

Strategic Report, Report of the Directors and
Audited Financial Statements For The Year Ended 31 March 2015
for
Glasgow City Marketing Bureau Limited

Glasgow City Marketing Bureau Limited

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For The Year Ended 31 March 2015

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Glasgow City Marketing Bureau Limited

Company Information
For The Year Ended 31 March 2015

DIRECTORS:	Councillor G Matheson Baillie E Cameron Councillor G Hendry G Ellis Dr L Sawers Professor V A Muscatelli S Taylor
SECRETARY:	Burness Paull LLP
REGISTERED OFFICE:	Exchange House Ground Floor 229 George Street Glasgow G1 1QU
REGISTERED NUMBER:	SC275945 (Scotland)
AUDITORS:	Robb Ferguson Chartered Accountants & Statutory Auditors 5 Oswald Street Glasgow G1 4QR
SOLICITORS:	Burness Paull LLP 120 Bothwell Street Glasgow G2 4QY

Glasgow City Marketing Bureau Limited

Strategic Report For The Year Ended 31 March 2015

The directors present their strategic report for the year ended 31 March 2015.

REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS

This year end report for the period April 2014 to March 2015 highlights activity undertaken by Glasgow City Marketing Bureau (GCMB), as the city's destination marketing organisation (DMO) and custodian of the PEOPLE MAKE GLASGOW brand, in positioning Glasgow in key UK and international markets during the 2014-15 operational year to drive increased visitor and delegate volume to the city.

A global television audience of nearly two billion people tuned in to watch Glasgow thrive as the city staged a host of world-class events across 2014 - principally, the 'best ever' Commonwealth Games.

For Glasgow City Marketing Bureau, the Games presented a once-in-a-generation opportunity to tell Glasgow's story to the world. Working closely with the Glasgow 2014 Organising Committee (OC) and wider local and national partners, GCMB implemented an intensive programme of collaborative activity aimed at capitalising on the opportunities afforded by the Games and to position Glasgow at home and abroad.

GCMB's strategy encompassed:

- A high-profile, integrated marketing campaign with the Glasgow 2014 OC to drive ticket sales and grow visitor volume from England, Northern Ireland and Wales;
- Working with the Games' Global Travel Office and tourism partners in the city to develop an extensive range of Glasgow travel packages;
- Implementation of a major global media relations programme, which featured a series of on-territory media events and receptions in Australia and Canada, coinciding with the Queen's Baton Relay as it made its way around the globe, as well as bringing journalists to Glasgow from key Commonwealth territories;
- Delivery of the City Overlay and Look (COP-COL) workstream as part of Glasgow City Council's City Operations framework. This comprised the development and implementation of a dressing and wayfinding programme on a scale never seen before in Glasgow, enhancing the experience for residents, visitors, athletes, Games Family and global TV viewers alike.

To achieve impact and engagement, the creative and varied COP-COL programme included the spectacular Big G installation in George Square, the Clyde Mascot Trail, greening initiatives and citywide dressing across Glasgow Family venues. A partnership approach ensured the ambitions of the project were realised and the complex operational requirements met on time and to budget, delivering a city dressing programme that contributed to the Best Games Ever.

- The operation and management of a destination media hub (DMH) within the IET Glasgow Teacher Building in the city's St Enoch Square during Games Time itself, in partnership with VisitBritain and VisitScotland.

The DMH provided a welcome home-from-home facility and central meeting point for hundreds of visiting UK and international press and broadcasters;

- Working with Glasgow Life and Glasgow Film Office on the production of a Glasgow Broadcast Guide, identifying key indoor and outdoor broadcast positions (OBP) for global broadcasters covering the Games. GCMB led and managed the booking of OBP locations around the city, which included the Big G.
- Working positively and collaboratively with the city's tourism sector and the wider business community to ensure businesses were informed, prepared and ready to make the most of the Games - this included the development of a Games Tourism Toolkit which provided free marketing materials and advice to help businesses show their support for the Games and provide a welcome that visitors would never forget.
- Working with Development and Regeneration Services (DRS), Glasgow Life and Glasgow Chamber of Commerce to deliver the Glasgow Business Embassy. During the Games, City Halls and The Old Fruitmarket were transformed into Scotland House, a hub celebrating Scotland's sporting success, culture and business potential.

Glasgow City Marketing Bureau Limited

Strategic Report **For The Year Ended 31 March 2015**

The Glasgow Business Embassy was a bespoke area within the "House" featuring a packed programme of 35 events across 12 days which attracted over 1,000 attendees including national and international business leaders and athletics. The programme focused on the city's sectorial strengths in life sciences; low carbon industries; engineering, design and manufacturing; financial and business services; tourism and events; and higher and further education and highlighted Glasgow as a world-class major events destination and leading investment location.

- Assisting the Glasgow 2014 Organising Committee in managing and delivering Games Time hotel accommodation commitments. The Greater Glasgow Hotel Association provided some 60% of Glasgow's hotel rooms, equivalent to 140,000 room nights, at discounted rates which were originally negotiated by GCMB in 2006 to support the city's Games bid.

The Games also provided the perfect platform to shine the spotlight on the people of Glasgow and the city's award-winning PEOPLE MAKE GLASGOW brand. Hundreds of thousands of visitors from across the UK and overseas travelled to Glasgow for the Games and the city welcomed them with the hospitality and good humour for which it is globally renowned.

Having been widely endorsed by Glaswegians, the media, industry and Scotland's creative sector following its launch in June 2013, PEOPLE MAKE GLASGOW was catapulted onto the world stage last summer and became the heart of the city's Games story.

Highly visible throughout the city's Games dressing and at each of the venues, the gigantic, unmissable wrapping of the City of Glasgow College building overlooking George Square became the focal point for PEOPLE MAKE GLASGOW, with the BBC and other global broadcasters, including Australia's Channel 9 News, featuring it daily as part of their Games coverage.

Additionally, more than 600,000 branded pin badges and other memorabilia were distributed to visitors and a fleet of branded PEOPLE MAKE GLASGOW taxis took to the city's streets across the 11 days of sporting and cultural events.

A visitor survey commissioned by GCMB during the Games found that nearly two thirds of tourists (60%) were aware of the PEOPLE MAKE GLASGOW brand while an incredible 93% of visitors strongly agreed with the statement.

Following the Games, the impact of the brand was further recognised at the prestigious Transform Awards - Europe's premier branding awards - winning in four different categories against competition from major global blue chip brands.

Throughout the 2014-15 operational year, GCMB also entered into brand partnerships with a number of third sector organisations in the city, including the Poverty Leadership Panel, Yorkhill Children's Charity and Glasgow Social Enterprising Network (GSEN). This work continues to date and examples of the brand's application in this area is outlined below.

In addition to hosting the 'best ever' Commonwealth Games, the eyes of the world were firmly fixed on Glasgow in the last operational year as a result of the city's delivery of three other major events with international appeal: BBC Radio 1's Big Weekend Festival, the MTV Europe Music Awards and the BBC Sports Personality of the Year Awards.

Extensive coverage was secured in local, national and international media with an estimated reach of 445 million Opportunities to See (OTS) and a value of more than £10 million. There was also an unprecedented level of coverage through BBC channels, including BBC Radio 1, BBC 3, BBC2 Scotland, online live streaming and promotion post event on the BBC Radio 1 Breakfast Show.

The event attracted a total attendance of nearly 70,000 and an economic impact of more than £3 million.

The MTV EMA secured by GCMB in partnership with EventScotland took place on Sunday, November 9th at the SSE Hydro and it was the most successful in the show's history - reinforcing Glasgow's capacity, capability and credibility for delivering major global events. #EMA2014 was the number one trending tweet in the world with 389 million mentions and 591 million votes cast ensuring it broke all previous event records. The combined media and economic impact of the 2014 MTV EMA was more than £32 million.

The BBC Sports Personality of the Year Awards took place on Sunday, December 14th at the SSE Hydro. The event attracted 12,000 attendees including sporting stars from around the world, with Lewis Hamilton securing the top award.

Glasgow City Marketing Bureau Limited

Strategic Report **For The Year Ended 31 March 2015**

The ceremony was screened live on BBC 1 and was watched by six million viewers.

Following the success of 2014, Glasgow City Marketing Bureau has continued to implement targeted marketing and communications campaigns geared at capitalising on the interest in Glasgow that exists globally at present and forging strong links with key visitor markets.

This extends from planning and implementing UK and international advertising campaigns and a global media relations programme to joint working with airlines, rail and ferry operators and the wider travel trade to highlight direct access routes and maximise inbound visitor volume.

In the past financial year (April 14 to March 15), GCMB - with support from its on-territory PR agencies in Berlin, Belfast, Paris, New York, Toronto and Sydney - hosted more than 200 visiting media, which delivered nearly three billion Opportunities to See / Hear (OTS/H) city news coverage across print, broadcast and digital outlets.

Looking ahead, GCMB has confirmed significant major events and conference business to Glasgow until 2022 and is bidding for new business as far out as 2024, which will have a substantial, direct and positive impact on the city's visitor and tourism economy.

This includes the 2015 World Gymnastics Championships; 2015 Turner Prize; 2015 British Athletics International; 2016 World Irish Dancing Championships; 2016 MOBO Awards; 2016 Glasgow International Festival of Visual Art; 2018 World Irish Dancing Championships; 2018 European Sporting Championships; 2020 World Men's Curling Championships, UEFA Euro 2020 and the World Pipe Band Championships from 2016-2021.

Major conference business includes the 2016 Royal College of Nursing Annual Congress; 2016 International Conference on Drug Therapy in HIV; 2016 and 17 All Energy Exhibition - the largest renewables event in the UK; 2018 European Congress on Emergency Medicine; 2019 British Association of Urological Surgeons Meeting and the 2022 World Congress of Soil Science. These seven meetings alone will bring more than 30,000 delegates to Glasgow; boosting the city's economy by almost £40 million.

A key measure of GCMB's success in the past operational year has been the significant growth in tourism recorded in Glasgow in 2014.

New data released by the Office for National Statistics (ONS) in May 2015 showed that tourism visits to Glasgow increased by 37% last year, which led to a significant increase in tourism expenditure.

Glasgow attracted more than 2.7 million international and domestic tourists in 2014, with visitors spending £687 million in the city; up 39% from £495 million the previous year.

The ONS data, which is taken from the International Passenger Survey 2014, also found that:

- International tourists made 622,000 trips to Glasgow in 2014, an increase of 21% on 2013, spending £245 million (+32%);
- The majority of international tourists to Glasgow last year travelled from Europe (59%) and North America (22%). European tourists spent £93 million with North American visitors contributing £51 million;
- 19% of international visitors to Glasgow were from countries out with Europe and North America, including China, India and Australia, spending £100 million;
- Glasgow has overtaken Liverpool as the fifth most visited UK city by international tourists and ranks ahead of Oxford, Bristol, Cambridge, Leeds, York, Cardiff and Newcastle.

Meanwhile, data from the Great Britain Tourism Survey (published in 2015) shows domestic visitors made more than 2.1 million trips to Glasgow in 2014; a huge 56% increase on the previous 12 months.

British visitors to Glasgow spent £442 million in 2014, more than double (56%) the tourism expenditure achieved in 2013. The city bucked the national trend as domestic tourism spend across Scotland fell by 0.6%.

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Strategic Report **For The Year Ended 31 March 2015**

Business tourism contributes significantly to Glasgow's economy. GCMB reported its best ever conference sales for the past financial year (April 14 to March 15), confirming 504 new conventions through to 2022 worth £140 million - almost £2.7 million of new business every week, representing a 3% year-on-year increase.

Hotel performance is a key indicator of Glasgow's tourism industry. Glasgow's accommodation sector continues to perform strongly with occupancy and revenues reaching record highs.

The LJ Forecaster Report, from tourism market research specialists LJ Research, shows that hotel occupancy for the past financial year (April 14 to March 15) averaged 83% - the highest annual average achieved since records began in 1999.

Glasgow City Marketing Bureau's mission statement is to create customers.

As Glasgow's destination marketing organisation (DMO), GCMB's role is to position Glasgow in key UK and international markets, drive tourist and visitor volume, support the generation of inward investment and deliver sustainable economic benefit.

GCMB has positive city-wide focus to this core purpose for the past decade and in doing so has developed a reputation with Glasgow City Council and the wider council family, local authorities in the economic region and the Scottish Government. GCMB has strong established networks across industry sectors, academics and has a broad reach to help deliver innovative strategic solutions.

As a DMO, GCMB is viewed as an exemplar of European best practice. Our horizon scanning is cast over an eight year period, aligned to the ambitions of the city's Tourism and Visitor Strategy as well as the buying behaviour of major event and conference organisers.

In the next operational year, GCMB will lead and support the delivery of key activity and projects which include, but are not limited to:

- Implementing Glasgow's Tourism and Visitor Strategy and Action Plan from 2016-2023 with the aim of generating an additional one million more tourists and 10 million more visitors to the city in that time;
- Providing strategic support to assist in the city's delivery of the European Sports Championships 2018;
- Delivering the obligations of the host city agreement for EURO 2020, providing strategic and operational planning resource in its role as the lead city representative and funding partner;
- Providing both strategic and operational support across the implementation of the Council's Economic Strategy.
- The development of new airline routes to Glasgow remains fundamental to the expansion of Glasgow's tourism economy. GCMB will continue to lead this activity on behalf of Glasgow City Council, supporting Glasgow Airport in bidding for and securing direct flights.

GCMB helped to secure, through co-operative route development, the expansion and commission of existing and new direct routes to the city:

- Panavision charter service from Madrid / Valencia (new routes)
- Icelandair scheduled service from Reykjavik (extended number of weekly rotations both in Winter and Summer on existing route)
- US Airways (now American Airlines) scheduled service from Philadelphia (extended number of weekly rotations during Summer season on existing route)
- Falcon charter service from Zurich (new route)
- WestJet scheduled service from Halifax, Canada (new route)
- Lufthansa scheduled service from Munich (new route)
- EasyJet scheduled service from Bordeaux (new route)
- Atlas charter service from Milan (new route)
- Wizz Air scheduled service from Budapest (new route)
- Logan Air scheduled service from Cardiff (new route)
- Prima Reisen charter service from Vienna (new route)
- Jet2 scheduled service from Prague (new route)

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Strategic Report **For The Year Ended 31 March 2015**

The Team at GCMB won a number of awards during the past year:

Award: Glasgow Business Awards
Category: Creative Marketing Excellence
Project: People Make Glasgow

Award: Scottish Events Awards
Category: Best Large Event
Project: BBC Radio 1's Big Weekend

Award: Glasgow City Council Flourish Awards
Category: Leader's Choice Trophy
Project: People Make Glasgow

Award: Glasgow City Council Flourish Awards
Category: Team Excellence Award - Category Two: A World Class City
Project: City Operations - City Overlay and Look (COP-COL)

Award: M&IT Awards
Category: Best UK Convention Bureau

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management objectives and policies

The directors have examined the major strategic, business and operational risks which the company faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen the risks.

Risks together with actions taken to mitigate them are recorded in a systematic way and subject to review by the directors at every board meeting in order to ensure exposures are managed within agreed and acceptable levels.

Risk of Loss or Reduction in Funding

The company aims to mitigate this risk by monitoring the public awareness and profile of the company and agreeing suitable strategies and targets with funders.

Risk of Losses on Specific Business Units

The company has policies in place to regularly compare and review budgeted v actual results for each business unit via the detailed monthly management information pack prepared, which ensures that appropriate and timeous action can be taken as required.

Credit Risk

The company has implemented a policy that requires credit checks on potential customers, where credit will be made available, before the transaction takes place. The amount of exposure to any individual counterparty is subject to limit which is regularly assessed by the company.

Liquidity Risk

The company aims to mitigate risk by managing cash generated by its operations efficiently.

Interest Rate Cashflow Risk

The company does not currently utilise external debt. As such, the company's exposure to interest rate risk is kept at a minimum.

Glasgow City Marketing Bureau Limited

Strategic Report
For The Year Ended 31 March 2015

GOING CONCERN

The directors have assessed that the company has adequate resources to meet the ongoing costs of the business for a minimum of 12 months from the date of signing the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

ON BEHALF OF THE BOARD:

.....
S Taylor - Director

Date:

Glasgow City Marketing Bureau Limited

Report of the Directors **For The Year Ended 31 March 2015**

The directors present their report with the financial statements of the company for the year ended 31 March 2015.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of destination marketing activities for the city of Glasgow.

DIVIDENDS

The company is prohibited from paying dividends by the memorandum of association.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2014 to the date of this report.

Councillor G Matheson (Chair)

Baillie E Cameron

Councillor G Hendry

G Ellis

Dr L Sawers

Professor V A Muscatelli

S Taylor

Changes in directors holding office after the 31 March 2015 but prior to the date of this report were as follows :

Councillor G Hendry - resigned 10 September 2015

Councillor G Matheson (Chair) - resigned 29 October 2015

Baillie E Cameron - resigned 29 October 2015

Councillor S Aitken - appointed 10 September 2015

Councillor F McAveety (Chair) - appointed 29 October 2015

Councillor G Redmond - appointed 29 October 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Glasgow City Marketing Bureau Limited

Report of the Directors
For The Year Ended 31 March 2015

AUDITORS

The auditors, Robb Ferguson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
S Taylor - Director

Date:

**Report of the Independent Auditors to the Members of
Glasgow City Marketing Bureau Limited**

We have audited the financial statements of Glasgow City Marketing Bureau Limited for the year ended 31 March 2015 on pages eleven to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page eight, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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 requires us to report to you if, in our opinion:

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

Janice Alexander (Senior Statutory Auditor)
for and on behalf of Robb Ferguson
Chartered Accountants & Statutory Auditors
5 Oswald Street
Glasgow
G1 4QR

Date:

Glasgow City Marketing Bureau Limited

Profit and Loss Account
For The Year Ended 31 March 2015

	Notes	2015 £	2014 £
TURNOVER		10,445,095	7,762,914
Cost of sales		10,422,046	7,761,343
GROSS PROFIT		23,049	1,571
Administrative expenses		11,842	14,119
OPERATING PROFIT/(LOSS)	3	11,207	(12,548)
Interest receivable and similar income		7,226	14,605
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		18,433	2,057
Tax on profit on ordinary activities	4	6,541	310
PROFIT FOR THE FINANCIAL YEAR		11,892	1,747

CONTINUING OPERATIONS

No activities were discontinued during the current period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

Glasgow City Marketing Bureau Limited (Registered number: SC275945)

Balance Sheet
31 March 2015

	Notes	2015		2014	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		25,015		50,278
CURRENT ASSETS					
Debtors	6	2,842,876		2,277,855	
Cash at bank		60,764		739,883	
		2,903,640		3,017,738	
CREDITORS					
Amounts falling due within one year	7	2,858,159		3,009,412	
NET CURRENT ASSETS			45,481		8,326
TOTAL ASSETS LESS CURRENT LIABILITIES			70,496		58,604
RESERVES					
Profit and loss account	9		70,496		58,604
	12		70,496		58,604

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

.....
S Taylor - Director

Glasgow City Marketing Bureau Limited

Cash Flow Statement
For The Year Ended 31 March 2015

	Notes	2015 £	2014 £
Net cash outflow from operating activities	1	(678,130)	(101,998)
Returns on investments and servicing of finance	2	7,226	14,605
Taxation		(1,810)	297
Capital expenditure	2	(6,405)	(12,318)
Decrease in cash in the period		<u>(679,119)</u>	<u>(99,414)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(679,119)</u>	<u>(99,414)</u>
Change in net funds resulting from cash flows		<u>(679,119)</u>	<u>(99,414)</u>
Movement in net funds in the period		<u>(679,119)</u>	<u>(99,414)</u>
Net funds at 1 April		<u>739,883</u>	<u>839,297</u>
Net funds at 31 March		<u>60,764</u>	<u>739,883</u>

The notes form part of these financial statements

Glasgow City Marketing Bureau Limited

Notes to the Cash Flow Statement
For The Year Ended 31 March 2015

1. **RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2015	2014
	£	£
Operating profit/(loss)	11,207	(12,548)
Depreciation charges	31,668	46,323
Increase in debtors	(565,021)	(1,401,678)
(Decrease)/increase in creditors	(155,984)	1,265,905
	<u>(678,130)</u>	<u>(101,998)</u>
Net cash outflow from operating activities	<u>(678,130)</u>	<u>(101,998)</u>

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	7,226	14,605
	<u>7,226</u>	<u>14,605</u>
Net cash inflow for returns on investments and servicing of finance	<u>7,226</u>	<u>14,605</u>
Capital expenditure		
Purchase of tangible fixed assets	(6,405)	(12,318)
	<u>(6,405)</u>	<u>(12,318)</u>
Net cash outflow for capital expenditure	<u>(6,405)</u>	<u>(12,318)</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.14	Cash flow	At
	£	£	31.3.15
			£
Net cash:			
Cash at bank	739,883	(679,119)	60,764
	<u>739,883</u>	<u>(679,119)</u>	<u>60,764</u>
Total	<u>739,883</u>	<u>(679,119)</u>	<u>60,764</u>

The notes form part of these financial statements

Glasgow City Marketing Bureau Limited

Notes to the Financial Statements **For The Year Ended 31 March 2015**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover includes income from Glasgow City Council in respect of services provided, membership fees and commission earned in respect of accommodation booking services. Grant income is also included within turnover.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment	- 25% on cost
Computer Equipment	- 33.33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company is an admitted body of the Strathclyde Pension Fund, which provides benefits based on employees' final pensionable pay. Contributions to the scheme are charged to the profit and loss account as paid. Further details are provided in note 14.

Grants

Grants received in respect of tangible fixed assets are treated as deferred income and released to the profit and loss account over the useful lives of the assets to which they relate, in accordance with the related tangible fixed assets depreciation policy.

Grants of a revenue nature are credited to the profit and loss account in the period to which they relate to ensure that revenue is matched with associated costs. Any amounts received in excess of costs incurred are carried as Deferred Grants, and any amounts still to be received in respect of costs already incurred are carried as Grants Receivable at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Glasgow City Marketing Bureau Limited

**Notes to the Financial Statements - continued
For The Year Ended 31 March 2015**

2. STAFF COSTS

	2015	2014
	£	£
Wages and salaries	2,000,103	1,762,759
Social security costs	163,254	143,319
Other pension costs	338,924	281,306
	<u>2,502,281</u>	<u>2,187,384</u>

The average monthly number of employees during the year was as follows:

	2015	2014
Employees earning in excess of £40,000	7	14
Employees earning in excess of £30,000	9	11
Employees earning in excess of £20,000	32	21
Employees earning in excess of £10,000	5	7
Employees earning less than £10,000	3	5
	<u>56</u>	<u>58</u>

3. OPERATING PROFIT/(LOSS)

The operating profit (2014 - operating loss) is stated after charging:

	2015	2014
	£	£
Depreciation - owned assets	31,668	46,323
Auditors' remuneration	8,950	8,500
Operating lease payments	183,310	180,299
	<u>116,499</u>	<u>111,873</u>

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>1</u>	<u>1</u>
-------------------------	----------	----------

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2015	2014
	£	£
Current tax:		
UK corporation tax	6,561	2,921
Prior year over provision	(20)	(2,611)
	<u>6,541</u>	<u>310</u>

UK corporation tax has been charged at 20% (2014 - 20%).

Glasgow City Marketing Bureau Limited

**Notes to the Financial Statements - continued
For The Year Ended 31 March 2015**

4. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>18,433</u>	<u>2,057</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 20%)	3,687	411
Effects of:		
Prior year overprovision	(20)	(2,611)
Timing differences	3,895	2,510
Utilisation of tax losses	(1,021)	-
	<hr/>	<hr/>
Current tax charge	<u>6,541</u>	<u>310</u>

5. TANGIBLE FIXED ASSETS

	Office equipment £	Computer Equipment £	Totals £
COST			
At 1 April 2014	18,100	248,916	267,016
Additions	-	6,405	6,405
	<hr/>	<hr/>	<hr/>
At 31 March 2015	18,100	255,321	273,421
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2014	18,100	198,638	216,738
Charge for year	-	31,668	31,668
	<hr/>	<hr/>	<hr/>
At 31 March 2015	18,100	230,306	248,406
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2015	<u>-</u>	<u>25,015</u>	<u>25,015</u>
At 31 March 2014	<u>-</u>	<u>50,278</u>	<u>50,278</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	305,041	1,558,263
Other debtors	2,489,080	719,592
VAT	48,755	-
	<hr/>	<hr/>
	<u>2,842,876</u>	<u>2,277,855</u>

Glasgow City Marketing Bureau Limited

**Notes to the Financial Statements - continued
For The Year Ended 31 March 2015**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	1,083,901	504,465
Tax	6,541	1,810
VAT	-	9,681
Deferred income	1,461,198	2,043,756
Accruals and other creditors	306,519	449,700
	<u>2,858,159</u>	<u>3,009,412</u>

8. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2015	2014	2015	2014
	£	£	£	£
Expiring:				
Within one year	130,500	-	-	-
Between one and five years	-	130,500	27,043	35,427
	<u>130,500</u>	<u>130,500</u>	<u>27,043</u>	<u>35,427</u>

9. RESERVES

	Profit and loss account £
At 1 April 2014	58,604
Profit for the year	11,892
	<u>70,496</u>
At 31 March 2015	<u>70,496</u>

10. RELATED PARTY DISCLOSURES

Glasgow City Council is a related party to Glasgow City Marketing Bureau Ltd. The exemption from Financial Reporting Standard (FRS) 8 has been claimed as Glasgow City Council will consolidate the company's figures in its published accounts.

DF Concerts Limited

A company in which G Ellis is a director.

During the year the company made purchases of £74,090 (2014: £249,581) from DF Concerts Limited.

	2015	2014
	£	£
Amount due to related party at the balance sheet date	-	299,498
	<u>-</u>	<u>299,498</u>

11. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Glasgow City Council who is the sole member of the company.

Glasgow City Marketing Bureau Limited

Notes to the Financial Statements - continued
For The Year Ended 31 March 2015

12. **RECONCILIATION OF MOVEMENTS IN RESERVES**

	2015	2014
	£	£
Profit for the financial year	11,892	1,747
Net addition to reserves	11,892	1,747
Opening reserves	58,604	56,857
Closing reserves	70,496	58,604

13. **LIMITED LIABILITY**

The company is limited by guarantee.

Glasgow City Marketing Bureau Limited

**Notes to the Financial Statements - continued
For The Year Ended 31 March 2015**

14. PENSION COMMITMENTS

The company joined Strathclyde Pension Fund as a transferee admission body on 1 April 2005. Certain employees were previously members of the scheme through their employment with the Greater Glasgow and Clyde Valley Tourist Board.

The pension scheme is a defined benefit scheme with employee contributions fixed by statute. Employers' contributions are assessed every three years by a consulting actuary and are calculated to ensure the actuarial solvency of the fund. The latest formal valuation of the fund for the purpose of setting employers' actual contributions was 31 March 2014, with the next formal valuation due as at 31 March 2017.

Pension assets and liabilities

A full actuarial valuation was carried out at 31 March 2014. The major assumptions used by the actuary were:

	31 March 2015	31 March 2014	31 March 2013
Salary increases	4.4%	5.2%	5.1%
Pension increases	2.5%	2.9%	2.8%
Discount rate	3.3%	4.3%	4.5%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The assets in the scheme and expected rate of return were:

	Long term rate of return 2015	Assets at 2015 £	Long term rate of return 2014	Assets at 2014 £	Long term rate of return 2013	Assets at 2013 £
Equities	5.7%	4,572,000	6.6%	3,869,000	5.7%	3,354,000
Bonds	2.8%	792,000	3.7%	611,000	3.4%	618,000
Property	3.9%	670,000	4.8%	356,000	3.9%	309,000
Cash	2.6%	61,000	3.7%	254,000	3.0%	132,000
Total market value of assets		6,095,000		5,090,000		4,413,000
Present value of scheme liabilities		(7,922,000)		(6,148,000)		(5,018,000)
Surplus/(deficit) in scheme		(1,827,000)		(1,058,000)		(605,000)
Present Value of Unfunded Liabilities		(145,000)		(132,000)		(128,000)
Net pension assets/(liabilities)		(1,972,000)		(1,190,000)		(733,000)

Glasgow City Marketing Bureau Limited

Notes to the Financial Statements - continued
For The Year Ended 31 March 2015

Movement in surplus/deficit during the year

	31 March 2015 £	31 March 2014 £
Deficit at beginning of year	(1,190,000)	(733,000)
Current service cost	(427,000)	(304,000)
Interest cost	(280,000)	(240,000)
Employers contributions	325,000	282,000
Net return on assets	317,000	239,000
Contributions in respect of unfunded benefits	5,000	5,000
Actuarial gains/(losses)	(722,000)	(439,000)
	<hr/>	<hr/>
Surplus/(deficit) at end of year	(1,972,000)	(1,190,000)
	<hr/>	<hr/>

Glasgow City Council guarantees to accept liability for any unfunded costs which may arise with regard to Glasgow City Marketing Bureau Limited relating to their membership of the Local Government Pension Scheme (LGPS) administered by Glasgow City Council should they cease to exist, withdraw from the LGPS or otherwise become unable to continue covering any unfunded liabilities with regard to the Local Government Pension Scheme (Scotland) Regulations 1998, as amended, or the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998, if applicable.

Accordingly, no provision has been made in the financial statements of the company for any pension assets/liabilities and the amount charged to the profit and loss account of £338,924 (2014: £281,306) represents payments made in the year to 31 March 2015.

History of experience gains and losses

	2015 £	2014 £
Difference between the expected and actual return on assets	285,000	71,000
Value of assets	6,095,000	5,090,000
Percentage of assets	4.7%	1.4%
Experience gains/(losses) on liabilities	129,000	2,000
Total present value of liabilities	8,067,000	6,280,000
Percentage of total present value of liabilities	1.6%	0.03%
Actuarial gains/(losses)	(1,007,000)	(510,000)
Total present value of liabilities	8,067,000	6,280,000
Percentage of total present value of liabilities	(12.5%)	(8.1%)

Projected pension expense for year to 31 March 2016

	2016 £	2016 (% payroll)	2015 £	2015 (% payroll)
Projected amount charged to operating profit:				
Estimated current service cost	429,000	26.0%	333,000	25.4%
Past service costs	-	-	-	-
Curtailement and settlements	-	-	-	-
Decrease in irrecoverable surplus	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating charge (A)	429,000	26.0%	333,000	25.4%
	<hr/>	<hr/>	<hr/>	<hr/>

Glasgow City Marketing Bureau Limited

Notes to the Financial Statements - continued
For The Year Ended 31 March 2015

	2016 £	2016 (% payroll)	2015 £	2015 (% payroll)
Projected amount credited to other finance income:				
Expected return on employer assets	(208,000)	(12.6%)	(315,000)	(24.1%)
Interest on pension scheme liabilities	274,000	16.6%	279,000	21.3%
Net Return (B)	66,000	4.0%	(36,000)	(2.8%)
Estimated net revenue account cost (A)-(B)	495,000	30.0%	297,000	22.6%

Glasgow City Marketing Bureau Limited

Trading and Profit and Loss Account
For The Year Ended 31 March 2015

	2015		2014	
	£	£	£	£
Turnover				
Accommodation commission	147,094		90,414	
Membership fees	189,760		183,322	
Service fees	3,700,800		3,801,139	
Other income	6,407,441		3,688,039	
	<u>10,445,095</u>		<u>7,762,914</u>	
Cost of sales				
Marketing & promotion	7,440,713		5,103,516	
Rent	130,500		130,500	
Other property costs	7,629		26,885	
Telephone, postage & stationery	44,778		46,675	
Subscriptions, donations and sponsorship	32,061		32,347	
Legal & professional fees	22,397		11,500	
Sundries	45,076		55,868	
Insurance	9,030		6,422	
Equipment hire & repairs	71,565		63,126	
Commission fees	16,595		-	
Directors' salaries	110,336		105,710	
Directors' fees	6,163		6,163	
Directors' pension contributions	21,295		20,402	
Salaries	1,883,604		1,650,886	
Social security	163,254		143,319	
Pensions	317,629		260,904	
Other staff costs	67,753		50,797	
Depreciation of tangible fixed assets	31,668		46,323	
	<u>10,422,046</u>		<u>7,761,343</u>	
GROSS PROFIT		23,049		1,571
Other income				
Deposit account interest		7,226		14,605
		<u>30,275</u>		<u>16,176</u>
Expenditure				
Auditors' remuneration		8,950		8,500
		<u>21,325</u>		<u>7,676</u>
Finance costs				
Bank charges		2,892		5,619
NET PROFIT		18,433		2,057

This page does not form part of the statutory financial statements