



Culture NL Limited
(A company limited by guarantee)

Report and Financial Statements

For the year ended 31st March 2015

Company number – SC435540

Charity number – SC043891

CultureNL aims to deliver high quality and inspiring cultural experiences and facilities which promote and increase participation, meet customer and visitor expectations and improve quality of life

CultureNL Limited
Report and Financial Statements
For the year ending 31st March 2015

Contents

	Pages
Welcome from the Chair	1
Introduction from CultureNL Chief Executive	2
Company Information	4
Trustees' Report (incorporating the Trustees' Strategic Report)	5
Independent Auditor's Report	20
Group Statement of Financial Activities	22
Group Balance Sheet	23
Charity Balance Sheet	24
Group Cash Flow Statement	25
Notes to the Financial Statements	26

I'm delighted to present the second Report and Financial Statements for CultureNL Limited.

As a Company Limited by Guarantee with Charitable status, CultureNL has embraced its responsibility for the management and operation of performance venues, arts activity and arts development, community facilities (including the letting of school halls and pitches), museums, local studies, archives, play services, libraries and information, along with catering, cleaning and caretaking associated with these functions.

Year 2 has seen our focus move towards our new business vision - a vision which is both needs responsive and customer focused. CultureNL is responsible for delivering a service of major importance to the communities of North Lanarkshire and beyond which has flourished in this first two years with 2014/15 being incredibly productive, realising increased visitor and customer figures especially in our museums and at our community arts classes along with an increase in digital use within libraries. With an increase in both income and external funding secured by the organisation and a greater on-line and social media presence, this year has seen the organisation become more cohesive with increased cross sectional working and new partnership projects being developed.

Throughout the year we have welcomed a number of new staff and also new Board members to CultureNL and with the appointment of the Employee Director our Board is now at full complement and remains very ambitious for the organisation.

The growth and development of CultureNL would not be possible without the invaluable contribution of the Board of Directors, each of whom gives freely of their time and energy to help shape the direction of the organisation. The Board has a broad skills and interest base relevant to the services and interests of CultureNL and each member brings expertise and experience that has and will continue to develop the organisation. It is a privilege to chair the Board of CultureNL and I thank all Board Members for their contribution and continued efforts.

Finally I would like to thank the staff, volunteers and senior management of CultureNL for their hard work and tireless dedication throughout this exceptionally busy year. All employees and volunteers are clearly fully committed to delivering a creative, inclusive, customer focused service for our local communities and beyond.

True to our mission statement we are inspiring and creative in the work that we develop and deliver.

Councillor Heather McVey
Chair, CultureNL Limited

Introduction from the Chief Executive

CultureNL was established on 26th October 2012 as a registered Scottish charity and company limited by guarantee in order to fulfil the following objects and principal activities:-

- Provide a high quality wide range of arts, heritage, cultural services and facilities to the communities of, and visitors to, North Lanarkshire in order to support and encourage everyone to participate, learn and develop their skills in cultural pursuits regardless of skill level, physical ability or age, thereby enjoying a healthy lifestyle;
- Preserve and promote North Lanarkshire's heritage as well as provide access to the area's rich history through the provision of museums, libraries, archives and local studies services;
- Support community organisations and individuals to participate in community based/voluntary cultural and leisure activities and put in place programmes to help people and communities build their skills;
- Advance and support the delivery of cultural learning both within and out with a formal education setting in support of a Curriculum for Excellence, More Choices More Chances and other lifelong learning initiatives;
- Promote participation in outdoor activities.

Having just completed year 2 of our ambitious 3 year business plan, in which we set ourselves challenging and far reaching aims and objectives, I am delighted to report that 2014/15 saw us capitalise on earlier successes and continue to work to further develop CultureNL as an organisation delivering high quality and inspiring cultural experiences and facilities for our customers and visitors. The past year has seen us successfully undertake many exciting projects as an organisation including hosting the Queen's Baton Relay at Summerlee Museum and delivering a very successful cultural festival at both Strathclyde Park and along North Lanarkshire's northern corridor, linked to the 2014 Commonwealth Games Triathlon and Cycling Time Trial events. We have continued to invest in our libraries and community facilities thereby improving comfort, standards and safety. We have increased our followers on both Facebook and twitter and further developed our new website www.culturenl.co.uk.

We have established a dedicated health and safety working group and we are working on an overall maintenance plan for buildings and sites managed by CultureNL. We have undertaken a number of reviews and new initiatives, welcomed many thousands more people through our doors and increased both external funding and income generation. We have spent a significant part of the year undertaking a review of the catering operation – providing our visitors and customers with a product and service they expect whilst developing our business model and we have implemented our marketing action plan following a review earlier in the year. We have also welcomed a number of new staff including a new Business Development Manager and a new Records Manager.

As a public sector body, we continue to face challenges relating to significant efficiency savings linked to our contract with North Lanarkshire Council. By working hard to ensure that we provide an

excellent service across the organisation we will look to achieve a substantial efficiency savings target through prudent financial management, restructure, strategic use and review of properties, increased income generation, investment in efficient energy systems and extension of area facility letting plans.

CultureNL's performance continues to be monitored by both the CultureNL Board and North Lanarkshire Council and we strive to further increase performance, attendance, income and efficiency. During 2014/15 our sickness absence statistics have continued to reduce and we will work towards reducing them even further in 2015/16 whilst also developing our staff, ensuring that support and supervision is undertaken consistently across the organisation, identifying training needs and rolling out our PRD programme to benefit staff as none of the achievements and successes outlined in this annual report and financial statement could have been delivered without a dedicated team. Our staff group consistently endeavour to develop and deliver high quality and inspiring cultural experiences for and my thanks are conveyed to all.

Jillian Ferrie
Chief Executive

CultureNL Limited
Company Information
For the year ending 31st March 2015

Trustees

The trustees of the charity (who are also the directors of the charity for the purposes of company law) who held office during the period and to date are as follows:

Partner Directors	Appointment date	Resignation date
Heather McVey (Chair)	18 th February 2013	
Tom Curley	18 th February 2013	
Harry Curran	12 th August 2013	
Michael McPake	18 th February 2013	
Allan Graham	18 th February 2013	
Alan Stevenson	18 th February 2013	
Independent Directors		
James Law	15 th April 2013	
John Lambert	15 th April 2013	
Alison Denvir	15 th April 2013	
Adam Smith	15 th April 2013	
Scott Lamond	15 th April 2013	14 th July 2014
David Craig	28 th April 2015	
Karen Fleming (Trade Union Director)	12 th November 2013	
Gillian Hunt (Employee Director)	23 rd February 2015	
Secretary		
June Murray	26 th October 2012	23 rd February 2015
Fiona Ekinli	23 rd February 2015	

Culture NL Chief Executive

Jillian Ferrie

Registered Office

Summerlee Museum of Scottish Industrial Life
 Heritage Way
 Coatbridge
 Lanarkshire
 ML5 1QD

Bankers

Clydesdale Bank
 43 Hamilton Road
 Motherwell
 ML1 3DD

Auditor

Scott-Moncrieff
 Exchange Place 3
 Semple Street
 Edinburgh
 EH3 8BL

Solicitors

Anderson Strathern
 1 Rutland Court
 Edinburgh
 EH3 8EY

Charity registration number:

SC435540

Company registration number:

SC043891

CultureNL Limited
Trustees' Report (Incorporating the Trustees' Strategic Report)
For the year ending 31st March 2015

The trustees are pleased to present their report (including their strategic report) and financial statements for the year ending 31st March 2015.

Structure, Governance and Management

CultureNL is a registered Scottish charity and Company Limited by Guarantee. North Lanarkshire Council is the sole member of the Company. The Charity commenced trading on 1st April 2013 and any surpluses generated are reinvested to improve the facilities and services we provide to the communities of North Lanarkshire and beyond.

The Charity is governed by its Memorandum and Articles of Association (approved on 20th November 2012) through a Board currently comprising 13 trustees (directors). Six Partner Directors are elected members of North Lanarkshire Council; 5 Independent Directors were appointed from the arts, business, marketing and community sectors following a recruitment process which included open advert, workshop and interview; one Trade Union Director was appointed from within the 3 recognised Trade Unions and, one Employee Director was appointed after an employee ballot. At 31st March 2015, there was a vacancy for an independent director which was filled on the 28th April 2015 by David Craig.

The Chair of the Board is appointed from the Partner Directors. A Nominations Committee of Partner Directors appointed the Independent Directors and each Independent Director was chosen for their individual suitability and skills.

The Board is supported by a Company Secretary and a Financial Advisor – both appointed by North Lanarkshire Council. Monitoring of CultureNL is undertaken by North Lanarkshire Council.

The Directors act in accordance with OSCR's guidance on the general duties for charitable trustees with openness, integrity and accountability being key elements required of each Trustee. Each Director holds office until the conclusion of the third Annual General Meeting when they will then be eligible for re-appointment.

The Board is responsible for:-

- Ensuring the organisation complies with the requirements of the funding agreement between North Lanarkshire Council and CultureNL;
- Developing and approving the annual business plan prior to its submission to North Lanarkshire Council;
- Ensuring external funding opportunities are maximised;
- Ensuring a Human Resources/Employee strategy is developed and implemented;
- Monitoring financial management;
- Accepting and acting in accordance with company director responsibilities to ensure compliance with appropriate legislation; and
- Driving the direction of the organisation to ensure all agreed outcomes are achieved as planned.

CultureNL Limited
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ending 31st March 2015

The Board has undertaken specific training and legal guidance on the role and responsibilities of a Director under both charity and company law. Further training will be provided from suitably qualified staff as required by the Board.

The Board has appointed an Audit Committee to assist with regard to fulfilling its responsibilities relating to the organisation's financial statements and auditing, accounting and financial reporting processes, and the organisation's systems of internal control regarding finances, accounting and financial reporting.

The CultureNL Chief Executive reports to the Board of Trustees and is responsible for the operational management of the organisation.

Group Structure

The charitable company, CultureNL, owns 100% of the share capital of CultureNL Trading C.I.C. The subsidiary undertaking's principal activity is the provision of catering facilities. These financial statements are prepared on a consolidated basis to include both entities.

Statement of Trustees' Responsibilities

The trustees (who are the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CultureNL Limited
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ending 31st March 2015

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

To the knowledge and belief of each of the persons who are trustees at the time the report is approved:

- So far as the trustee is aware, there is no relevant information of which the company's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information, and to establish that the company's auditor is aware of the information.

Auditor

Messrs Scott-Moncrieff, Chartered Accountants, are the Auditors of the company and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Following a competitive tendering process the audit was awarded to Scott-Moncrieff for a term of up to 3 years.

Objectives and Activities

The charitable company's objects and principal activities are:

- To advance public participation in cultural activities primarily within the Operating Area;
- To provide, or assist in the provision of, cultural facilities and to organise cultural activities, primarily but not exclusively, within the Operating Area, with such facilities and activities being made available to members of the public at large with the object of improving their quality of life
- To provide accessible and affordable opportunities for all members of the general public in the Operating Area to participate in cultural activities and access the cultural facilities
- To advance education and learning, primarily but not exclusively, within the Operating Area, particularly as it relates to cultural activities
- To advance citizenship and community engagement through cultural activities, primarily within the Operating Area

Meeting Our Objectives

Inspire, Experience, Live – Culture NL Business Plan

Currently we are working within a 3 year business plan which is reviewed annually by the CultureNL Board of Directors.

During both Year 1 and Year 2 we set ourselves a very challenging range of aims and objectives. Year 1 aims and objectives were highlighted in the annual accounts 2013/14 and the year 2 objectives are set out below with 62.5% of targets being on track or completed and 31.3% of targets to be completed in 2015/16:-

Review the Council's Cultural Strategy and develop an action plan for implementation from 2013 onwards.

Status – desk top review of strategy complete; action planned to be drafted.

Ensure staff are equipped to fulfil their role within the organisation by providing support and supervision sessions, training, undertaking PRD linking to employee development plans in order to retain and develop a motivated workforce

Status – review of HR Service Level Agreement has been undertaken and a new HR SLA agreed. The organisation has developed a staff performance management policy to inform the PRD process. PRD interviews in the form of regular 1-1 meetings are taking place across CultureNL.

Review catering operation in accordance with customer and business need and develop operational practices in order to achieve continuous improvement

Status – review concluded; target complete.

Introduce new initiatives to encourage participation in cultural activity e.g. Culture Card Concession

Status – CultureNL has taken a decision not to progress the review and implementation of a new concession scheme for culture as advice from industry experts is that this is not likely to be of value to either the organisation or the customer; however there is still a desire within the organisation to offer a consistent concession option to customers.

Identify and prioritise external funding opportunities by developing funding applications which link to our development and business plans and by creating a database of relevant funding streams

Status – an initial round of external funding applications, linked to business plan priorities has been completed.

Undertake a review of facilities in order to identify properties suitable for investment and which will provide a return on any investment made. Develop proposals and apply for funding in order to provide buildings and open spaces that are fit for purpose

CultureNL Limited
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ending 31st March 2015

Status – condition surveys have been completed for all CultureNL facilities. £1.2 million has been spent during 2014/15 and continues into 2015/16 on improving access across the CultureNL estate with external funding continuing to be sought to develop specific properties.

Develop arts, retail, library, museums, events and programming strategies which link to the Cultural Strategy.

Status – this target has been considered as part of the desk top review of the cultural strategy and an events/programming group will be convened in order to develop cross-service events and activities.

Strengthen existing partnerships and build strong, new internal and external partnerships to support the development of cultural services through e.g. networking, Arts & Business, Creative Scotland, local intelligence.

Status – the recruitment of a Business Development Manager has been completed and improved methods of communication have been considered as part of the marketing action plan. One to one staff meetings and team meetings take place and regular email communications to customers have increased thus raising awareness of CultureNL activity and improving cross selling. Cross sectional work is frequent and partnerships have been developed with a number of external bodies. A more collegiate approach within the organisation has developed.

Agree, operate and monitor maintenance plans for all main facilities either via SLA or establishment of CultureNL maintenance team.

Status – Maintenance plans for community facilities, museums, venues and libraries have been developed and the SLA with property services has been finalised.

Work with NLC to provide additional new/refurbished cultural facilities and services through strategic investment by bidding into NLC capital plan.

Status – A review of CultureNL facilities is underway and will inform future efficiency savings. External funding has been secured to develop a heritage/visitor centre with café at Colzium Estate, Kilsyth and a further funding application has been submitted to develop a museum/arts venue in the Clock Building, Airdrie.

Review and manage the existing risk register and secure Board approval to adopt a risk based approach to decision making that will not constrain forward plans. Update the risk register on an ongoing basis.

Status – action complete.

Undertake a review of library services to identify the most efficient and effective operating model and to modernise the service by developing working practices through greater use of ICT.

Status – Review underway with report to be finalised and submitted to the Board during 2015/16.

Produce a Funding Strategy and increase the number of submissions to funding bodies adding detail of submissions secured or otherwise to a funding database.

Status – target slipped to 2015/16. Business Development team recruitment to be finalised prior to commencing this target.

Update the Business Plan in advance of April 2015 and seek board endorsement for amendment/additions.

Status – target complete.

Produce a fully accessible annual report which feeds back on our performance and make this available to customers, partners and staff via website and in facilities.

Status – target complete.

Review SLA performance and identify how we intend to secure support services for the next financial year.

Status – target complete.

Achieve efficiencies through improved procurement practice.

Status – target to be considered as part of future efficiency saving.

STRATEGIC REPORT

Achievements and Performance

Results at a Glance!

18,400 Facebook users

6500 followers on Twitter

33,249 people attending community arts classes and workshops

£4,918,395 income generated

£243,000 external funding secured (excluding additional resources provided by NLC)

214,414 visits to museums

92% occupancy at Motherwell Theatre pantomime

371,307 people using of public access terminals in libraries

2,321,151 total transactions made to library customers

109,572 bookings at community facilities

4 star visitor attraction status retained at both Summerlee Museum of Scottish Industrial Life and North Lanarkshire Heritage Centre

Arts and Venues

CultureNL continues to play a key role in encouraging creativity, learning and participation across a range of art forms including dance, drama, music, cinema, film, photography, pantomime, visual art, exhibitions and craft.

We manage Motherwell Concert Hall and Theatre; Airdrie Town Hall and cinema; Bellshill Cultural Centre; Pather Artworks, Wishaw Musicworks and Beetroot Recording Studio all located throughout North Lanarkshire and we manage 4 exhibition spaces within these facilities.

Highlights

We were delighted with the final sales of the 2014 Motherwell Theatre pantomime *Cinderella* which sold 32,503 tickets and reached 92% capacity whilst receiving many positive reviews and feedback from customers. Our Christmas Party Nights held in the Concert Hall proved to be the most successful in the venue's history in terms of financial return and customer satisfaction. During 2014/15 public access Wi-Fi was installed at the Concert Hall and Theatre and in Airdrie Town Hall thereby increasing the offer available to the conference market, clients and the general public visiting our venues.

Throughout the year a regular programme of cinema showings took place at Airdrie Town Hall – particularly aimed at children and the more mature cinema goer – and the Town Hall also organised and managed over 20 weddings with our catering team working hard to further develop menus and packages to suit all tastes.

The Community Arts team continues to deliver quality arts activities in various localities across North Lanarkshire and had a busy year in 2014/15 with overall attendance increasing by over 3,000 compared with 2013/14. The community arts exhibition programme showcased 18 exhibitions either part or wholly curated by our small dedicated exhibition team. As part of the programme our Visual Arts Development Officer invited a number of students graduating in Drawing, Painting and Printmaking at Glasgow School of Art to exhibit in the CultureNL programme as a gesture of solidarity with the institution and its students who had lost so much due to the devastating fire at the Mackintosh Building. It is hoped that those who accepted the invitation will have benefitted from the support and exposure our exhibition programme offers after such a trying time at a critical point in the artists' careers.

North Lanarkshire Youth Theatre once again participated in the prestigious 'Connections' programme run by the National Theatre of England which celebrates new plays performed by young people. Our youth theatre took their work to the Lyceum Theatre, Edinburgh in June where they showcased 'The Crazy Sexy School Girls Fan Club' after previously performing it in Motherwell Theatre. All cast members agreed that it had been a tremendous experience, lots of hard work, but well worth the effort and our Youth Theatre performance compared very favourably with their peers from youth theatres within the central belt.

Looking forward to 2015 our Musicworks facility will move to a new venue alongside Wishaw Library in a new Hub facility in Kenilworth Avenue, Wishaw. Being part of a smart new community facility in the town centre will, it is hoped, boost music participation and involvement locally.

Play Services

For Play Services it's also been a busy and productive year providing opportunities for play for children and young people which both challenge and develop.

Highlights

During 2014/15 the Play Services team delivered £1,245,759 worth of new play facilities and secured over £100,000 in external grant funding toward play development in North Lanarkshire and much of this has been in association with community groups. The team built thirteen new play facilities including play areas, multi-use games areas, pitch upgrades, a parkour course and several bike tracks. Major developments included the opening of a new £296,500 play area development in Cumbernauld Community Park and an upgrade and extension of Coatbridge Parkour Park – now the largest free to access parkour park in the UK.

In February 2014 the £150,592 St Monica's Primary School/Kirkwood Community Play Area project opened having secured funding from SportScotland Active Places Legacy Fund and NLC to develop the grounds which are now opened to all of the community out with the school day thus creating a welcoming space in the heart of Kirkwood.

Play Services also had a successful summer programme of children's play activities with Play Day 2014 at Summerlee Museum along with 5 fun days in the main towns attracting 4161 participants.

Museums and Heritage

Highlights

Our flagship museums are the 4 star visitor attractions at Summerlee Museum of Scottish Industrial Life in Coatbridge and North Lanarkshire Heritage Centre in Motherwell. This year we welcomed over 214,000 visitors to our museums and opened a number of new attractions including the £60,000 replica of Scotland's first iron hulled boat 'Vulcan' at Summerlee and the redevelopment of the Heritage Centre Tower display area to create a £40,000 exhibit focusing on the history of Motherwell and the surrounding area. Both projects were funded by Heritage Lottery Fund and/or Museums Galleries Scotland with the Vulcan project realising a successful partnership between CultureNL, Scottish Waterways and Scottish Canals and other funders including Environmental Key Fund, WREN and Viridor. Working together with our partners we have created a lasting historical legacy as well as a popular visitor attraction.

In 2014/15 the curatorial team developed and installed the Tower exhibition mentioned above and increased access to the museum stores via public tours, object loans etc. whilst continuing to develop exhibitions as part of the museums temporary exhibitions programme. This year the team have continued to provide project opportunities for Engineering students working with the museum collection at Summerlee. The placements involve an honours year student studying a machine or other object from the collection and carrying out 3D modelling and materials testing of the object. There will be scope in the future for the curatorial team to use the 3D models in exhibitions and on the CultureNL website.

CultureNL's museum service is currently the main partner, along with National Museums of Scotland and the Scottish Maritime Museum, in the MGS funded STICK Machine Tools Project. This project maps surviving historic machine tools in Scotland and provides expertise and supporting material to interested bodies. The information produced is due to be fed into a web-accessible master catalogue. The project aims to support curators in museums that lack specialist knowledge to understand, interpret and care for machine tools in their collection.

Staff from Museums and from Community Arts were key facilitators in the creation of a community project commissioned by NLC Housing and Social Work Services to look at life, past and present in Muirhouse high flats in Motherwell. The resulting documentary film, created over a 6 month period, was previewed to over 100 local people in the Glow Centre, Motherwell. The project, 'Life in the

Towers', looked at the communities who have lived in the Muirhouse flats since they were built and gathered stories, reminiscences and community views from this distinctive local community.

Another partnership project funded by Heritage Lottery Fund and Museums Galleries Scotland commemorates the centenary of the First World War. Funding was secured to employ a Co-ordinator and the diverse range of projects underway include a creative film project by young people, a Christmas Truce event, museum collection loan boxes, museum workshops for primary school pupils centring around a newly created trench at Summerlee, reading groups and a reading challenge and contributions to Scotland's War. Further planned projects include a North Lanarkshire's War exhibition and associated programme of events, film screenings, family history, a project on Lanarkshire winners of the Victoria Cross and a number of community projects with ex-armed forces members.

North Lanarkshire Archives are also a project partner in the HLF funded 'Lest We Forget' project of the Scottish Refugee Council which investigates and reflects on the perception of refugees in Scotland focusing on the experience of Belgian refugees during WW1. The Museums and Heritage section is hosting research visits to the archives and local studies libraries.

On 23 June 2014 the Queen's Baton Relay visited Summerlee in advance of the Commonwealth Games and 1700 members of the public attended this special event which focused on music and dance. CultureNL also organised the QBR end of day celebration at Strathclyde Park for which we secured £10,000 from EventScotland. To coincide with the Commonwealth Games celebrations our curatorial team devised an exhibition on the history of cycling which was very well received by our visitors.

The museums visitor services and site teams continue to work successfully with a number of organisations including Cornerstone, the organisation which supports people with disabilities and mental health issues, with the result of a maintained working garden behind our miners' cottages for visitors to enjoy. Our other hard working volunteer groups include the Friends of Summerlee and the Summerlee Transport Group.

In 2014, two images from the North Lanarkshire Archives collection were included in the prestigious exhibition at the British Pavilion of the 2014 Venice Biennale. Both images from the Cumbernauld Development Corporation archive, their inclusion highlighted Cumbernauld's remarkable town centre and its significance as a new town of the mid-1950s.

Our conference rooms at both Summerlee and the Heritage Centre have been refurbished during 2014/15 in order to attract new clients.

Community Facilities

Managing almost 100 Community Facilities, there have been significant improvements made to frontline service provision for customers this year as £1.2 million was invested, or planned to be invested, in many of our community facilities to improve public access and address DDA issues. Many

of our facilities require investment and improvement and working with North Lanarkshire Council this major investment is vital to increasing income generation and benefitting the communities we serve.

Highlights

Some examples of improvements to facilities include improvements to security and fire alarm systems with CCTV systems at Chapelside Family Centre, Newarthill Community Facility and Pat Cullinan Community Centre being upgraded to meet current regulations, recognising the benefits to staff safety and improving centre security. Fire systems at Greenfaulds, Beechbank, Calder and Charlotte Toal Centres have also been upgraded to meet with current standards.

A number of health and safety improvements were completed in community facilities across North Lanarkshire during the year. These included new automatic doors installed in Gartlea, Netherton, Overtown, Pather, Greenfaulds, Forge and McAuley Community Centres, new CCTV systems in Calder and Plains Community Centres and installation of handrails at Caldercruix Community Centre and the Link Community Facility.

In response to residents' concerns relating to antisocial behaviour in the area around Old Monkland Community Centre and Library, CultureNL successfully bid for £10,000 of community safety funding from the local area partnership thus enabling escape routes from the community facility to be improved, fencing installed around the perimeter of the rear of the centre and external lighting upgraded.

Cumbernauld New Town Hall is one of CultureNL's flagship properties. To ensure the facility remains desirable and competitive with other venues for weddings, functions and community use we recently completed a refurbishment programme which has allowed the toilets to be updated, lighting replaced, decoration works undertaken and sanding and sealing of the main hall and lesser hall floors.

It was highlighted in the 2013/14 annual accounts that the merging of facilities and staffing functions has brought many benefits and streamlined the way in which the section operates. Due to the diverse geographical staff locations, varied roles and working hours the community facilities management team developed a training model to allow staff to participate in training to benefit service delivery whilst also ensuring staff are aware of their responsibilities with regard to their own safety and the standards expected for our customers. Beginning in 2013/14, the roll out of training on customer service and equalities, safe manual handling and fire awareness was concluded in 2014/15.

Libraries and Information

Highlights

CultureNL has continued to modernise, digitise and promote library services relevant to 21st century living and in 2014 commenced a full review of the library service in line with our business plan objectives. The aim of the review is to ensure we provide a fit for purpose library service which suits customer needs and continues to recognise the increasing importance of the digital agenda. E books

are being further developed and Wi-Fi installed in a number of our libraries with a successful bid to SLIC securing £20,000 towards the rollout of public Wi-Fi.

Partnership developments with North Lanarkshire Council Housing and Social Work and with NHS Lanarkshire are underway with a new library now opened at Cleland and another due for completion in 2015 at Wishaw. With funding from Reshaping Care for Older People Cleland library was redeveloped in summer 2014 into a bright, modern library and community space. It has been fully upgraded internally and externally to include new windows, automatic doors, a front ramp, accessible toilets and baby change facility. There is also a special social space for the use of elderly residents and a substantial amount of new library stock and additional PCs are available.

The library service conducted a highly successful summer reading challenge once again in 2014 with over 2500 children registered for the challenge, a 5% increase on 2013, and 972 children completed the challenge, an 8% increase on last year.

The service ran nearly 90 events during Book Week Scotland in November. Attended by over 1000 customers the events ranged from Bookbug and Chatterbook sessions for younger readers to author talks, coffee mornings, creative writing sessions and technology taster sessions for adults.

Work was completed on a £85,000 refurbishment of Abronhill Library with improvements including a complete internal refurbishment, improved drainage and security and an improved entrance. The installation of a lift in Airdrie Library was recently completed making the Discovery Room and the Gallery meeting/exhibition space on the first floor fully accessible. A new meeting room was created on the ground floor providing additional community space and a DDA compliant counter was also installed.

Cumbernauld LogIntoLearn completed a British Computer Society audit and achieved an 'A' rating in March 2015, resulting in all 4 LogIntoLearn centres now hold an 'A' rating.

An exhibition of paintings by the 'Airdrie Boys' Dan Ferguson and John Cunningham was mounted in the Gallery at Airdrie Library in March 2015. The exhibition was viewed by over 200 people during the time it was opened to the public.

Looking Forward

2014/15 has been very productive and very busy for all at CultureNL. Whilst our business plan aims and objectives are outlined earlier in this report there are many other activities, projects and developments to be undertaken in 2015/16.

Our Play Services strategic plan will be developed in order to inform future spend, investment and prioritise workload. A conditions survey of all play areas, multi-use game areas, bike tracks and parkour courses will be undertaken and the information obtained will inform the development of the strategy.

CultureNL Limited
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ending 31st March 2015

We will see the further development of a number of plans and strategies within CultureNL including arts, funding, retail, libraries, museums, events and programming, and health and wellbeing strategies.

Wishaw Library will open to the public in August 2015 and will include self-issue, access to PCs, meeting room availability, café, Musicworks and specially commissioned artwork from Bespoke Atelier inspired by the Liz Lochhead poem 'Black and White Allsorts'.

We will be rolling out the Dementia Friends initiative across CultureNL and we will be running Learning Encounters in November then developing the brand further with Health Encounters in early 2016.

'Who Do You Think They Were?' will take place at a First World War event scheduled at North Lanarkshire Heritage Centre on 31 October. A day of activities, talks and storytelling, visitors will have the opportunity to meet Museums staff who will guide them round the 'Lanarkshire's War' exhibition and research resources with WW1 re-enactors on hand to bring the exhibition to life.

With the challenge of efficiency savings to be realised in 2016/17 and 2017/18 our focus remains on smarter working, income generation and strong operational and financial management.

Disabled Employees

Culture NL is committed to adhering to the provisions relating to Disabled employees under the Equalities Act. Any application meeting the minimum requirements of the post will be interviewed and given full consideration.

For existing employees who become disabled Culture NL will provide additional training and make all reasonable adjustments to enable the employee to continue in their role in accordance with the provisions of The Equalities Act 2010.

Employee Information

Employees are updated regularly by management on all areas of performance of Culture NL through regular meetings and ongoing discussions. An employee survey was undertaken in early 2014 and an annual newsletter from the Chief Executive highlighting successes of the previous financial year is issued to all employees following 1st April.

Financial Review

The company was incorporated on 26th October 2012 and began trading from 1st April 2013.

The group's activities in the year were split between CultureNL Limited undertaking charitable activities and CultureNL Trading C.I.C undertaking catering activities. The consolidated financial results are covered below.

The year ended 31st March 2015 was the charitable company's second year of activity. In the period, CultureNL reported an unrestricted surplus (including the results of the trading subsidiary) of £626,929.

CultureNL Limited
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ending 31st March 2015

The Trust's wholly owned subsidiary, Culture NL trading c.i.c, achieved a break-even position for the year ended 31st March 2015. The principal activity of the trading company is the provision of catering services.

At 31st March 2015 the FRS 17 pension valuation of the pension scheme resulted in a net pension liability of £3,675,000 this being recognised in the Balance Sheet. The valuation has resulted in an actuarial loss of £3,357,000 being recognised in the Statement of Financial Activities in the period. The balance on the pension fund will change annually according to economic conditions and the trustees will keep the position under review.

The Board is pleased that this has been a successful second period of operation as an independent organisation from North Lanarkshire Council. Through the efforts of our staff and effective planning coupled with the successful partnership work with the Council we have achieved a positive trading position.

Principal funding sources

CultureNL received a management fee of £13,845,667 and CultureNL trading c.i.c received a catering contribution of £220,739 from North Lanarkshire Council in the year ended 31 March 2015. Funds were also received from a number of funding partners during the period (see note 12).

Investment policy

The charitable company has a high interest account with automatic transfer of funds at defined thresholds. This account has generated interest of £14,364 during the period.

Reserves policy

The Board has accumulated a reserves fund to provide some protection and mitigate against future economic conditions. During the period the Board agreed that an unrestricted reserve of £800,000 of operational income be built up over the coming years. The policy is reviewed annually and it is intended to link the level of reserves with the financial risk to which the company is exposed.

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company which have not been designated for any other purpose.

Designated funds are unrestricted funds that have been set aside for a specific purpose, which will be utilised during the next and future accounting periods against specific expenditure for asset improvement.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim of each restricted fund is set out in the notes to the financial statements.

CultureNL Limited
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ending 31st March 2015

Principal Risks and Uncertainties

CultureNL's risk management policy states that the company will:

- Identify and record the risks to the achievement of the charitable objectives;
- assess the risks to determine if they are acceptable with existing controls or require additional treatment;
- respond appropriately to the risks, based on the assessment; and
- monitor and report on the current status of risks and the effectiveness of their controls.

A risk register has been established to assist in assessing the risks based on CultureNL's achievement of the charitable objectives. The resultant actions required to mitigate these risks is then considered and prioritised.

Looking forward significant risks to the organisation include:-

- further reduction in the management fee from North Lanarkshire Council
- increased efficiency savings targets
- failure to adapt to external factors e.g. competition, economic outlook
- impact on charity should trading arm fail to thrive
- loss of key staff
- failure to adapt to digital agenda and ensure IT systems are fit for purpose
- failure of third party providers to deliver service to standard required

In approving the Trustees' Annual Report, the trustees are also approving the Strategic Report in their capacity as company directors.

Approved by the Board on 24th August 2015 and signed on its behalf by:



.....

Heather McVey
Chair of the Board

CultureNL Limited
Independent Auditor's Report
For the year ending 31st March 2015

Independent Auditor's Report to the Trustees and Members of CultureNL Limited

We have audited the group and parent company financial statements (the "financial statements") of CultureNL Limited for the year ended 31st March 2015 which comprise the Group Statement of Financial Activities (incorporating the Income and Expenditure Account), the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes. 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 6 and 7, 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 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 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 (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 Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

CultureNL Limited
Independent Auditor's Report
For the year ending 31st March 2015

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 parent charitable company's affairs as at 31st March 2015 and of the group's and the parent charitable company's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report and Strategic Report 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records or 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.



Nick Bennett, Senior Statutory Auditor

For and on behalf of Scott-Moncrieff, Statutory Auditor

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

Date 25 August 2015

CultureNL Limited

Group Statement of Financial Activities (incorporating the Income and Expenditure Statement)
For the year ending 31st March 2015

	Notes	Operating Fund 2015 £	Restricted Funds 2015 £	2015 £	For the period 26 th October 2012 to 31 st March 2014 £
Incoming resources from generated funds:					
- Commercial trading activities		1,506,516	-	1,506,516	1,357,364
- Investment income	2	515,364	-	515,364	250,067
- Sales income		116,728	-	116,728	112,226
		<u>2,138,609</u>	<u>-</u>	<u>2,138,609</u>	<u>1,719,657</u>
Incoming resources from charitable activities:					
- Management service fee	2	13,845,667	-	13,845,667	14,554,800
- Provision of Cultural and Related activities	2	3,372,315	82,627	3,454,942	3,283,339
		<u>17,217,982</u>	<u>82,627</u>	<u>17,300,609</u>	<u>18,059,139</u>
Total incoming resources		<u>19,356,591</u>	<u>82,627</u>	<u>19,439,218</u>	<u>19,557,796</u>
Resources expended					
Provision of Cultural and Related activities	3	17,079,880	111,785	17,191,665	16,902,819
Governance costs	4	26,840	-	26,840	27,438
Commercial trading activities		1,548,490	-	1,548,490	1,377,728
Other resources expended		74,452	-	74,452	132,246
		<u>18,729,662</u>	<u>111,785</u>	<u>18,841,447</u>	<u>18,440,231</u>
Total resources expended		<u>18,729,662</u>	<u>111,785</u>	<u>18,841,447</u>	<u>18,440,231</u>
Net movement in funds		626,929	(29,158)	597,771	1,117,565
Actuarial gain/(loss) on retirement scheme		(3,357,000)	-	(3,357,000)	(947,000)
Opening balance (net pension liability)		-	-	-	831,000
Net movement in funds after retirement benefit scheme (loss)		<u>(2,730,071)</u>	<u>(29,158)</u>	<u>(2,759,229)</u>	<u>1,001,565</u>
Fund balances at 1st April 2014		<u>945,384</u>	<u>56,181</u>	<u>1,001,565</u>	<u>-</u>
Fund balances at 31st March 2015		<u><u>(1,784,687)</u></u>	<u><u>27,023</u></u>	<u><u>(1,757,664)</u></u>	<u><u>1,001,565</u></u>

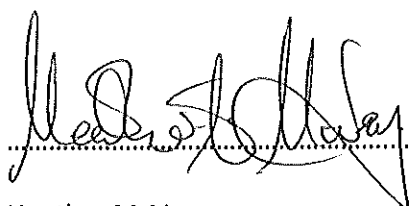
None of the charitable company's activities were acquired or discontinued during the above period.

The notes on pages 26 to 42 form part of these financial statements.

CultureNL Limited
Group Balance Sheet
As at 31st March 2015

	Notes	2015 £	2014 £
Current assets			
Stock	8	84,647	82,320
Debtors	9	1,849,350	1,400,377
Cash at bank and in hand		3,442,856	4,360,530
		<u>5,376,853</u>	<u>5,843,227</u>
Creditors: Amounts falling due within one year	10	<u>(3,459,517)</u>	<u>(4,553,662)</u>
Net current assets		<u>1,917,336</u>	<u>1,289,565</u>
Total assets less current liabilities excluding retirement benefit scheme		<u>1,917,336</u>	<u>1,289,565</u>
Retirement benefit scheme deficit	7	<u>(3,675,000)</u>	<u>(288,000)</u>
Net assets including retirement benefit scheme deficit		<u><u>(1,757,664)</u></u>	<u><u>1,001,565</u></u>
Funds – Unrestricted	12	(1,784,687)	945,384
Funds - Restricted	12	27,023	56,181
Funds		<u><u>(1,757,664)</u></u>	<u><u>1,001,565</u></u>

The financial statements were authorised for issue by the Board on 24th August 2015 by



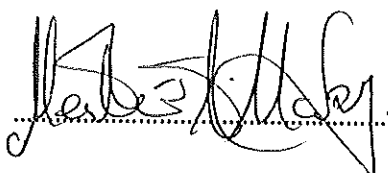
Heather McVey
Chair of the Board

The notes on pages 26 to 42 form part of these financial statements

CultureNL Limited
Charity Balance Sheet
As at 31st March 2015

	Notes	2015	2014
		£	£
Investments	17	1	1
Current assets			
Stock	8	40,675	42,886
Debtors	9	1,609,068	1,330,248
Cash at bank and in hand		3,439,296	4,356,970
		<u>5,089,040</u>	<u>5,730,104</u>
Creditors: Amounts falling due within one year	10	<u>(3,171,704)</u>	<u>(4,440,539)</u>
Net current assets		<u>1,917,336</u>	<u>1,289,565</u>
Total assets less current liabilities excluding retirement benefit scheme		<u>1,917,336</u>	<u>1,289,566</u>
Retirement benefit scheme deficit	7	<u>(3,675,000)</u>	<u>(288,000)</u>
Net assets including retirement benefit scheme deficit		<u><u>(1,757,664)</u></u>	<u><u>1,001,566</u></u>
Funds – Unrestricted	12	<u>(1,784,687)</u>	<u>945,385</u>
Funds - Restricted	12	<u>27,023</u>	<u>56,181</u>
Funds		<u><u>(1,757,664)</u></u>	<u><u>1,001,566</u></u>

The financial statements were authorised for issue by the Board on 24th August 2015 by



Heather McVey
Chair of the Board

Company number – SC435540

The notes on pages 26 to 42 form part of these financial statements

CultureNL Limited
Group Cash Flow Statement
For the year ending 31st March 2015

	Notes	2015 £	2014 £
Cash Flow Statement			
Net cash inflow (outflow) from operating activities	13	(932,038)	4,331,463
Returns on investment and servicing of finance		14,364	29,067
		(917,674)	4,360,530
Management of liquid resources		0	0
(Decrease) / Increase in cash		(917,674)	4,360,530

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and Statement of Recommended Practice –Accounting and Reporting by Charities (SORP 2005).

Income and expenditure

Owing to the special nature of the business of the company and in the interests of presenting the results clearly to the members, it is considered inappropriate to adhere to the income and expenditure format described under section 400 of the Companies Act 2006. A statement of financial activities has been prepared in a form which is considered to give the members a true and fair view of the results for the period and which also complies with the requirements of Section 400 of the Act and Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005).

Basis of consolidation

The group financial statements consolidate the charity and subsidiary undertaking for the financial year. The subsidiary has been restated for consolidation purposes in accordance with Financial Reporting Standard 2: Accounting for Subsidiary Undertakings in order to make the accounting policies applied uniform. No individual statement of financial activities is presented for Culture NL Limited, as permitted by section 408 of the Companies Act 2006.

Incoming resources

Income from cultural and related activity is recognised in the period in which the charitable company is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charitable company has to fulfil conditions before becoming entitled to it.

Revenue grants, including those from government, are recognised in the Statement of Financial Activities (SoFA) in the period in which the charitable company is entitled to receipt and the amount can be measured with reasonable certainty. Such income is deferred when the charitable company has to fulfil conditions before becoming entitled to it.

Management fees and other incoming resources are recognised in the period to which they relate.

Investment income is recognised in the period in which it is receivable.

Tangible Fixed Assets and Depreciation

It is the policy of the charity to capitalise expenditure of a capital nature in excess of £6,000. Assets donated to the charity are included in the Balance Sheet and Statement of Financial Activities at cost.

Depreciation is charged to write off the cost less the estimated residual value of fixed assets by equal instalments over their estimated useful lives as follows: Furniture and equipment: 5 years

Stock

Stocks are valued at the lower of cost and net realisable value in the ordinary course of activities.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Pensions

The charitable company operates a defined benefit scheme in respect of its employees. The assets of the scheme are held in external funds managed by professional investment managers.

In accordance with 'FRS 17 – Retirement Benefits', the operating and financing costs of pension and post retirement schemes (determined by a qualified actuary) are recognised separately in the Statement of Financial Activities. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise.

The difference between the actual and expected return on assets during the period and changes in the actuarial assumptions are also recognised in the Statement of Financial Activities.

VAT

The charitable company is partially exempt from VAT. Irrecoverable VAT is charged to the Statement of Financial Activities as an expense. CultureNL Limited and CultureNL Trading C.I.C are registered for VAT as a VAT group. Due to the nature of the activities being undertaken, it is not possible to reclaim the total amount of VAT expended. Expenditure therefore includes VAT where appropriate.

Investments

The investment in the subsidiary is held at cost.

Unrestricted funds

Surplus revenue funds held within unrestricted funds are carried forward to meet the cost of future activities mainly of a revenue nature.

Commitments for specific activities and needs in the future are dealt with by making allocations to designated funds.

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the appropriate fund, together with a fair allocation of management support costs where this is considered appropriate.

Expenditure Recognition and Allocation

Expenditure is recognised when a liability is incurred.

Where possible, expenditure has been charged direct to charitable expenditure or governance cost. Where this is not possible the expenditure has been allocated on the basis of time spent by staff on each activity.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management and set-up of the charity.

Taxation

The company has charitable status and is therefore exempt from taxation under sections 466 to 493 of the Corporation Tax Act 2012 (CTA 2010).

Going concern

The financial statements have been prepared on the basis of accounting policies that are consistent with the treatment of the charitable company as a going concern.

2. Incoming resources

A management service fee of £13,845,667 was received from North Lanarkshire Council for the year (£14,554,800 for the period to 31st March 2014).

Investment income

	Group For the year ended 31 st March 2015 £	Group For the period 26 th Oct 2012 to 31 st March 2014 £
Bank and other interest	14,364	29,067
Pension net incoming resources (note 7)	501,000	221,000
Total investment income	515,364	250,067

CultureNL Limited
Notes to the Financial Statements
For the year ending 31st March 2015

Income from the provision of cultural and related activities is as follows:

	For the year ended 31st March 2015	For the period 26th Oct 2012 to 31st March 2014
	£	£
Libraries	266,489	301,922
Museums	1,361	570
Creative Services	1,094,551	1,003,434
Community Facilities	1,869,386	1,797,560
Shops	78,375	80,147
Projects	56,308	0
Support Services	5,845	6,302
Restricted Funds	82,627	93,404
	<hr/>	<hr/>
Total income from the provision of cultural and related services	3,454,942	3,283,339
	<hr/> <hr/>	<hr/> <hr/>

3. Charitable expenditure

	Group For the year ended 31st March 2015	Group For the period 26th Oct 2012 to 31st March 2014
Provision of cultural and related activities	17,191,665	16,902,819
	<hr/> <hr/>	<hr/> <hr/>

CultureNL Limited
Notes to the Financial Statements
For the year ending 31st March 2015

Analysis of provision of cultural and related activities

	Employee costs	Property Costs	Supplies & services	Transport & Plant	Admin	Payment to agencies and other bodies	Other costs	Total	For the period 26 th Oct 2012 to 31 st March 2014
	£	£	£	£	£	£	£	£	£
Libraries	4,331,259	310,536	606,578	148,115	714,125	3,345	0	6,113,958	6,202,335
Museums	1,280,355	107,418	86,035	27,159	137,269	2,198	425	1,640,859	1,661,444
Creative Services	1,449,520	102,531	79,517	42,724	680,990	4,182	(503)	2,358,961	2,286,073
Community Facilities	3,246,795	2,042,983	92,854	15,974	182,924	2,987	465	5,584,982	5,597,530
Shops	0	0	49,463	0	0	0	0	49,463	16,848
Projects	0	0	0	0	127	0	0	127	0
Support Services	672,699	0	12,413	2,810	441,778	(1,836)	203,666	1,331,530	1,045,185
Restricted Funds	0	0	16,279	0	80,394	0	15,112	111,785	93,404
Provision of cultural and related services	10,980,628	2,563,468	943,139	236,782	2,237,608	10,876	219,165	17,191,665	16,902,819
Commercial trading activities	886,033	8,745	582,867	27,255	43,180	410	0	1,548,490	1,377,728
Governance costs	0	0	0	126	26,714	0	0	26,840	27,438
Other resources expended	0	0	74,452	0	0	0	0	74,452	132,246
Total resource expended	11,866,661	2,572,213	1,600,458	264,163	2,307,502	11,286	219,165	18,841,447	18,440,231

CultureNL Limited
Notes to the Financial Statements
For the year ending 31st March 2015

4. Governance Costs

	Group	Group
	For the year ended	For the period
	31st March 2015	26th Oct 2012 to
		31st March 2014
Audit and other accountancy fees	25,839	25,424
Legal Fees	875	1,888
Trustee expenses	126	126
	<u>26,840</u>	<u>27,438</u>
	<u><u>26,840</u></u>	<u><u>27,438</u></u>

5. Staff Costs and Numbers

The remuneration and associated staff costs were as follows:

	Group	Group
	For the year ended	For the period
	31st March 2015	26th Oct 2012
		to 31st March
		2014
Wages and salaries	10,066,554	9,210,999
Social security costs	537,956	533,547
Other pension costs	1,262,151	1,580,201
	<u>11,866,661</u>	<u>11,324,747</u>
	<u><u>11,866,661</u></u>	<u><u>11,324,747</u></u>

No employees of CultureNL received emoluments above £60,000.

CultureNL Limited
Notes to the Financial Statements
For the year ending 31st March 2015

The average weekly number of employees during the period was made up as follows:

	Charity For the year ended 31 st March 2015 Number	Group For the year ended 31 st March 2015 Number	Charity For the period 26 th Oct 2012 to 31 st March 2014 Number	Group For the period 26 th Oct 2012 to 31 st March 2014 Number
Full-time	229	237	236	246
Part-time	380	447	470	535
	<u>609</u>	<u>684</u>	<u>706</u>	<u>781</u>

The above number of employees relates to 483 Full Time Equivalents for the group.

No member of the Board received remuneration from Culture NL Ltd other than Directors Indemnity insurance and travel expenses of £126.

6. Operating Surplus

	Group For the year ended 31 st March 2015 £	Group For the period 26 th Oct 2012 to 31 st March 2014 £
The operating surplus is stated after charging/(crediting)	597,771	1,117,565
Auditors' remuneration (including expenses)		
for external audit	12,757	12,757
for other services	415	-
for internal audit	12,667	12,667
Operating lease rentals	9,535	7,588

7. Pension Costs

CultureNL Limited is an admitted body of the Strathclyde Pension Fund. The Superannuation Fund is a defined benefit scheme into which employee' and employer's contributions, and interest and dividends from investments are paid and from which pensions, lump sums and superannuation benefits are paid out. Employees' contributions are tiered and employer's basic contributions are assessed every three years by an actuary and are fixed to ensure the fund remains solvent and in a position to meet its future liabilities. The actuarial method used is known as Projected Unit Credit Method. The last actuarial valuation was at 31st

CultureNL Limited
Notes to the Financial Statements
For the year ending 31st March 2015

March 2014 and following this valuation employer's contributions increased to 19.9% for the year ended 31st March 2015 and 22.2% for the years ended 31st March 2016, 2017 and 2018 respectively. Employer's contributions for the year ended 31st March 2015 amounted to £1,261,192.

In accordance with FRS 17 – Retirement Benefits – a valuation of the fund was carried out at 31 March 2015, by Hymans Robertson, independent actuaries. Hymans Robertson calculated the pension assets and liabilities as at 31 March 2015 by rolling forward its full actuarial valuation, allowing for the changes in financial assumptions as prescribed under FRS 17.

The main assumptions used in the calculations are:

	31st March 2015	31st March 2014
	% per annum	% per annum
Pension Increase Rate	2.4	2.8
Salary Increase Rate	4.3	5.1
Expected Return on Assets	3.2	6
Discount Rate	3.2	4.3

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2012 model assuming current rates of improvements have peaked and will converge to a long term rate of 1.5% p.a. for males and 1.25% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	22.1 years	23.6 years
Future Pensioners	24.8 years	26.2 years

The major categories of plan assets as a % of the total plan assets are as follows:

	31st March 2015	31st March 2014
	%	%
Equities	75	76
Bonds	13	12
Property	11	7
Cash	1	5

The estimated employer contributions for the year to 31 March 2016 are £1,403,000.

CultureNL Limited
Notes to the Financial Statements
For the year ending 31st March 2015

The amounts recognised in the balance sheet are as follows:

	31 st March 2015 £000s	31 st March 2014 £000s
Present value of funded liabilities	(38,985)	(30,588)
Fair value of plan assets	35,310	30,300
Net (under)/overfunding in funded plans	(3,675)	(288)
Present value of unfunded obligations	0	0
Unrecognised past service cost	0	0
Surplus/(Deficit)	(3,675)	(288)
Amount in balance sheet		
Liabilities	(3,675)	(288)
Assets	0	0
Net liability	(3,675)	(288)

Analysis of the amount charged to net incoming resources:

	31 st March 2015 £'000	31 st March 2014 £'000
Current service cost of the defined benefit scheme	1,788	1,574
Past Service Cost	0	0
Losses on curtailments and settlements	0	0
Total	1,788	1,574

Analysis of amount credited to incoming resources:

	31 st March 2015 £'000	31 st March 2014 £'000
Expected return on employer assets	(1,854)	(1,433)
Interest on pension scheme liabilities	1,353	1,212
Net return	(501)	(221)

The actual return on plan assets was £4,044,000 (2014: £1,861,000).

CultureNL Limited
Notes to the Financial Statements
For the year ending 31st March 2015

Analysis of amounts included in other recognised gains and losses:

	31st March 2015	31st March 2014
	£'000	£'000
Actuarial Gains/(losses)	(3,357)	(947)
Actuarial gain/(loss) recognised in the SOFA	(3,357)	(947)
Cumulative Actuarial Gains and Losses	(4,304)	(947)

Changes in fair value of the scheme assets are as follows:

	31st March 2015	31st March 2014
	£'000	£'000
Opening fair value of employer assets	30,300	26,902
Expected return on assets	1,854	1,433
Contributions by members	369	356
Contributions by the employer	1,257	1,181
Contributions in respect of unfunded benefits	0	0
Actuarial (loss)/gain	1,880	428
Estimated unfunded benefits paid	0	0
Estimated benefits paid	(350)	0
Closing fair value of employer assets	35,310	30,300

Reconciliation of defined benefit obligation:

	31st March 2015	31st March 2014
	£'000	£'000
Opening defined benefit obligation	30,588	26,071
Current service cost	1,788	1,574
Interest cost	1,353	1,212
Contributions by members	369	356
Actuarial losses/(gains)	5,237	1375
Past service costs	0	0
Loss on curtailments	0	0
Estimated benefits paid	(350)	0
Closing defined benefit obligation	38,985	30,588

CultureNL Limited
Notes to the Financial Statements
For the year ending 31st March 2015

Amounts for the current period and the previous accounting period:

	31 st March 2015	31 st March 2014
	£'000	£'000
Present Value of Defined Benefit Obligation	(38,985)	(30,558)
Fair Value of Employer Assets	35,310	30,300
Surplus/(deficit)	(3,675)	(288)
Experience gains/(losses) on assets	1,880	428
Experience gains/(losses) on liabilities	657	0

8. Stock

	Charity 2015 £	Group 2015 £	Charity 2014 £	Group 2014 £
Consumable Stock	40,675	84,647	42,886	82,320

9. Debtors

	Charity 2015 £	Group 2015 £	Charity 2014 £	Group 2014 £
Trade debtors	1,609,068	1,849,350	1,203,514	1,273,594
Other debtors and prepayments	0	0	126,733	126,783
	1,609,068	1,849,350	1,330,248	1,400,377

10. Creditors: Amounts falling due within one year

	Charity 2015 £	Group 2015 £	Charity 2014 £	Group 2014 £
Trade creditors	939,731	987,866	1,022,579	1,115,896
Accruals and deferred income	2,096,409	2,327,370	3,279,760	3,295,182
Taxation and Social Security	135,564	144,281	138,200	142,584
	3,171,704	3,459,517	4,440,539	4,553,662

CultureNL Limited
Notes to the Financial Statements
For the year ending 31st March 2015

11. Share Capital

The charitable company is limited by guarantees of £1 per member and has no share capital.

12. Reserves

Funds (Company)	Designated £	General £	Restricted £	Pension £	Total £
Balance at 31 st March 2015					
Represented by:					
Net current assets	1,090,313	800,000	27,023		1,917,336
Retirement benefit scheme				(3,675,000)	(3,675,000)
	<u>1,090,313</u>	<u>800,000</u>	<u>27,023</u>	<u>(3,675,000)</u>	<u>(1,757,664)</u>

Funds (Group)	Designated £	General £	Restricted £	Pension £	Total £
Balance at 31 st March 2015					
Represented by:					
Net current assets	1,090,313	800,000	27,023		1,917,336
Retirement benefit scheme				(3,675,000)	(3,675,000)
	<u>1,090,313</u>	<u>800,000</u>	<u>27,023</u>	<u>(3,675,000)</u>	<u>(1,757,664)</u>

Unrestricted Fund	Opening Balance £	Incoming £	Outgoing £	Transfers £	Actuarial Loss £	Closing Balance £
Unrestricted fund	668,384	18,855,591	(18,198,662)	(525,313)	0	800,000
Designated fund	565,000	0	0	525,313	0	1,090,313
Pension reserve	(288,000)	501,000	531,000	0	(3,357,000)	(3,675,000)
	<u>945,384</u>	<u>19,356,591</u>	<u>18,729,662</u>	<u>0</u>	<u>(3,357,000)</u>	<u>(1,784,687)</u>

CultureNL Limited
Notes to the Financial Statements
For the year ending 31st March 2015

Designated funds

The present value of Designated Reserves is £1,090,313. In 2014/15 £289,250 was approved for one off spends on efficiency measures to improve the delivery of the Charity's services. Of this there remains a balance of £237,143 which is contained within the £1,090,313. The balance of the Designated Reserve of £853,170 has been allocated to fund the staffing and organisational costs associated with the review and restructuring required to respond to the 2016/17 and 2017/18 savings.

Restricted Funds	Opening Balance £	Incoming Resources £	Resources Expended £	Closing Balance £
Encounters Festival (Funder Creative Scotland)	0	14,530	14,530	0
Digital Connections (Funder SLIC)	4,396	0	3,360	1,036
Museums General (Funder Museums Galleries Scotland)	0	474	474	0
Creative Services Projects General (Funder Creative Scotland)	0	1,000	1,000	0
Museum Improvement Care & Access (Funder Museum Galleries Scotland)	2,985	3,613	6,598	0
NHS Towers Project (Funder NHS Lanarkshire)	13,800	0	13,800	0
Commonwealth Games (Funders North Lanarkshire and EventScotland)	35,000	10,000	45,000	0
Get Connected (Funder SLIC)	0	20,000	20,000	0
Celebrate (Funder Big Lottery Fund)	0	1,700	1,219	481
Peoples Story of WWI (Funder Heritage Lottery Fund)	0	16,300	2,792	13,508
Scotland's Cinema Heritage (Funder Museum Galleries Scotland)	0	3,010	2,604	406
Reigart (Funder Reigart Contractors Ltd)	0	12,000	408	11,592
Totals	56,181	82,627	111,785	27,023

Encounters Festival Funding to provide a rich, diverse and innovative programme of cultural events, bringing authors, story tellers and performers to the heart of our communities in an inspiring celebration of the imagination and the arts.

Digital Connections Funding to purchase nonstandard hardware and software and to train staff in its use. Thus enabling them to provide support and assistance to the public.

Museums General Funding to encourage people to visit museums. This grant enabled us to run events in North Lanarkshire Heritage Centre, Summerlee Museum and Cumbernauld Museum.

Creative Services Projects General This funding enabled us to provide various dance related events as part of the with the Queen's Baton Relay event.

Museum Improvement Care & Access Funding for new storage systems to increase access to the collections and greatly improve the standards of collections care.

NHS Towers Project Funding to create/develop a community based project that will produce a DVD of the community's opinions of living in the Muirhouse Tower Blocks.

Commonwealth Games Funding contribution to the Queens Baton Relay event and the associated Cultural Programme.

Get Connected Funding has been used to install public Wi-Fi in Coatbridge, Airdrie, Bellshill, Kilsyth libraries to provide an enhanced customer experience at these locations.

Celebrate Funding to celebrate the heritage of Strathclyde Park by focusing on the community memory of the lost village of Bothwellhaugh and the wider story of Strathclyde Park as a venue for various Commonwealth Games disciplines.

HLF Peoples Story of WWI Funding a wide ranging First World War engagement project working in partnership with other organisations and a wide range of audiences.

Scotland's Cinema Heritage Funding to help preserve the cinema collection held at Summerlee and to create more opportunities for people, communities and other museums to engage both with our own collection and Scotland's national cinema heritage.

Reigart Funding to contribute to care and maintenance of the Reigart Suite and support educational activities.

CultureNL Limited
Notes to the Financial Statements
For the year ending 31st March 2015

13. Notes to the cash flow statement

	2015	2014
Reconciliation of operating surplus to net cash inflow from operating activities		
Net incoming / (outgoing) resources	597,771	1,117,565
Interest received	(14,364)	(29,067)
FRS 17 costs	30,000	172,000
(Increase)/decrease in stock	(2,327)	(82,320)
(Increase)/decrease in debtors	(448,973)	(1,400,377)
Increase/(decrease) in creditors	(1,094,145)	4,553,662
Net cash inflow from operating activities	(932,038)	4,331,463

Analysis of changes in net debt

	At 1 st April 2014 £	Cash Flows £	At 31 st March 2015 £
Cash at bank and in hand	4,360,530	(917,674)	3,442,856

Reconciliation of net cash flow to movement in debt

	2015	2014
Net (decrease)/increase in cash	(917,674)	4,360,530
Net funds at 1 st April	4,360,530	0
Net funds at 31st March	3,442,856	4,360,530

14. Related parties

North Lanarkshire Council, the sole member of Culture NL, made a contribution in line with the Services Agreement of £14,066,406 (2014: £14,554,800). Facilities were leased to Culture NL for a peppercorn rent. North Lanarkshire Council also provided various support functions including Legal, Finance and IT for which the company was charged £1,445,203 (2014: £1,445,204). In addition to this they also carried out a central property repairs and management function which we were charged £626,107 (2014: £849,028). At 31st March 2015 Culture NL owed North Lanarkshire Council £1,682,137 (2014: £3,451,856) and North Lanarkshire Council owed CultureNL £1,375,085 (2014: £535,738). Six Directors of Culture NL were elected members of North Lanarkshire Council during the year ended 31st March 2015.

CultureNL Limited
Notes to the Financial Statements
For the year ending 31st March 2015

Exemption has been undertaken under Financial Reporting Standard 8, from disclosing related party transactions in the company's financial statements as they are presented with the group's consolidated financial statements.

15. Operating lease commitments

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

	2015	2014
Annual commitments under non-cancellable operating leases are as follows:-	£	£
Operating Leases which expire:		
In the first year	0	0
In the years second to fifth	10,388	7,856
	<u> </u>	<u> </u>

16. Parent charitable company results

Included below are details of the results of the parent company for the year ended 31st March 2015:

	For the year ended 31 st March 2015 £	For the period 26 th October 2012 to 31 st March 2014 £
Incoming resources	(17,932,701)	(18,199,859)
Outgoing resources	17,334,930	17,082,294
Net movement in funds	597,771	(1,117,565)
Fund balances at 31 st March	(1,757,664)	(1,001,565)

17. Subsidiary undertakings

CultureNL Limited, owns 100% of the issued share capital of CultureNL Trading C.I.C. These financial statements are prepared on a consolidated basis to include this entity. The subsidiary undertaking's principal activity is the provision of catering facilities. The results of CultureNL C.I.C for the year ended 31st March 2015 (before eliminating intercompany trading) are shown below. Audited accounts are filed with Companies House.

	For the year ended 31 st March 2015 £	For the period 4 th February 2013 to 31 st March 2014 £
Turnover	1,549,383	1,377,523
Cost of Sales	(1,503,659)	(1,340,120)
Gross Profit/(Loss)	45,724	37,403
Administrative expenses	(45,724)	(37,403)
Profit/(loss) for the year	0	0

CultureNL Trading C.I.C reported £1 net assets as at 31st March 2015.

18. Non-Audit Services

In common with many other companies and charities of a similar size, the company's auditor assists with the preparation and submission of returns to tax authorities.