

**REGISTERED COMPANY NUMBER: SC243577 (Scotland)**  
**REGISTERED CHARITY NUMBER: SC034227**

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2018  
FOR  
LIVE BORDERS**

**LIVE BORDERS**

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FOR THE YEAR ENDED 31 MARCH 2018**

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## LIVE BORDERS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and principal activities

The objectives of the Company are to provide or assist primarily for the benefit of the community and visitors of all ages to the administrative area of the Scottish Borders and any surrounding areas each of the following:

- (a) the advancement of:
  - (i) health through helping people to maintain or improve their health;
  - (ii) the arts, heritage, culture and science;
  - (iii) education through the wide variety of facilities, services, programmes, training courses and cultural, arts, heritage and science events, activities, collections and exhibitions which are provided by or organised through Live Borders;
  - (iv) community development and rural regeneration; and
- (b) the provision of facilities and services areas for recreational, sporting or other leisure time occupation in the interests of social welfare, such facilities being provided to the public at large save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities and services.

The strategic outcomes we plan to positively contribute towards, as set out in the Performance Management Framework with Scottish Borders Council, and measure our performance against, are:

Improved mental and physical health and wellbeing for people of all ages with a focus on inclusion	Enhanced learning opportunities, training and experiences with a particular focus on reducing inequalities	Increased economic benefits to the Scottish Borders through high quality sport and cultural services and events, and support to creative micro-businesses and organisations	Enhanced partnerships, pathways and access to a wide range of services and activities within facilities and communities (including structures for talent development)	Stronger communities through involvement in service planning, delivery and participation	Increasingly effective operations and creative approaches to income maximisation across the Trust whilst maintaining appropriate quality and standards
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In support of the management of these services and delivery against outcomes, the 2018-2023 Live Borders strategy sets six strategic goals of:

Expand levels of participation and access for all  
Grown our earned income  
Develop plural funding streams

Build on our reputation for great customer service  
Create a sustainable charity  
Nurture our people to be proud of what they do

Vision Statement

**“Everyone living in, working in and visiting the Borders to be healthier, happier and stronger”**

## LIVE BORDERS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

#### Pension position

The Trust, as a deliverer of services on behalf of the Local Authority and involved in previous TUPE (Transfer of Undertakings Protection of Employment Regulations), is a member of the Local Government Pension Scheme. Actuarial valuations have been used to record the impact of this defined benefit scheme. As sponsoring authority, Scottish Borders Council has guaranteed to accept liability for any unfunded costs which may arise with regard to Live Borders relating to their membership in the local government pension scheme, should they cease to exist.

#### ACHIEVEMENT AND PERFORMANCE

During 2017/18 Live Borders invested £11,319k in delivering safe, fun, educational and accessible cultural, physical activity and sport facilities and services to the communities in the Scottish Borders.

Following the transfer of cultural services in April 2016, a new management structure was put in place. 2017/18 was the first full year of this structure and has seen the development of the Commercial Services and Managed Services teams integrating the two former services. Managing the integration has continued to be a core driver in the year.

A period of staff and stakeholder engagement saw the drafting of the first five-year Live Borders strategy.

Our performance management framework continues to monitor the progress of all our services with a focus on meeting our priorities and delivering against our strategic outcomes. The sports cost per visit was adversely affected by the change in allocation of management costs. The culture visits was adversely affected by a change in the recording methodology at our largest site, as well as a small decline in library visitor numbers. Our active sports membership continues to grow following the relaunched committed contract and new service delivery model.

Cost per Visit					
Sport		Libraries		Museums	
£7.15	£7.67	£4.38	£3.32	£6.05	£5.51
2016/17	2017/18	2016/17	2017/18	2016/17	2017/18

Business Indicators			
Staff Absence		H&S accidents/incidents	
3.05%	2.49%	295	278
2016/17	2017/18	2016/17	2017/18

Participants/Visits			
Sports Participants		Culture visits	
1,164,085	1,110,085	730,614	695,460
2016/17	2017/18	2016/17	2017/18

Membership/Users				
Sports Membership			Library Active Users	
<b>5,931</b>		<b>6,217</b>	9,623	8,902
3,096	Learn 2	2,984		
2,835	Active	2,984		
2016/17		2017/18	2016/17	2017/18

## LIVE BORDERS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

#### ACHIEVEMENT AND PERFORMANCE

##### Charitable activities

##### Organisational Development

2017/18 was the first year for our new organisational structure of “commercial” and “managed” directorates. The structure reflects the need to access new sources of funding to permit us to continue to deliver both social and best value through our activities and services. A number of staffing reviews were carried out during the year, resulting in a new management structure for Managed Services and a new model of operation piloted and rolled out for our caretaking service in Halls and Community Centres. The marketing and ICT teams were reviewed following the amalgamation of staff from both sport and culture to ensure we deliver on effective integration.

##### Management Fee Reduction

Unfortunately, Live Borders was not immune to the pressures on public finances and our management fee was reduced by 10%. Staffing is a major expense and contributed to the reduction in expenditure with a small number of staff, linked to the reviews, voluntarily leaving the company. Challenging income targets were put in place, and largely met, to reflect our increased “commercial” approach across the trust.

##### Facility Development

A major redevelopment was planned for Teviotdale Leisure Centre. The flume was reinstated, following a number of years out of use, as part of the improvements to the pool area. The creation of a softplay facility in the Centre was delayed and complete in June 2018.

Smaller scale works were carried out at the Volunteer Hall in Galashiels with replacement seating and improvements to the foyer, with an upgrade to the toilets due to be delivered in early 2018/19.

The sports membership continues to grow following the relaunch with a new committed contract along with new service delivery model in 2017. With plans to invest in new equipment in 2018/19 this will be a core area of growth.

##### Modernising Systems

A new financial management system went live in December 2017. Work continues to bed in the new system and maximise the reporting benefits.

#### FINANCIAL REVIEW

##### Reserves policy

The Trust aims to maintain a level of reserves of allow it to meet any non-budgeted contingencies and to meet an increase in demand for its services. The Trustees reviewed the policy following the move to Live Borders and consider that an appropriate target for General Reserves excluding designated reserves of 5% of sports income with an aim to achieve 2% of income for cultural services. The later reflects that no reserves were transferred with the service.

##### Capital Grants Reserve

The Board recognises that capital grants may only be spent for the purpose for which they were given. They are to be recorded as incoming resources when received and depreciated in line with the company's depreciation policy. The balance on this reserve is represented by the written down value of the asset that was purchased with the grant.

##### Revenue Grants Reserve

The Board recognises that revenue grants may only be spent for the purpose for which they were given. They are to be recorded as incoming resources when received with the appropriate expenditure recorded

under Outgoing resources. Any unspent balance on this reserve will be represented by an appropriate bank balance.

**Specific Revenue Reserve**

Where it has been agreed that the surplus from operating a particular facility (e.g. Trifitness) must be reinvested in that facility, then the cumulative surplus will be treated as a restricted reserve.

## LIVE BORDERS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

#### Designated Reserves

##### Plant, Fixtures and Fittings Replacement Reserve

The Board aims to establish a reserve sufficient to fund the replacement of major plant and fixtures and fittings which will come to the end of their useful life in the years of the Trust's business plan, currently 3 years. In calculating that figure allowance will be made for all related contractual and expected capital grants to be received in that period. This reserve will be represented by cash in the balance sheet at the start of the business plan period.

#### Unrestricted Reserves

##### Pension Reserve

The board recognises its responsibility to meet any projected net liability established through the triennial valuation of the Live Borders section of the Scottish Borders Council Local Government Pension Scheme. The surplus or deficit on this reserve is represented by an equivalent asset or liability in the balance sheet.

##### General Reserve

The Board considers it prudent to establish a reserve to meet any substantial unplanned events such as a reduction in income caused by a period of prolonged extreme weather, an unforeseen reduction in revenue funding. An unforeseen increase in costs or uninsured losses. The board believes a target of 5% of sports income with an aim to achieve 2% of income for cultural services. The later reflects that no reserves were transferred with the service.

#### Investment Policy

Live Borders had funds on short-term deposits during the year to 31 March 2018. Excess funds will be invested as and when it benefits the company.

#### Financial Results 2017/18

Total Incoming resources were £10,834k, a reduction of £660k on 2016/17. Capital Grant Income was down by £388k, Management fee was down by £521k and an increase in income generated from operations amounted to £249k.

For the year ended 2017/18 we have reported a deficit of £459k, this comprises a surplus reported in the Trust's management accounts of £19k, less £223k as a result of grant depreciation adjustments, plus £334k capital grants received, less pension adjustment of £589k.

The Reserves at 31 March 2018 were (£1,756k), comprising of general fund £183k, Pension Deficit (£3,915k), Restricted Funds relating to Capital Grants of £1,809k and Designated Funds totalling £166k.

Ongoing challenges with regards the levels of public funding being available to local authorities remains a major uncertainty and risk to the ongoing success of Live Borders Ltd

#### PLANS FOR FUTURE PERIODS

During 2017/18 staff and stakeholders were engaged in the development of a five-year strategy for Live Borders, the first integrated strategy for the company.

Key actions identified include:

- scope the introduction of a universal membership card for new and existing users
- establish a dynamic ageing group to scope and develop new products for older people
- focus on customer retention, track participants, and make more effort to move people along pathways
- focus on catering provision, specific improvements in three key locations
- produce a funding plan

- be in a position to evaluate the benefits of bidding for NHS Borders commissioned and if appropriate bid for these contracts
- become a World Host recognised business
- improve the use of energy in all our facilities

We will invest in a new website to develop our online presence and drive customers to online booking and self-service.

Health remains a key area of development as we continue to nurture our partnership with NHS, specifically we will focus on interventions to support Diabetes type 2 sufferers.

Our capital programme will have a focus on energy monitoring and efficiency as we prepare for ESOS (Energy Savings Opportunity Scheme) compliance during 2018/19.

A programme of small scale improvements to our public halls will continue with completion of work in Galashiels, replacement toilets at Hawick Town Hall and works to the Victoria Halls in Selkirk.

## LIVE BORDERS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

We will work closely with SBC to support and deliver on significant Capital Programmes including but not limited to: an upgrade of the Jim Clark Museum, a home for the Great Tapestry of Scotland, redevelopment of the Sir Walter Scott Museum and also work towards supporting the council with the management of new school's estates in Kelso and Jedburgh.

Key Targets for 2018/19

Area	Target	%Growth
Sports Participation	1,422,947	8.93%
Culture Visits	487,200	3.89%
Sports Membership	3,373	4.33%
Earned income as percentage of total turnover	44%	10%
Income generation	£4,978k	11%
Staff absence	2.79%	10%

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

Live Borders is a Company limited by guarantee incorporated in 2003 and governed by its Memorandum and Articles of Association. It is registered as a charity, number SCO34227, with the Office of Scotland Charities Regulator.

The Charity has a trading subsidiary, Borders Sport and Leisure Enterprises. This is currently dormant.

##### Recruitment and appointment of new trustees

Nominations and applications to be a trustee are requested, from time to time, through public advert and through direct contact with individuals, in accordance with the Articles of Associations. The Board has the power to fill casual vacancies.

The Board of Trustees (of up to 15 members), who meet at least four times a year, administers the Charity. A Chief Executive is appointed by the Trustees to manage the day to day operations on the Charity.

One third of the trustees must stand down at the Annual General Meeting (AGM) but are eligible for re-election. The appointment of Trustees co-opted during the year requires to be confirmed by the AGM. Further trustees can be co-opted by the Board of Directors during the year up to a total of fifteen.

##### The Annual Election and Retiral of Trustees

Any new Trustee who joins the Board during the year will require to have his/ her nomination ratified at the next Annual General Meeting.

##### Nominated

Local Authority Nominated Trustees (3) remain during the period as confirmed by the Local Authority. Confirmation of this period of office should be sought by the Chief Executive Officer following the election of a new local authority.

The Health Board (1) should be asked by the Trust Chief Executive Officer to intimate/confirm the name of their nominated Trustee on an annual basis.

The name of the Employee Trustee (1) should be intimated to the Company Secretary 28 days before the Annual General Meeting.

##### Retirals

Directors/Trustees Peter Duncan, Pete Smith, Alasdair Hutton are due to retire at the 2018 AGM but are eligible for re-election.

## **LIVE BORDERS**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governance**

In October 2016 the Board agreed to meeting quarterly and to form two sub-committees that would meet in support of the work of officers. Each committee consists of six trustees.

1. The Finance Committee:

To deal with financial planning, financial reporting and control, capital planning and projects and financial risk management.

2. The Audit and Governance Committee:

To deal with the annual financial statements and report, advise the Board on external auditors, consider internal and external audits and provide assurance on corporate and charity governance requirements.

The Finance Committee will meet by arrangement at least once between meetings of the Board, and the Audit and Governance Committee will meet by arrangement at least bi-annually. Both will provide a written report to the subsequent quarterly meeting of the Board.

The committees spend time each year reviewing progress and contribute to the forward planning for the Trust. The CEO reports on progress and issues to the Directors on a planned basis. The CEO has delegated powers to make day to day decisions regarding the Trust's operations. The work plan and the budget are agreed between the CEO and the Board of Directors.

##### **Management**

The current portfolio of 15 sports facilities include 6 swimming pool facilities, 2 sports halls, an Outdoor Sport complex and Bowls Hall, 3 3G and 2G pitches and a High School sports centre, 6 Libraries, 12 Museums, an outdoor visitor centre, 14 community halls, 10 Community Centres, 1 archive hub, office buildings and a multi-function cinema, theatre and office complex with café bar.

##### **Induction and training of new trustees**

An induction programme will be introduced for all new directors/trustees and offered to all soon after election. In addition, directors will receive an induction pack that contains the Memorandum, the Articles of Association, Roles and Responsibilities of being a director, and background information on the Trust. From time to time focussed training sessions will be offered to all directors who will be expected to attend at least one such training session each year.

##### **Related parties**

Live Borders co-operates with Scottish Borders Council (SBC); with NHS (Borders); Further and Higher Education establishments; the Community Planning Forum. Nationally the Trust co-operated and supports the work of the Sport and Recreation Trust Association, Creative Scotland, Sportscotland and the National Governing Bodies for Sport and culture.

##### **Risk management**

The Board continues to monitor progress against the financial and performance objectives at each meeting.

The Trustees have a duty to identify and review the risks to which the charity is exposed so Trustees and appropriate officers carry out an annual risk register. This ensures appropriate controls are in place to provide reasonable assurance against fraud and error.

Internal risks are minimised by the implementation of procedures for the authorisation of transactions and projects; this ensures consistent quality of delivery for all operational aspects of the company.

External risks relate largely to the continued funding of the Company. Whilst the Board is encouraged by the stability in use of facilities overall, there remains concern that the management fee from SBC is only committed for one year at a time and this restricts the ability of the Trust to pursue new investment for larger projects. The Board is pleased that the Council committed to a Capital Grant of £250,000 per annum to support the sports property portfolio.

Any variation from planned business that has an associated risk assessment is presented to the Board of Directors.

## LIVE BORDERS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

#### REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Company number**

SC243577 (Scotland)

**Registered Charity number**

SC034227

**Registered office**

Melrose Road

Galashiels

Selkirkshire

TD1 2DU

#### Trustees

Ms K Scott	Resigned 30.10.17
Mrs P A Walls	Resigned 26.2.18
R J Kerr	
D J Kelly	
P J Duncan	
Miss J I Cormack	Resigned 21.5.18
A H Hutton	
R Claridge	Resigned 1.9.17
Dr A Riley	Appointed 30.5.16 Resigned 30.6.17
Councillor K Cockburn	Resigned 29.5.17
Councillor I D Gillespie	Resigned 29.5.17
Councillor B White	Resigned 29.5.17
P Smith	
S Robertson	Resigned 26.2.18
Councillor D Parker	Appointed 25.7.17
Councillor M Ballantyne	Appointed 25.7.17 Resigned 27.11.17
Councillor H Laing	Appointed 27.7.17
W White	Appointed 14.12.17
K Allan	Appointed 13.9.17
Councillor N Richards	Appointed 31.1.18
Mrs A Moore	Appointed 20.2.18
D Pye	Appointed 30.3.18
Ms Le Guennec	Appointed 15.5.18
Ms E Swinbank	Appointed 30.3.18
Ms K Smith	Appointed 6.6.18

- Councillors Parker, Ballantyne, Laing and Richards were the Directors nominated by Scottish Borders Council for 2017/18
- K Allan is the Director nominated by NHS Borders
- D Kelly is the staff representative on the board
- Trustees – Peter Duncan, Pete Smith, Alasdair Hutton are retiring at the next AGM but are eligible for re-election

The Board is required to set out annually its requirements for the skills, qualities and experience which it needs from its trustees.

**Company Secretary**

E Jackson

**Senior Statutory Auditor**

Nick Bennett

**Auditors**

Scott Moncrief  
25 Bothwell Street  
GLASGOW  
G4 QW

**Bankers**

The Royal Bank of Scotland  
35 Bank Street  
Galashiels  
Selkirkshire  
TD1 1EP

**LIVE BORDERS**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2018**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Live Borders for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

**AUDITORS**

Scott Moncrief are deemed to be appointed under Section 487 (2) of the Companies Act 2006.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on ..... and signed on its behalf by:

.....  
P Duncan – Trustee

## LIVE BORDERS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

##### **Going Concern**

The financial Statements have been prepared on the going concern basis, as management believe that the charity has sufficient new assets post balance sheet date, to meet the annual cash commitments required to service the long-term liabilities. The board of trustees have approved a budget for 2018/19 which aims to generate a surplus of £47k

##### **Leases**

Operating lease rentals are charged to the income and expenditure account on a straight-line basis over the period of the lease.

##### **Governance costs**

These are the costs associated with the governance arrangements of the Trust which relate to the general running of the organisation as opposed to those costs associated with fundraising or charitable activity. The costs will normally include audit, legal advice for trustees and costs associated with constitutional and statutory requirements e.g. the cost of trustee meetings and preparing statutory accounts.

##### **Allocation and apportionment of costs**

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

General overheads such as support salaries are not included as part of the cost of generating funds as it is not possible to accurately allocate these.

## LIVE BORDERS

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

#### **Tangible fixed assets**

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

Buildings	- over 40 Years
Improvements to Property	- over 10 years
Equipment	- between 3 and 5 years

If the initial cost of an asset is £1,000 or more and the anticipated useful life of this asset is in line with the above, the asset will be charged as capital expenditure.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Debtors**

Trade debtors are amounts due from customers for goods sold or services performed, they are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowance for doubtful debts.

#### **Cash**

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand.

#### **Creditors**

Trade creditors are obligations to pay for goods or services, they are recognised at the undiscounted amount owed to the supplier, which is normally invoice price.

#### **Financial Assets and Financial Liabilities**

Financial instruments are classed as 'basic' in accordance with chapter 11 of FRS 102. They are measured at transaction price, and recognised in the statement of financial activities when the charity becomes a party to the contractual provisions of the instrument.

#### **Taxation**

The trust is recognised as a Charity by HMRC. Accordingly investment income is exempt from taxation and Income Tax is recoverable on any donations paid under Gift Aid. The Trust receives no similar exemption in respect of Value Added Tax. Income and Expenditure is reported net of VAT, unless it is irrecoverable.

#### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

## LIVE BORDERS

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

#### **Pension costs and other post-retirement benefits**

Retirement benefits to employees of the Trust who transferred employment from SBC are provided by Scottish Borders Council Local Government Superannuation Fund. This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. The scheme is administered by SBC in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998 as amended.

The defined benefit scheme assets are measured using fair values. Pension scheme liabilities are measured using the projected unit method and discounted at the rate of return stated in the pension commitments note to the accounts. The net surplus or deficit is recognised in full in the balance sheet. The current service cost and gains and losses on settlement and curtailments are charged to the income and expenditure account if the benefits have been vested or, if they have not vested, over the period until vesting occurs. The interest cost and the expected return on assets are included as other finance income or interest payable. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Other employees are offered a separate money purchase scheme to which the Trust contributes. The contributions to this scheme are accounted for in the period in which they are incurred.

#### **Company status**

The Trust is a company limited by guarantee. The members of the company are the trustees. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**LIVE BORDERS  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2018**

				<b>2018</b>	<b>2017</b>
				<b>Total</b>	<b>Total</b>
				<b>Funds</b>	<b>Funds</b>
				£	£
<b>INCOME AND ENDOWMENTS FROM</b>	Notes	Unrestricted Funds	Restricted Funds		
	4				
Charitable Activities		3,627,100		3,627,100	3,488,469
Management Fee		5,520,132		5,520,132	6,040,909
Capital Grants			333,892	333,892	721,207
Revenue Grants			739,638	739,638	624,030
Other Trading Activities	2	612,959		612,959	617,282
Investment Income	3	945		945	2,601
<b>Total Income</b>		<b>9,761,136</b>	<b>1,073,530</b>	<b>10,834,666</b>	<b>11,494,498</b>
<b>EXPENDITURE ON</b>					
Charitable Activities	6	9,853,522	973,817	10,827,339	11,914,528
Trading Operations	5	478,418		478,418	450,704
Governance Costs	6	13,260		13,260	11,271
<b>Total</b>		<b>10,345,200</b>	<b>973,817</b>	<b>11,319,017</b>	<b>12,376,503</b>
<b>NET INCOME/ (EXPENDITURE)</b>		(584,064)	99,713	(484,351)	(882,005)
<b>TRANSFERS BETWEEN FUNDS</b>		(23,946)	23,946		
<b>Other Recognised Gains / Losses</b>		<b>25,000</b>		<b>25,000</b>	<b>(2,483,000)</b>
<b>Net Movement in Funds</b>		(583,010)	123,659	<b>(459,351)</b>	<b>(3,365,005)</b>
Total Funds Brought Forward				(1,296,819)	2,068,186
<b>Net Funds Carried Forward</b>				<b>(1,756,170)</b>	<b>(1,296,819)</b>

**LIVEBORDERS  
BALANCE SHEET  
AT 31ST MARCH 2018**

	Notes	2018 £	2017 £
<b>FIXED ASSETS</b>			
Tangible Assets	12	2,160,595	2,171,222
<b>CURRENT ASSETS</b>			
Stocks	13	60,537	44,856
Debtors	14	943,156	649,201
Cash at Bank and in Hand		1,176,132	2,529,522
		2,179,825	3,223,579
<b>CREDITORS</b>			
Amounts falling due within 1 year	15	2,058,578	3,188,482
<b>Net Current Assets and Liabilities</b>		121,247	35,097
Net Assets Excluding Pension Liability		2,281,842	2,206,319
<b>CREDITORS</b>			
Amounts Falling due after more than 1 year	16	(123,011)	(177,138)
<b>Pension Asset / Liability</b>	23	(3,915,000)	(3,326,000)
<b>NET ASSETS</b>		(1,756,169)	(1,296,819)
<b>Unrestricted Funds</b>			
<b>General Fund</b>	22	183,172	187,178
<b>Pension Reserve</b>		(3,915,000)	(3,326,000)
<b>Designated Fund 3G Pitch Replacement</b>		60,000	50,000
<b>Designated Fund - plant, fixtures and fittings replacement reserve</b>		106,568	106,568
		(3,565,260)	(2,982,254)
<b>Restricted Funds</b>	22	1,809,091	1,685,435
<b>TOTAL FUNDS</b>		(1,756,169)	(1,296,819)

**LIVEBORDERS  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED  
31 MARCH 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities:</b>	1		
Cash generated from operations		(979,707)	3,141,321
Interest Paid		(5,206)	(6,282)
<b>Net Cash Provided by (used in) operating activities</b>		<b>(984,913)</b>	<b>3,135,039</b>
<b>Cashflows from invested activities:</b>			
Purchase of tangible fixed assets		(329,320)	(794,387)
Interest received		945	2,601
<b>Net Cash Provided by (used in) investing activities</b>		<b>(328,375)</b>	<b>(791,786)</b>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(40,103)	(32,755)
<b>Net Cash Provided by (used in) financing activities</b>		<b>(40,103)</b>	<b>(32,755)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(1,353,391)</b>	<b>2,310,498</b>
Cash and cash equivalents at the beginning of the reporting period		2,529,523	219,025
Cash and cash equivalents at the end of the reporting period		1,176,132	2,529,523

LIVEBORDERS

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2018

1. RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	£
<b>Net income/ (expenditure) for the reporting period(as per the statement of financial activities)</b>	<b>(484,351)</b>	<b>(882,005)</b>
<b>Adjustments for:</b>		
Depreciation Charges	339,947	280,434
Interest Received	(945)	(2,601)
Interest paid	5,206	6,282
(Increase)/ Decrease in Stocks	(15,681)	(31,107)
(Increase)/ Decrease in Debtors	(2,031,571)	(196,108)
Increase/ (Decrease) in Creditors	593,688	2,505,426
Difference between pension charge and cash contributions	614,000	1,461,000
<b>Net cash provided by (used in) operating activities</b>	<b>(979,707)</b>	<b>3,141,321</b>

**LIVEBORDERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST March 2018**

**2. OTHER TRADING ACTIVITIES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Shop, cafeteria, caravan site fishing permits etc.	<u>612,959</u>	<u>617,282</u>

**3. INVESTMENT INCOME**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Deposit Account Interest	945	2,601

**LIVEBORDERS**  
**NOTES TO THE CASH FLOW STATEMENT - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Income from Operations	3,627,100	3,488,469
Management Fee	5,520,132	6,040,909
Capital Grants	333,892	721,207
Revenue Grants	739,638	624,030
	<u>10,220,762</u>	<u>10,874,615</u>

Grants Received included in the above are as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Capital</b>		
Scottish Borders Council	333,892	518,086
SportScotland	0	158,545
Hawick Sports Initiative	0	44,576
	<u>333,892</u>	<u>721,207</u>

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Revenue</b>		
NHS Borders	9,500	38,449
SportScotland	35,376	35,377
SportScotland Active Schools	271,580	278,580
McMillan Cancer Support	40,368	32,113
Scottish Enterprise	67,350	3,120
Scottish Borders Council	120,632	97,526
Scottish Football Association	19,482	26,876
Disability Sport Scotland	15,030	17,090
Tennis Scotland	5,000	
Hibernian FC	1,650	
Fallago Trust	11,860	
Museums and Galleries Scotland	19,975	
Scottish Borders Dance	4,013	6,313
Visit Scotland	21,000	
Creative Scotland	76,778	68,600
University of Edinburgh	1,500	
School Library Association	1,075	3,820
Scottish Council for Voluntary Organisations	7,941	5,587
Tourette Syndrome (UK) Association	2,750	2,750
The Scottish Library and Information Council	1,065	4,461
National Museum of Scotland	5,713	3,368
	<u>739,638</u>	<u>624,030</u>

**LIVEBORDERS**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST March 2018**

**5. RAISING FUNDS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Purchases	283,245	260,235
Staff Costs	166,523	169,228
Heat Light and Power	1,950	1,800
Repairs and Equipment	15,475	12,095
Other Costs	11,225	7,346
	<hr/>	<hr/>
	478,418	450,704
	<hr/> <hr/>	<hr/> <hr/>

**6. CHARITABLE ACTIVITY COSTS**

	Direct costs	Grant Funding of Activities (See Note 7)	Support Costs (See Note 8)	Totals
	£	£	£	£
Operational Costs	7,995,305	288,444	2,543,590	10,827,339
Governance Costs			13,260	13,260
	<hr/>	<hr/>	<hr/>	<hr/>
	7,995,305	288,444	2,556,850	10,840,599
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**7. GRANTS PAYABLE**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
SRU	10,000	7,000
ASP Borders	42,750	42,750
Club Sport Berwickshire	16,214	16,214
Club Sport Ettrick and Lauderdale	26,296	26,298
Club Sport Roxburgh	27,660	27,931
Club Sport Tweeddale	15,218	15,218
Scottish Hockey	8,256	11,000
Tennis Borders	4,000	2,000
BEST Management-Swimming	5,000	7,500
Sports Borders	5,914	7,810
Triathlon Scotland	8,000	8,000
Chirnside Community Centre	2,721	1,000
Athletics	9,476	1,000
MACS in Sport	0	4,290
CABN	0	2,598
Eastgate	81,000	83,000
Escape Youth	5,000	9,939
SSVAC	0	2,550
Arts and Crafts	0	5,604
VACMA	7,434	6,639
RBS FST Emporium	212	480
Borders Youth Theatre	10,376	5,822
Firebrand Theatre Company	0	1,000
Youth Borders	1,250	3,750
Heritage Lottery Fund	1,667	
	<hr/>	<hr/>
	288,444	299,393
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST March 2018**

**8. SUPPORT COSTS**

	Management £	Governance Costs £	Totals £
Operations	2,543,590		2,543,590
Governance Costs		13,260	13,260
	<u>2,543,590</u>	<u>13,260</u>	<u>2,556,850</u>

Support Costs included in the above are as follows

	Operational Costs £	Governance Costs £	2018 Total Activities £	2017 Total Activities £
Support salaries and Ancilliary costs	1,296,486		1,296,486	1,293,064
Social Security	120,984		120,984	107,572
Other Pension Costs	293,838		293,838	344,383
Support Services	176,387		176,387	170,921
Professional Fees	239,043		239,043	291,711
Marketing	163,896		163,896	187,559
Admin Costs	218,554		218,554	182,911
Interest Payable and Similar Charges	0		0	6,282
Trustees Remuneration	0		0	(158)
Auditors Remuneration		13,260	13,260	11,271
Other Support Costs	29,196		29,196	36,357
	<u>2,543,590</u>	<u>13,260</u>	<u>2,556,850</u>	<u>2,631,873</u>

**9. NET INCOME/(EXPENDITURE]**

	2018 £	2017 £
Net income/ (expenditure) is stated after charging:		
Auditors Remuneration	13,260	11,271

**10. TRUSTEES REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017

**11. STAFF COSTS**

	2018 £	2017 £
Wages and Salaries	5,422,276	5,571,472
Social Security Costs	383,093	395,426
Other Pension Costs	523,781	661,573
	<u>6,329,150</u>	<u>6,628,471</u>

6 members of staff were made redundant during the year, receiving payments totalling £121,898

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST MARCH 2018**

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

<b>2018</b>	<b>2017</b>
404	369

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2018</b>	<b>2017</b>
£70,000 - £80,000	1	1

The total cost attributable to the Executive Management Team was £280,682

**12. TANGIBLE FIXED ASSETS**

	Freehold Property £	Improvements to Property £	Equipment £	Totals £
<b>Cost</b>				
At 1 April 2017	444,770	3,195,153	431,474	4,071,397
Additions		313,234	16,086	329,320
As at 31 March 2018	<u>444,770</u>	<u>3,508,387</u>	<u>447,560</u>	<u>4,400,717</u>
<b>Depreciation</b>				
At 1 April 2017	59,006	1,483,708	357,461	1,900,175
Charge for the Year	16,957	292,083	30,907	339,947
As at 31 March 2018	<u>75,963</u>	<u>1,775,791</u>	<u>388,368</u>	<u>2,240,122</u>
<b>Net Book Value</b>				
At 31 March 2018	<u>368,807</u>	<u>1,732,596</u>	<u>59,192</u>	<u>2,160,595</u>
At 31 March 2017	<u>385,764</u>	<u>1,711,445</u>	<u>74,013</u>	<u>2,171,222</u>

Improvements to property represents the costs to Live Borders of renovation of facilities owned by other parties. Improvements undertaken by landlords are not reflected in the accounts.

	<b>2018</b>	<b>2017</b>
	£	£
Capital Commitments - Tenants improvements	<u>0</u>	<u>0</u>

**13. STOCK**

	<b>2018</b>	<b>2017</b>
	£	£
Stock	<u>60,537</u>	<u>44,856</u>

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2018</b>	<b>2017</b>
	£	£
Trade Debtors	850,394	505,541
Other Debtors and Repayments	92,762	143,660
	<u>943,156</u>	<u>649,201</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**31ST MARCH 2018**

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other Loans	50,416	50,421
Trade Creditors	714,930	311,243
Social Security	88,483	99,191
VAT	260,348	301,547
Other Creditors and Accruals	413,548	489,209
Income Received in advance	530,854	1,936,871
	2,058,579	3,188,482

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other loans (see note 18)	123,011	177,138
	123,011	177,138

An additional loan towards fitting out costs of Trifitness £38,237 at 31 March 2018 is charged with interest at 3% over base.

A bank loan towards the purchase of the head office £125,676 at 31 March 2018 is charged with a fixed rate of interest at 3.89%. Bank borrowings are secured by a legal charge over the Trust's Head Office in Galashiels.

**17. FINANCIAL ASSETS AND LIABILITIES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Financial assets measured at amortised cost	2,026,526	3,051,189
Financial liabilities measured at amortised cost	(1,304,570)	(1,028,011)
	721,956	2,023,178

Financial Assets comprise of trade debtors, other debtors all due within one year and cash and bank balances.

Financial liabilities comprise of trade creditors and other creditors and accruals.

**18. LOANS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
An analysis of the maturity of loans is given below:		
Amounts falling due within one year on demand	36,392	36,392
Amounts falling due between one and two years	36,392	36,392
Amounts falling due between two and five years	58,479	85,619
Amounts falling due after five years	28,140	41,103
	159,403	199,506

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**31ST MARCH 2018**

**19. FINANCE LEASE LIABILITIES**

The following lease payments relate to IT Equipment categorised as a fixed asset

	Equipment	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year on demand	14,024	14,028
Amounts falling due between one and two years	0	14,024
	14,024	28,052

**20. OPERATING LEASE COMMITMENTS**

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

	Land and buildings		Equipment	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expiring:				
Within one year				
Between one and five years				
	0	0	0	0

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds	Restricted funds	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>Total funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed Assets	478,090	1,682,505	2,160,595	2,171,222
Current Assets	3,790,855	126,586	3,917,441	3,223,579
Current liabilities	(3,796,193)		(3,796,193)	(3,188,482)
Long term liabilities	(123,011)		(123,011)	(177,138)
Pension asset/ (liability)	(3,915,000)		(3,915,000)	(3,326,000)
	(3,565,259)	1,809,091	(1,756,168)	(1,296,819)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**31ST MARCH 2018**

**22. MOVEMENT IN FUNDS**

	At 01-Apr-17	Net movement in funds	Transfers between funds	At 31-Mar-18
	£	£	£	£
<b>Unrestricted Funds</b>				
General fund	187,178	(4,006)		183,172
Pension reserve	(3,326,000)	(589,000)		(3,915,000)
Designated fund - 3G pitch replacement	50,000	10,000		60,000
Designated fund - Plant, fixtures & fittings replacement reserve	106,568		-	106,568
	(2,982,254)	(583,006)	-	(3,565,260)
<b>Restricted Funds</b>				
<i>Capital</i>				
TLC - Upgrade facilities	77,807	165,500		243,307
Peebles swimming pool refurbishment	113,057	5,015		118,072
Gala swimming pool	22,094	18,674		40,768
Kelso swimming pool	254,345	(46,227)		208,118
Eyemouth leisure centre	172,968	(18,075)		154,893
Tweedbank sports hub	263,884	(23,598)		240,286
Selkirk	582,297	(60,591)		521,706
Trifitness	102,641		23,946	126,587
Hawick Sports Initiative	44,576			44,576
Halls		62,489		62,489
Other restricted capital funds	51,766	(3,475)		48,291
	1,685,435	99,712	23,946	1,809,093
<b>TOTAL FUNDS</b>	<b>(1,296,819)</b>	<b>(483,294)</b>	<b>23,946</b>	<b>(1,756,167)</b>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST MARCH 2018**

**22. MOVEMENT IN FUNDS- continued**

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted Funds</b>				
General fund	9,761,136	(9,743,540)		17,596
Pension reserve				
	9,761,136	(9,743,540)		17,596
<b>Restricted Funds</b>				
<i>Capital</i>				
TLC - Upgrade facilities	199,818	(21,200)		178,618
Peebles swimming pool refurbishment	37,220	(32,206)		5,014
Gala swimming pool	27,647	(8,971)		18,676
Kelso swimming pool		(46,226)		(46,226)
Eyemouth leisure centre	6,718	(24,793)		(18,075)
Tweedbank sports hub		(23,598)		(23,598)
Selkirk		(60,590)		(60,590)
Volunteer Hall	62,489			62,489
Other restricted funds		(16,595)		(16,595)
	333,892	(234,179)		99,713
<i>Revenue</i>				
NHS Borders	9,500	(9,500)		
SportScotland	35,376	(35,376)		
SportScotland Active Schools	271,580	(271,580)		
McMillan Cancer Support	40,368	(40,368)		
Scottish Enterprise	67,350	(67,350)		
Scottish Borders Council	120,632	(120,632)		
Scottish Football Association	19,482	(19,482)		
Disability Sport Scotland	15,030	(15,030)		
Tennis Scotland	5,000	(5,000)		
Hibernian FC	1,650	(1,650)		
Fallago Trust	11,860	(11,860)		
Museums and Galleries Scotland	19,975	(19,975)		
Scottish Borders Dance	4,013	(4,013)		
Visit Scotland	21,000	(21,000)		
Creative Scotland	76,778	(76,778)		
University of Edinburgh	1,500	(1,500)		
School Library Association	1,075	(1,075)		
Scottish Council for Voluntary Organisations	7,941	(7,941)		
Tourette Syndrome (UK) Association	2,750	(2,750)		
The Scottish Library and Information Council	1,065	(1,065)		
National Museum of Scotland	5,713	(5,713)		
	739,638	(739,638)		
	10,834,666	(10,717,357)		117,309

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2018**

**NHS Borders** fund is used for the provision of exercise classes targeted at Health improvement for Scottish Borders residents

**Sportscotland** fund the community Sports hub programme (£35,376) which is aimed at creating sports hubs throughout the region, They also fund the Active Schools programme (£271,580) which is run in conjunction with the schools in the Scottish Borders.

**McMillan Cancer Support** fund is used for 'Move More' programme, encouraging cancer sufferers to become more active

**Scottish Enterprise** funded the cost of new management structure for the 1 year.

**The Scottish Football Association** contributed to the costs of the football development and mentoring programmes

**Disability Sport Scotland** provide partial funding for the disability sports officer

**Tennis Scotland** contributed to the development of the tennis programme

**Fallago Trust and Visit Scotland** provided funding for programmes associated with Year of History, Heritage and Archaeology

**Museums and Galleries Scotland** provide funding towards the programmes and running costs for our Museums

**Creative Scotland** provide funding for a number of Arts projects throughout the region

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST MARCH 2018**

**22. MOVEMENT IN FUNDS - continued**

The Designated Funds represent funds towards the replacement of the 3G pitch replacement and other plant, fixtures and fittings at the sites.

The Restricted Funds detailed above relate to grants received in respect of capital projects at the sites. The Other Restricted Funds consist of relatively small capital project funding received and contributions towards certain sports development programmes.

**23. EMPLOYEE BENEFIT OBLIGATIONS**

Live Borders participates in the Local Government Pension Scheme, which is administered by Scottish Borders Council and is a defined benefit pension scheme. The assets are held separately from those of the charity in investments and are under the supervision of the Fund Trustees.

Employee's contributions to the scheme are tiered and employer's contribution was 18% for the year ending 31<sup>st</sup> March 2018. The actuarial valuations are every three years, the last one was at 31<sup>st</sup> March 2017.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Present value of funded obligations	(21,548,000)	(21,374,000)
Fair value of plan assets	<u>17,633,000</u>	<u>18,048,000</u>
	<u>(3,915,000)</u>	<u>(3,326,000)</u>
Surplus/ (Deficit)	<u>(3,915,000)</u>	<u>(3,326,000)</u>
Net asset	<u>(3,915,000)</u>	<u>(3,326,000)</u>

The amounts recognised in the statement of financial activities are as follows:

Defined benefit pension plans	2018	2017
	£	£
Current service cost	1,148,000	2,052,000
Net interest from net defined benefit asset/liability	86,000	11,000
Past service cost	-	-
Administration costs	<u>8,000</u>	<u>4,000</u>
	<u>1,242,000</u>	<u>2,067,000</u>
Actual return on plan assets	<u>917,000</u>	<u>3,091,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2018**

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Opening defined benefit obligation	(21,374,000)	(6,722,000)
Current service cost	(992,000)	(844,000)
Past service cost	(156,000)	-
Experience loss on define benefit obligations	(56,000)	
Change in demographic assumptions	393,000	
Contributions by scheme participants	(164,000)	(199,000)
Interest cost	(592,000)	(566,000)
Benefits paid net of transfers in	771,000	156,000
<b>Remeasurements:</b>		
Actuarial (gains)/losses from changes in demographic assumptions		-
Actuarial (gains)/losses from changes in financial assumptions	622,000	(5,019,000)
Liabilities assumed/ (extinguished) on settlements		(8,180,000)
	<b>(21,548,000)</b>	<b>(21,374,000)</b>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Opening fair value of scheme assets	18,048,000	7,340,000
Contributions by employer	628,000	606,000
Contributions by scheme participants	164,000	199,000
Other actuarial gains/(losses)	(1,345,000)	-
Interest on assets	506,000	555,000
Benefits paid net of transfers in	(771,000)	(156,000)
Administration expenses	(8,000)	(4,000)
Return on plan assets less interest	411,000	2,536,000
Settlement prices received/ (paid)	0	6,972,000
	<b>17,633,000</b>	<b>18,048,000</b>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2018**

The amounts recognised in other gains and losses are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	393,000	-
Actuarial (gains)/losses from changes in financial assumptions	622,000	(5,019,000)
Experience (gains)/losses on beneficial obligation	(56,000)	-
Actuarial gains/(losses)	(1,345,000)	-
Return on plan assets less interest	411,000	2,536,000
	25,000	(2,483,000)

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Equities	10,249,000	12,566,000
Gilts	2,682,000	285,000
Other Bonds		1,474,000
Property	2,488,000	926,000
Cash	20,000	55,000
Multi Asset Fund	1,277,000	2,742,000
Private Credit	819,000	
Infrastructure	98,000	
	17,633,000	18,048,000

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2018	2017
	%	%
Discount rate	2.60%	2.80%
Future salary increases	2.00%	2.00%
Future pension increases	2.30%	2.70%
RPI increases		3.60%
CPI Increase	2.30%	

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2018**

Amounts for the current and previous period are as follows

	2018	2017
	£	£
<b>Defined benefit pension plans</b>		
Opening defined benefit obligation	(21,548,000)	(21,374,000)
Opening fair value of scheme assets	17,633,000	18,048,000
Surplus/ (Deficit)	(3,915,000)	(3,326,000)

Projected pension expense for the year ended 31 March 2018

	£000
Service cost	1,022
Net interest	95
Administration expenses	8
<b>Total</b>	<u><u>1,125</u></u>
 Employers contributions	 <u><u>496</u></u>

The following shows the impact of a change in the discount rates on the total obligation and the projected service cost along with a +/- 1 year age rating to the mortality assumption:

	£000	£000	£000
Adjustment to discount rate			
Present value of total obligations	21,047	21,548	22,062
Projected service cost	997	1,022	1,047
Adjustment to long term salary increase			
Present value of total obligation	21,636	21,548	21,461
Projected service cost	1,023	1,022	1,021
Adjustment to pension increases and deferred revaluation			
Present value of total obligation	21,975	21,548	21,132
Projected service cost	1,047	1,022	998
Adjustment to life expectancy rating assumption			
Present value of total obligations	22,320	21,548	20,803
Projected service cost	1,055	1,022	990

## **24. RELATED PARTY DISCLOSURES**

Live Borders is contracted to provide sport and cultural services by Scottish Borders Council (SBC). In the year ended 31 March 2018, SBC paid a management fee of £5,520,132 (2016, £6,391,489) and leased the facilities occupied by the company for a peppercorn rent. SBC has made a contribution to the capital cost of tenants improvements of £333,892 (2016, £518,086). These amounts are shown as grants received in the restricted fund.