute of Physics to deliver "Lab in a Lorry" a mobile science laboratory at GSC.
- Delivered Clyde in the Classroom in partnership with the Clyde River Foundation.
- Worked with the BBC to roll out invention kits to the public as part of their "Wallace and Gromit World of Inventions" show.
- Worked with the Royal Concert Hall to blend a "hands on" science engagement experience with their performance of "Icarus on the Edge of Time".
- Worked with RSE to deliver master classes from astronaut, Bonnie Dunbar, in the IMAX and Planetarium.

### *Relationships with HE / FE / TEs*

- Seconded staff to Strathclyde University to deliver the OPEN West of Scotland project.
- Trained various experts on engaging with the public to enable them to take part in the Celebration of Science programme. Activities resulting from the training included "Using DNA to unravel the mystery of the Romanovs" delivered by Strathclyde University.
- Delivered Chemistry Days to allow pupils to see practical examples of chemistry applications in everyday life and highlighted the career options available in partnership with Edinburgh, Glasgow and Strathclyde Universities, SSERC, RSC, British Science Association and STEM Ambassadors.
- Delivered discussion and dialogue training to all biology, chemistry and physics as part of the core PGDE in education at Jordanhill Campus.
- Assisted Strathclyde University with the delivery of its Life Long Learning Programme.

## Annual Report of the Trustees

- Sleep study undertaken by Glasgow University on GSC visitors.

### *Relationships with Industry, Careers and Enterprise Organisations*

- Continued to work with GlaxoSmithKline to deliver Bodyworks Outreach programme including training their staff to deliver a workshop, "Make Your Own Lungs".
- Continued to work with ScottishPower Renewables through the ongoing management of Whitelee Windfarm Visitor Centre by GSC (Trading) Limited.
- Trained various industry experts on engaging with the public to enable them to take part in the Celebration of Science programme. Activities resulting from the training included "Engineering Encounters" delivered by Thales Optronics and "As far as the eyes can see" delivered by General Electric.
- Model making workshops delivered with Aardman Animations.
- Delivered "Who wants to be a scientist?" programme.

### *Relationships with Community and Local Businesses*

There are currently 88 groups registered with GSC through our Community Membership Scheme which allows entry at £4 per person. Of these 42% are groups from disadvantaged areas, 4% are black minority and ethnic groups, 30% are groups supporting people with disabilities and 24% deal with young people at risk.

GSC Outreach team attended many local and national events at various venues throughout the country including Dumfries & Galloway Science Festival, Department for Work & Pensions Family Day, Inverness Science Festival, Race for Life, Royal Highland Show, Partick Fayre, Hebridean Celtic Festival, Linlithgow Palace Jousting Extravaganza, Scottish Young Carers Festival, Orkney Science Festival, Aberdeen Tech Fest, Scottish Learning Festival, Edinburgh Zoo, Clydebank Shopping Centre, the Forge, Winterfest in George Square, Grangemouth Science Festival, Dunbar Science Festival and many more.

### **Staff Development/Operational Efficiency**

#### *Staff Structure/Management Practices and Procedures*

Following the resignation of the Chief Executive on 26 November 2010 the Board immediately appointed the Director of Finance as Acting Chief Executive but, due to the impending retirement of the Chairman, agreed to postpone the recruitment of a permanent replacement until a new Chairman was in place. With a new Chairman, Prof. Jim McDonald, now in place it is expected that the recruitment process for a new permanent CEO will commence shortly.

In an effort to improve operational efficiency and provide more focus on business development the structure of management team meetings was amended in December 2010 to create separate Operational and Business Development meetings. The introduction of these separate meetings has improved inter departmental communication and increased the number of business development proposals being considered which in turn has provided an increased level of project proposals to assist the fundraisers in seeking funding.

The new finance system has now been operational for a full year and despite a number of teething problems has significantly improved the quality and the level of information available for managers. Further work is still required to streamline some of the processes associated with the system but it is expected that these will be addressed during 2011/12. Various reviews have also been undertaken into the opportunities to improve other management information tools with further work planned on the possible upgrade of the website, ticketing system and the introduction of some form of customer relationship management (CRM) system particularly in the fundraising area.

## **Annual Report of the Trustees**

### *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. In March 2011 the format for recording the results of these reviews was refined to improve usability in response to feedback from line managers and staff.

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 135 individuals and including training in management, IOSH, COSHH Assessors, First Aid, Practical Fire, Fire Evacuation, Manual Handling, Delivering Service Excellence and Leading Service Excellence.

### *Volunteering Programme*

During the year the volunteering programme has been expanded with 11 volunteers contributing a total of 1,040 hours to assist with the delivery of the school and public programmes on the exhibition floors. The recruitment process for volunteers for the main 2011/12 operating period is now underway.

### *Income Expansion and Diversification*

#### *Fundraising Strategy*

Limited progress has been made with the production and implementation of a structured fundraising strategy. This strategy is required to assist in significantly improving, on a sustainable basis, the return from unrestricted and restricted fundraising activity from all funding sectors i.e. public, charitable and industry. As a result this will be the key priority for the new Chairman and CEO during 2011/12.

#### *Fundraising Progress*

Despite the lack of a strategy and continuing difficult market conditions for charitable giving it has been an exceptional fundraising year with the following key achievements:

- Receipt of £345,000 from the GSC Endowment Fund to fund the creation of the "Be Creative Be Innovative" exhibition on Floor 2 and "Mindworks" exhibition on Floor 3.
- Receipt of £53,220 from Scottish Enterprise to assist in meeting the cost of significant repairs to the quay walls.
- Receipt of £41,895 from Glasgow City Council to deliver Outreach activities to nursery schools.
- Receipt of £30,000 of sponsorship to assist with the hosting of "Wallace & Gromit present a World of Cracking Ideas" from Real Radio and ScottishPower Renewables.
- Receipt of £25,000 from the Scottish Government to develop and deliver the Celebration of Science programme in September 2010.
- Receipt of £75,000 from the Garfield Weston Foundation for the planned Floor 3 Bodyworks exhibition.
- Conditional support secured from the Wellcome Trust (£900k), the GSC Endowment Fund (£250k) the Robertson Trust (£50k) towards the £1.9m cost of the new Bodyworks exhibition on Floor 3. The release of formal offers of grant for this support are subject to securing the remaining funding required and the provision of a satisfactory timetable for delivery of the exhibition.

## Annual Report of the Trustees

Since the year end GlaxoSmithKline have verbally indicated a willingness to provide the remaining £600k required to deliver the new Bodyworks exhibition. Negotiations have now commenced with all funders (including the Wellcome Trust, the GSC Endowment Fund and the Robertson Trust) over the terms of their formal offers of grant and it is expected that all funding should be formally contracted within the next few months.

### *Commercial Activities*

It has been a difficult year for our commercial activities with turnover down £208,496 or 6.4% to £3,042,019 (2010: £3,250,515) due mainly to the poor trading performance of the IMAX when showing DMR films.

### **Financial Review**

It has been a mixed year for the charity in financial terms with disappointing (unrestricted) operational performance partly offset by improved restricted fundraising leading to significant improvement in the level of investment in exhibition stock and other GSC infrastructure.

#### Incoming Resources

Total income increased by £547,145 or 9.2% on last year to £6,467,198 (2010: £5,920,053) due mainly to the following:

- increase in admissions income for charitable activities of £116,598; and
- increase in grants for charitable activities of £763,041.

Offset by:

- decrease in voluntary income of £116,111;
- decrease in activities for generating funds of £208,496;
- decrease in investment income of £766; and
- decrease in other incoming resources of £7,121.

#### Voluntary Income

Voluntary income decreased by £116,111 or 7.1% to £1,509,939 (2010: £1,626,050) due mainly to a reduction of £168,000 in the Scottish Government Grant offset by an increase in sponsorship income.

#### Activities for Generating Funds

Income generated from various commercial activities decreased by £208,496 or 6.4% to £3,042,019 (2010: £3,250,515) due to the following:

- A decrease in admission income from the showing of IMAX DMRs (digitally remastered feature films) of £485,972 or 45% to £593,680 (2010: £1,079,652) due, as expected, to no film being able to match the phenomenal success of Avatar last year but also poorer than expected box office performance from most films shown during the year. This is reflected in the fact that total IMAX DMR admission numbers were down 65,850 or 41.6% at 92,377 (2010:158,227) against a 30% budgeted decrease.
- A decrease in income from the shop, snack bar and vending of £89,356 or 16.3% to £458,440 (2010: £547,796) due to reduced spend in the IMAX snack bar from the significant reduction in IMAX admission numbers.

Partly offset by:

- An increase in corporate events income (including Christmas Party Nights) of £175,866 or 22.6% to £954,474 (2010: £778,608) due to the securing of a number of large high profile events.

## Annual Report of the Trustees

- An increase in fee income of 45.3% or £94,827 to £304,371 (2010: £209,544) from the management of Whitelee Visitor Centre on behalf of ScottishPower Renewables due to this year being the first full year of operation.
- An increase in the income generated by property rental of £37,407 or 85.8% to £81,003 (2010: £43,596) due mainly to the hosting of Sky's Got to Dance programme on the external area around the Science Centre.
- Increases in catering (£33,979), car parking (£13,262) and exhibition and programme services (£12,849) income.

### Investment Income

Investment income from interest on cash balances has decreased by £766 or 31% to £1,707 (2010: £2,473) due to the base rate remaining at 0.5% throughout the year.

### Charitable Activities – Admissions

Income from admissions has increased by £116,598 or 10.7% to £1,199,904 (2010: £1,083,306) due to an increase in the standard admission price for the Science Mall and an increase in admission numbers across all in-reach activities with the exception of the Tower.

### Charitable Activities - Grants

Grant income for capital projects has increased by £728,123 to £474,220 (2010: negative £253,903) due mainly to the securing of increased income from the GSC Endowment Fund to fund exhibit renewals on floor 2 and 3.

Grant income for revenue projects increased by £34,918 or 17.1% to £239,018 (2010: £204,100) due to an increased drawdown of secured funding for outreach activities.

### Other Incoming Resources

Income from other resources has decreased by £7,121 to £391 (2010: £7,512) due to a reduction in insurance claim receipts.

### Resources Expended

Total expenditure increased by £51,954 or 1.7% to £10,123,455 (2010: £10,071,501) due to the costs of hosting the "Wallace & Gromit present a World of Cracking Ideas" exhibition for most of the year partly offset by reduce costs of generating funds.

### Cost of Generating Funds

The costs of generating funds have decreased by £166,044 or 5.0% to £3,158,185 (2010: £3,324,229) due to the decrease in activities for generating funds during the year.

### Charitable Activities

Total costs of charitable activities have increased by £229,429 or 3.4% to £6,908,520 (2010: £6,679,091).

Direct charitable costs have increased by £426,494 or 7.7% to £5,323,452 (2010: £4,896,958) due to the additional costs of hosting the "Wallace & Gromit present a World of Cracking Ideas" exhibition for most of the year and the direct allocation of certain support costs to charitable activities.

Support costs have decreased by £197,065 or 11.0% to £1,585,068 (2010: £1,782,133) due to the direct allocation of certain support costs to charitable activities and cost savings.

### Governance Costs

Governance costs have decreased by £11,431 or 16.8% to £56,750 (2010: £68,181) due to the resignation of the Chief Executive on 26 November 2010.



## Annual Report of the Trustees

### Staff Costs

Total staff costs at £3,026,098 have increased by £224,955 or 8.0% (2010: £2,801,143) due to the employment of additional staff to assist in delivery of the increased level of programming associated with the "Wallace & Gromit present a World of Cracking Ideas" exhibition, the first full year of managing Whitelee Visitor Centre, the creation of two new exhibitions 'in house' and compensation for loss of office paid to the former CEO. In total average staff numbers have increased by 12 to 136 (2010: 124) during the year.

Due to continuing financial constraints, no cost of living increase was paid to staff during the year and none has been budgeted for 2011/12.

### Operating Deficit

An operating deficit of £3,656,257 (2010: £4,151,448) was incurred in the year.

The operating deficit is made up of a deficit of £147,912 (2010: surplus of £174,481) in unrestricted funds and a deficit of £3,508,345 (2010: £4,325,929) in restricted funds.

The reduction of £322,393 in unrestricted surplus in 2010 to a deficit of £147,912 for the year is due to a decrease in unrestricted income of £215,896 and an increase in unrestricted expenditure and transfers of £106,497.

The reduction of £817,584 in the deficit on restricted funds in 2010 to £3,508,345 for the year is due to an increase in restricted capital and revenue grant income of £763,041 and decrease in restricted expenditure and transfers of £54,543.

### Capital Expenditure

Capital expenditure of £456,064 was incurred in the year (2010: negative £94,233) mainly on the following:

- New "Be Creative Be Innovative" exhibition on Floor 2;
- New "Mindworks" exhibition on Floor 3;
- First phase of repair works to quay walls; and
- Virtualisation and other upgrades to ICT infrastructure.

### Financial Reserves

Total financial reserves at 31 March 2011 were £35,383,947 (2010: £39,040,204) representing unrestricted funds of £604,718 (2010: £752,630) and restricted funds of £34,779,229 (2010: £38,287,574).

At 31 March 2011 the unrestricted funds of £604,718 are all held in the 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 £604,718 the charity's unrestricted financial reserves are above the level identified. Given the uncertainty regarding Scottish Government funding beyond 2011/12 the Trustees believe it to be prudent to hold a higher level of financial reserves until Scottish Government funding for the 3 year period 2012/15 is agreed.

## Annual Report of the Trustees

The financial reserves policy is reviewed by the Trustees on an annual basis. The review in 2011 confirmed it remains appropriate.

### Plans for Future Periods

The Corporate Plan for 2010 – 11 sets out the following main targets under the five corporate objective headings:

- Achieving visitor and admission numbers of 237,500 and 410,400 respectively including 60,000 in-reach education participants.
- 60,000 education and community outreach participants.
- 84,000 visitors to Whitelee Visitor Centre including 4,000 education participants.
- Finalise funding agreements for all conditional support for the new Floor 3 Bodyworks exhibition and commence delivery with the aim of having the exhibition in place for 1 April 2013.
- Review and update Exhibition and Experience Development overview and develop and implement further exhibit refresh projects during the year subject to resource availability including the sourcing of any free quality temporary exhibitions.
- Deliver the 10<sup>th</sup> Anniversary Celebratory Programme.
- Undertake infrastructure improvements to the quay walls, Millennium Bridge, the poorest sections of flooring, lighting and the Atrium.
- Undertake feasibility studies into improvements in the ICT infrastructure including the upgrading of the website, ticketing system and the sourcing of a fundraising database. Subject to resource availability (fundraising success) implement the solutions identified.
- Increase partnership development and working including supporting the development of Glasgow City of Science and progressing the feasibility study into possible free access for schools through partnerships with local authorities and industry.
- Continue development and implementation of a Science Engagement Quality Assurance Framework that enables the outcome and impact of all activities to be captured and assessed.
- 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.
- Secure a funding satisfactory funding commitment from the Scottish Government for the 3 year period from April 2012 to March 2015.
- Achieve targets set for commercial income generation from IMAX DMR shows, Corporate Events, Whitelee Visitor Centre and Retail trading operations and develop proposals for further expansion of these activities.
- Undertake a feasibility study into the opportunities for the establishment of a significant exhibit fabrication facility at Brand Street to sell third parties GSC designed and fabricated interactive exhibits.
- Continue to investigate and implement further operational efficiencies including a review of the existing management structure, training/development of staff and further expansion of the volunteering programme.

### Going Concern

The Trustees are of the opinion that, taking into consideration the further reduction in Scottish Government funding for 2011/12 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.

## **Annual Report of the Trustees**

### **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.

Special thanks go to retiring Chairman, Sir Kenneth Calman, whose leadership and guidance was invaluable in dealing with the many challenges faced by GSC over the last few years.

Thanks also go to former CEO, Kirk Ramsay, for his substantial contribution during his 5 year period in charge.

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, Glasgow Science Centre Endowment Fund, GlaxoSmithKline, Garfield Weston Foundation, Scottish Enterprise, Glasgow City Council, Britvic and Real Radio.

### **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 regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income 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 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 the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company 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.

### **Disclosure of information to Auditors**

The Trustees who held office at the date of approval of the Annual Report of the Trustees confirm that, so far as they each are aware, there is no relevant information of which the charitable company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of the information.

## Annual Report of the Trustees

### Auditors

PricewaterhouseCoopers LLP resigned as auditors on 1 April 2011 and KPMG LLP were appointed to fill the vacancy. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

For and on behalf of Board of Trustees



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*Professor J Coggins OBE*  
**Trustee and Vice Chairman of the Board**

13 June 2011

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# **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 2011 set out on pages 21 to 33. 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 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 17, 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 relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

## **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 2011 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 Annual Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

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## **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.



**DJ Watt (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

17 June 2011

## Consolidated Combined Statement of Financial Activities and Income and Expenditure Account

For the year ended 31 March 2011

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
<b>Incoming Resources</b>					
Incoming resources from generated funds:					
Voluntary income	2	1,509,939	-	1,509,939	1,626,050
Activities for generating funds	3	3,042,019	-	3,042,019	3,250,515
Investment income	4	1,707	-	1,707	2,473
Incoming resources from charitable activities:					
Admissions	5	1,199,904	-	1,199,904	1,083,306
Grants	6	-	713,238	713,238	(49,803)
Other incoming resources	7	391	-	391	7,512
		<u>5,753,960</u>	<u>713,238</u>	<u>6,467,198</u>	<u>5,920,053</u>
<b>Resources Expended</b>					
<b>Cost of generating funds</b>					
Fundraising trading: cost of goods sold and other costs		3,071,705	86,480	3,158,185	3,324,229
<b>Charitable activities</b>					
Science Mall	10	2,158,024	2,931,942	5,089,966	4,700,704
IMAX Cinema	10	320,895	423,105	744,000	708,606
Tower	10	173,148	525,355	698,503	726,667
Education programmes	10	131,082	244,969	376,051	543,114
<b>Governance costs</b>	12	<u>56,750</u>	<u>-</u>	<u>56,750</u>	<u>68,181</u>
		<u>5,911,604</u>	<u>4,211,851</u>	<u>10,123,455</u>	<u>10,071,501</u>
<b>Net income/(expenditure) for the year before transfers</b>					
		(157,644)	(3,498,613)	(3,656,257)	(4,151,448)
Transfers between funds		<u>9,732</u>	<u>(9,732)</u>	<u>-</u>	<u>-</u>
<b>Net movement in Funds</b>		<u>(147,912)</u>	<u>(3,508,345)</u>	<u>(3,656,257)</u>	<u>(4,151,448)</u>
<b>Funds b/fwd at 1 April 2010</b>		<u>752,630</u>	<u>38,287,574</u>	<u>39,040,204</u>	<u>43,191,652</u>
<b>Funds c/fwd at 31 March 2011</b>		<u>604,718</u>	<u>34,779,229</u>	<u>35,383,947</u>	<u>39,040,204</u>

The above results are wholly derived from continuing activities. The loss for the year for Companies Act purposes comprises unrestricted net expenditure (before transfers) and revenue elements of restricted funds and totals £4,134,761 (2010: £3,796,344)

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 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible fixed assets	14	<u>34,504,979</u>	<u>38,026,094</u>
<b>Current assets</b>			
Stock		96,381	109,618
Debtors	16	736,900	844,277
Cash at bank and in hand		<u>682,675</u>	<u>954,290</u>
		1,515,956	1,908,185
<b>Creditors: amounts falling due within one year</b>	17	<u>(636,988)</u>	<u>(894,075)</u>
<b>Net current assets</b>		878,968	1,014,110
<b>Net assets</b>		<u><u>35,383,947</u></u>	<u><u>39,040,204</u></u>
<b>Reserves</b>			
Restricted funds	18	34,779,229	38,287,574
Unrestricted funds	19	<u>604,718</u>	<u>752,630</u>
		<u><u>35,383,947</u></u>	<u><u>39,040,204</u></u>

The financial statements were approved by the Board of Trustees on 13 June 2011 and signed on their behalf by:



Professor J Coggins OBE  
Trustee and Vice Chairman of the Board

13 June 2011



## Company balance sheet

As at 31 March 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible fixed assets	14	2,000,000	2,000,000
Investment in subsidiary undertakings	15	3	3
		<u>2,000,003</u>	<u>2,000,003</u>
<b>Current assets</b>			
Debtors	16	1,325	1,313
Cash at bank and in hand		22,012	22,073
		<u>23,337</u>	<u>23,386</u>
<b>Creditors: amounts falling due within one year</b>	17	(22,663)	(22,651)
<b>Net current assets</b>		<u>674</u>	<u>735</u>
<b>Net assets</b>		<u><u>2,000,677</u></u>	<u><u>2,000,738</u></u>
<b>Reserves</b>			
Restricted funds	18	2,000,000	2,000,000
Unrestricted funds	19	677	738
		<u><u>2,000,677</u></u>	<u><u>2,000,738</u></u>

The financial statements were approved by the Board of Trustees on 13 June 2011 and signed on their behalf by:



Professor J Coggins OBE  
Trustee and Vice Chairman of the Board

13 June 2011

## Notes to the financial statements

For the year ended 31 March 2011

### 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 £61 (2009: surplus £293) 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
IMAX projector	-	20 years

The IMAX projector is subject to a non-cancellable lease agreement over a 20 year period to 2020. The group fully discharged its financial obligations under this lease agreement in 2000, the year in which the lease commenced. The IMAX projector is recognised as a fixed asset in these financial statements at a value equal to the capital value of the lease paid on 2000.

#### *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. 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.

#### *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.

## Notes to the financial statements

For the year ended 31 March 2011

**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 restricted income to cover expenditure that has been classified in the SOFA as unrestricted.

### **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 and 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 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.

## Notes to the financial statements

For the year ended 31 March 2011

### 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.

### Registrar of Companies

Statutory accounts for the year ended 31 March 2010 were filed at Companies House on 25 October 2010.

## 2. Voluntary income

	2011 £	2010 £
Scottish Government Grant	1,080,000	1,248,000
Donations	206,314	180,767
Gift Aid - Income Tax Recovered	159,157	173,103
Britvic Sponsorship	30,000	19,712
Real Radio Sponsorship	25,000	-
ScottishPower Renewables Sponsorship	5,000	-
BiP Solutions Sponsorship	4,468	4,468
	<u>1,509,939</u>	<u>1,626,050</u>

## 3. Activities for generating funds

	2011 £	2010 £
Corporate events	837,167	652,441
IMAX Admissions DMR Films	593,680	1,079,652
Retail - Shop, Snack Bar and Vending	458,440	547,796
Retail - Cafe	365,311	331,332
Management Fees - Whitelee Visitor Centre	304,371	209,544
Car parking	206,776	193,514
Christmas party nights	117,307	126,167
Property rental	81,003	43,596
Exhibition and programme services	51,427	38,578
Berthing charges	15,287	18,372
IMAX advertising	10,864	9,523
Other	386	-
	<u>3,042,019</u>	<u>3,250,515</u>

## 4. Investment income

	2011 £	2010 £
Bank interest	<u>1,707</u>	<u>2,473</u>

## Notes to the financial statements

For the year ended 31 March 2011

### 5. Charitable Activities - Admission income

	2011 £	2010 £
Science Mall	896,602	756,356
Education programmes	211,372	251,857
IMAX Cinema	78,819	57,225
Tower	13,111	17,868
	<u>1,199,904</u>	<u>1,083,306</u>

### 6. Grants towards Charitable Activities

	2011 £	2010 £
<b>Capital Projects</b>		
GSC Endowment Fund - Buildings/Exhibits	345,000	(325,533)
Garfield Weston Foundation - Bodyworks	75,000	-
Scottish Enterprise - Quay Walls	53,220	-
The W M Mann Foundation	1,000	2,000
Scottish Water - Childrens Discovery Area	-	21,500
GlaxoSmithKline - Exhibits	-	18,630
The Institution of Civil Engineers - Childrens Discovery Area	-	10,000
People's Postcode Trust - Childrens Discovery Area	-	10,000
Bellahouston Bequest Fund	-	5,000
Commonweal Fund	-	2,500
The Endrick Trust	-	2,000
	<u>474,220</u>	<u>(253,903)</u>
<b>Revenue Projects</b>		
GlaxoSmithKline	109,273	66,200
Scottish Government	76,000	92,520
Glasgow City Council	41,895	41,300
Scottish Enterprise	6,000	-
Science and Technology Facilities Council	3,350	-
Institute of Physics	2,500	-
Royal Astronomical Society	-	2,580
Glasgow University	-	1,500
	<u>239,018</u>	<u>204,100</u>
	<u>713,238</u>	<u>(49,803)</u>

### 7. Other incoming resources

	2011 £	2010 £
Insurance Claim	<u>391</u>	<u>7,512</u>

## Notes to the financial statements

For the year ended 31 March 2011

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

	2011 £	2010 £
Auditors' remuneration:		
- Audit of these financial statements	2,000	2,400
- Audit of subsidiaries' financial statement pursuant to legislation	8,250	9,850
Trustees' liability insurance	2,835	2,993
Trustees' remuneration	135,251	105,861
Depreciation - owned assets	3,899,685	3,874,560
Depreciation - leased assets	77,494	77,494

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

### 9. Staff costs and Trustee remuneration

	2011 £	2010 £
Wages and salaries	2,781,619	2,565,564
Social security costs	226,109	212,106
Pension costs	18,370	23,473
	<u>3,026,098</u>	<u>2,801,143</u>
Average number of employees	No.	No.
Customer experience	38	36
Science	16	14
Retail/Corporate Hospitality/Catering/Whitelee	43	36
Facilities	27	27
Support	12	11
	<u>136</u>	<u>124</u>
Trustee Remuneration (Chief Executive) was as follows:	£	£
Salary	82,057	89,713
Pension	10,766	16,148
Compensation for loss of office	42,428	-
	<u>135,251</u>	<u>105,861</u>

With the exception of the Chief Executive no other Trustee received remuneration for their services.

In addition to the Chief Executive one other Trustee was reimbursed a total of £263 for out of pocket expenses during the year (2010: £0).

Excluding the Chief Executive one other individual employee earned remuneration (excluding pension contributions) in the range of £60,000 - £70,000 during the year (2010: One).

Pension contributions of £7,604 (2010: £7,325) were made on behalf of employees to the Friends Provident stakeholder pension scheme and contributions of £10,766 (2010: £16,148) were made to the personal pensions schemes of other employees.

## Notes to the financial statements

For the year ended 31 March 2011

A total of £48,105 (2010: £0) of the staff costs noted above relating to the development, building and installation of new exhibitions on floor 2 and 3 have been capitalised.

### 10. Expenditure on charitable activities

	Direct Expenditure £	Support Costs £	2011 £	2010 £
Science Mall	3,922,141	1,167,825	5,089,966	4,700,704
IMAX Cinema	573,299	170,701	744,000	708,606
Tower	538,241	160,262	698,503	726,667
Education programmes	289,771	86,280	376,051	543,114
	<u>5,323,452</u>	<u>1,585,068</u>	<u>6,908,520</u>	<u>6,679,091</u>

### 11. Support costs

	Fundraising £	Science Mall £	IMAX Cinema £	Tower £	Education £	2011 £	2010 £
Marketing	70,119	113,008	16,519	15,508	8,349	223,503	291,245
Facilities Management	407,146	656,186	95,915	90,049	48,479	1,297,775	1,567,122
Information Technology	79,007	127,335	18,612	17,474	9,408	251,836	176,640
Finance	81,753	131,760	19,259	18,082	9,735	260,589	381,832
Human Resources	33,109	53,362	7,800	7,323	3,942	105,536	122,272
Management	53,469	86,174	12,596	11,826	6,367	170,432	130,002
	<u>724,603</u>	<u>1,167,825</u>	<u>170,701</u>	<u>160,262</u>	<u>86,280</u>	<u>2,309,671</u>	<u>2,669,113</u>

### 12. Governance costs

	2011 £	2010 £
Management	45,000	52,931
Statutory audit	10,250	12,250
Legal expenses	1,500	3,000
	<u>56,750</u>	<u>68,181</u>

### 13. 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 2011

### 14. Tangible fixed assets

Group	Land £	Buildings £	Exhibits £	Plant and equipment £	Computer equipment £	IMAX Projector £	Total £
<b>Cost or valuation:</b>							
As at 1 April 2010	2,000,000	52,377,207	13,512,149	2,171,763	615,136	1,549,878	72,226,133
Additions	-	55,366	311,893	8,404	80,401	-	456,064
Disposals	-	-	-	-	-	-	-
As at 31 March 2011	<u>2,000,000</u>	<u>52,432,573</u>	<u>13,824,042</u>	<u>2,180,167</u>	<u>695,537</u>	<u>1,549,878</u>	<u>72,682,197</u>
<b>Depreciation:</b>							
As at 1 April 2010	-	19,565,275	11,582,912	1,724,935	566,699	760,218	34,200,039
Charge for the year	-	2,094,823	1,529,208	219,691	55,963	77,494	3,977,179
On disposals	-	-	-	-	-	-	-
As at 31 March 2011	<u>-</u>	<u>21,660,098</u>	<u>13,112,120</u>	<u>1,944,626</u>	<u>622,662</u>	<u>837,712</u>	<u>38,177,218</u>
<b>Net book value:</b>							
As at 31 March 2011	<u>2,000,000</u>	<u>30,772,475</u>	<u>711,922</u>	<u>235,541</u>	<u>72,875</u>	<u>712,166</u>	<u>34,504,979</u>
As at 31 March 2010	<u>2,000,000</u>	<u>32,811,932</u>	<u>1,929,237</u>	<u>446,828</u>	<u>48,437</u>	<u>789,660</u>	<u>38,026,094</u>

#### Company

Freehold  
land  
£

#### Valuation

At 1 April 2010 and 31 March 2011

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.

The net book value of tangible fixed assets includes an amount of £712,166 (2010: £789,660) in respect of the IMAX lease.

In addition to the fixed assets noted above the Group retains legal ownership of £450,000 of exhibits located at At Bristol Science Centre. These exhibits were created through a joint project with At Bristol funded by the Millennium Commission with ownership resting with the Group as the contracted body for the purposes of the funding agreement. GSC Limited has however agreed to allow At Bristol to retain full beneficial ownership of these exhibits for their estimated useful lives and therefore they have been excluded from the financial statements. During the year these exhibits came to the end of their estimated useful lives and At Bristol have confirmed that they have all been scrapped.



## Notes to the financial statements

For the year ended 31 March 2011

### 15. Investment in subsidiary undertakings

	2011	2010
	£	£
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.

### 16. Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	279,632	306,236	-	-
Amounts owed by GSC Endowment Fund	1,325	1,313	1,325	1,313
Prepayments and accrued income	455,943	536,728	-	-
	<u>736,900</u>	<u>844,277</u>	<u>1,325</u>	<u>1,313</u>

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

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	238,935	139,051	-	-
Amount owed to subsidiary undertaking	-	-	22,663	22,651
Tax and social security costs	62,117	80,009	-	-
Accruals and prepaid income	306,737	617,380	-	-
Other creditors	29,199	57,635	-	-
	<u>636,988</u>	<u>894,075</u>	<u>22,663</u>	<u>22,651</u>

Included within accruals and prepaid income is the sum of £85,999 (2010: £95,233) in respect of admissions, corporate events, service charge, rental and sponsorship income received in advance. This income is released in or over the specified future period that it relates to.

## Notes to the financial statements

For the year ended 31 March 2011

### 18. Restricted funds

Group	Balance at 1 April £	Incoming resources £	Outgoings/ Transfers £	Balance at 31 March £
Science Centre - Fixed Assets	38,026,094	456,064	(3,977,179)	34,504,979
GSC Endowment Fund - Capital Renewals	120,354	345,000	(402,844)	62,510
Scottish Enterprise - Quay Walls	-	53,220	(53,220)	-
Bodyworks Exhibition	17,500	76,000	-	93,500
IMAX Prepaid Rental Fund	9,732	-	(9,732)	-
Scottish Government - Projects	-	76,000	(76,000)	-
Outreach - Life & Health	46,855	151,168	(129,597)	68,426
Outreach - General	56,380	-	(17,225)	39,155
Community Liaison Project	7,335	-	-	7,335
Other Projects	3,324	11,850	(11,850)	3,324
	<u>38,287,574</u>	<u>1,169,302</u>	<u>(4,677,647)</u>	<u>34,779,229</u>
<b>Company</b>				
Land	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>2,000,000</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.

### 19. Unrestricted funds

Group	Balance at 1 April £	Incoming resources £	Outgoings/ Transfers £	Balance at 31 March £
General reserve	<u>752,630</u>	<u>5,753,960</u>	<u>(5,901,872)</u>	<u>604,718</u>
<b>Company</b>				
General reserve	<u>738</u>	<u>-</u>	<u>(61)</u>	<u>677</u>

### 20. Analysis of fund balances between net assets

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	-	34,504,979	34,504,979
Net current assets	<u>604,718</u>	<u>274,250</u>	<u>878,968</u>
	<u>604,718</u>	<u>34,779,229</u>	<u>35,383,947</u>

## Notes to the financial statements

For the year ended 31 March 2011

### 21. Financial commitments

The minimum annual financial commitment under a non-cancellable financial agreement with IMAX Corporation for maintenance of the IMAX projection system and royalties for film admissions is £148,040 (2010: £157,951).

The financial agreement runs for 20 years from 1 October 2000 to 30 September 2020 and provides for an additional annual charge for any increase in the Retail Price Index since the commencement of the agreement. It is also subject to exchange rate fluctuations as it is stated in US\$. The RPI, exchange rate fluctuations and minimum annual financial commitment are not considered to be significant financial risks to the charity.

### 22. Capital commitments

At 31 March 2011 the Group had commitments for capital expenditure on its quay walls of £109,280 (2010: £0).

### 23. 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

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 Company as security for their grant funding.

### 24. 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 2011 the company had one member, Scottish Enterprise Glasgow.

### 25. 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.

### 26. 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.