

**COMPANIES HOUSE
EDINBURGH**

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FRONT DESK

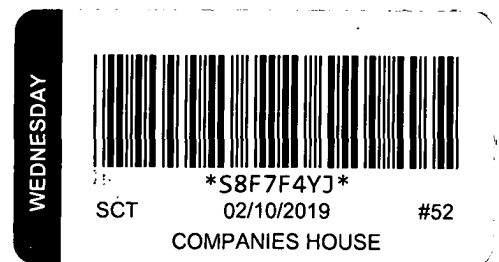
REGISTERED COMPANY NUMBER SC243577 (Scotland)

REGISTERED CHARITY NUMBER SCO34227

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED**

31 MARCH 2019

LIVE BORDERS LTD



LIVE BORDERS LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

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 2019. 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 Ltd;
 - (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 2019-2023 Live Borders Ltd strategy sets six strategic goals of:

1. Expand levels of participation and access for all	4. Build on our reputation for great customer service
2. Grow our earned income	5. Create a sustainable charity
3. Develop plural funding streams	6. Nurture our people to be proud of what they do

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

As a Leisure Trust, one of our main responsibilities and commitments is to ensure wherever possible that all our facilities and services are both affordable and accessible to all individuals and groups. A positive feature is that our services and facilities are based in all the major towns in the Scottish Borders.

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 an admitted body 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 Ltd relating to their membership in the Local Government Pension Scheme, should they cease to exist.

It is important to note that year on year movement arises from the accounting treatment of the pension assets and liabilities. The actuarial position, can fluctuate significantly in the short term and does not, in itself, impact on the company's contributions to the plan. The FRS102 valuation is based on a calculation of the future net liabilities by applying bond yields to the plan assets, thereby calculating conservatively low asset values and hence high deficit levels. This valuation methodology gives rise to significant fluctuating statutory deficits on a year-to-year basis but does not affect the long-term funding.

ACHIEVEMENT AND PERFORMANCE

During 2018/19 Live Borders Ltd invested £11,257k in delivering safe, fun, educational and accessible cultural, physical activity and sport facilities and services to the communities in the Scottish Borders.

We continue to work on the integration of the services and our business model, following transfer of cultural services in 2016. We delivered year one of the five-year strategy and 2018/19 also saw the first award of commissioned health service with delivery of the counterweight programme starting in 2019/20.

June 2018 saw the full opening on a major redevelopment at Teviotdale Leisure Centre with the flume reinstated, new fitness studio and large soft play.

In summer 2018, we launched our first full day/week summer camps. The programme is a fully integrated sport and culture offering. This product has been successfully rolled out to five venues in summer 2019.

We continue to monitor our progress through our performance management framework with a focus on meeting our priorities and delivering against our strategic outcomes. In reviewing the performance of the business, the Directors consider the actual performance against target and history of various metrics including those identified below. Regular performance updates are presented to the Board, Scottish Borders Council and published on Scottish Borders Councils website (https://www.scotborders.gov.uk/downloads/download/672/live_borders_performance_reports).

Cost per visit is a key indicator for the Trust, with positive performance in sport and museums. Our active sports membership continues to grow following the launch of our committed contract and new service delivery model.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

Cost per Visit					
Sport		Libraries		Museums	
2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
£7.67	£7.01	£3.32	£3.63	£ 7.13	£6.67

Business Indicators					
Staff Absence			H&S accidents/incidents		
2017/18	2018/19 target	2018/19 actual	2017/18	2018/19 target	2018/19 actual
2.49%	2.50%	2.27%	278	260	243

Participants/Visits					
Sports Participants *			Culture visits *		
2017/18	2018/19 target	2018/19 actual	2017/18	2018/19 target	2018/19 actual
1,257,048	1,447,390	1,343,333	462,508	487,200	437,749

Membership/Users						
Sports Membership				Library Active Users *		
2017/18		2018/19 target	2018/19 actual	2017/18	2018/19 target	2018/19 actual
6,217		6,469	6,424	16,127	15,398	14,574
2,984	Learn 2	3,096	2,891			
3,233	Active	3,373	3,533			

*revised measures in place for new 2018-2023 strategy 2017/18 figures are comparative

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Organisational Development

2018/19 saw the implementation of revised pay structures and terms and conditions following the job evaluation and harmonisation consultation process. This also saw Live Borders Ltd become a Scottish Living Wage Employer.

Staff absence and retention reduced from an already low position and is well below industry average at 2.27% and 7.7% respectively.

Live Borders Ltd continues to invest in developing a great employee experience and in learning and development opportunities for staff.

Management Fee Reduction

During the year to 31 March 2019 Scottish Borders Council paid £5,475k (2018: £5,520k) in management fee to Live Borders Ltd for the delivery of core services. The management fee for the next two years has been set at £5,315k and £5,189k a 3% reduction, with Live Borders Ltd funding all budgetary pressures. Live Borders Ltd continue to discuss the potential impact of these pressures with Scottish Borders Council.

Facility Development

Teviotdale Leisure Centre fully opened following a £330k redevelopment. The project was nominated for the Community Leisure UK capital investment award. The project brought about the reinstatement of the unused flume; redevelopment of the former exercise studio space into a multi-level soft play and family

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

area; the transformation of the squash court into a new exercise studio/group training room; and upgrades to the gym, café, seating area and toilets. The project also delivered a new reception area, entrance and outdoor signage and attracted a further 25,000 visits.

Our fitness membership continues to grow strongly, with 9% increase in membership in the last year. This was supported by £40k investment in gym refurbishments plus replacement equipment in four of our sites.

In August 2018, we took over the management of the community access to sports facilities at Kelso High School.

Winter 2018/19 saw the start of work on the replacement play park at Harestanes Visitor Centre, a £324k investment by Scottish Borders Council presents opportunities for Live Borders Ltd with increased footfall and an ambitious centre programme to maximise engagement with park visitors. Harestanes was awarded the Visit Scotland's 'Taste our Best' award in 2018.

Health Development

Live Borders Ltd plays an important role in the development and implementation of a range of projects and programmes that support improving health of the population and reducing inequalities in the Scottish Borders and this work runs through all areas of the organisation. Live Borders Ltd works closely with NHS Borders and Scottish Borders Council to provide and develop these services.

2018/19 saw the McMillan cancer programme extended for a further three years broadening the focus to multiple conditions. Diabetes remains a key area of focus in the Borders. Live Borders Ltd have been commissioned by NHS Borders to deliver the counterweight programme over the next 5 years.

Service Development

In late 2018, an ambitious events programme was launch driving events and footfall into our Public Halls. 15 events were managed, promoted and supported by 2,286 participants. The learning from this programme will be taken forward to develop our new season offering.

A project to "reimagine our library service" has commenced reflecting the challenges from the changing demographics and technology that we are facing. Initially a focus on the added value activities has had some success and we will continue to drive users to our 24/7 digital offering.

Excellent numbers are taking part in the new hockey development programme launched in summer 2018.

January 2019 Live Borders Ltd reinforced its commitment to ensuring as many children, and adults, as possible across the Scottish Borders are able to swim, with the introduction of an enhanced swimming lesson programme from 7 January 2019: Scottish Swimming's National Learn to Swim Framework supported by Scottish Water.

Fans of Scottish rugby were able to enjoy Scotland's Six Nations campaign for free as we screened four of Scotland's Six Nations rugby matches live on the big screen in the auditorium at Tower Mill. This is the first time that we streamed live sport on the cinema screen and we started with the biggest screening of the rugby in the town.

Tweeddale Museum and Gallery put on some great exhibitions including limited edition Jack Vettriano Giclee prints and a thoughtful and inspiring collection of the work of the late Christian Small a West Linton based artist, whose work features a range of mixed media and is a quirky combination of still life and landscape paintings, largely in watercolour.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019**

Funding

In line with our funding plan, external funding will vary depending on the projects targeted. The level of funding was down compared to prior year; however, success rate of applications was 94%.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL REVIEW

Financial Results 2018/19

Total Incoming resources were £10,991k, an increase of £156k on 2018/19. Capital Grant Income was down by £55k reflecting projects delivered, Management fee was down by £45k and an increase in income generated from operations amounted to £256k.

For the year ended 2018/19 we have reported a deficit of £723k, this comprises a surplus reported in the Trust's management accounts of £20k, plus designated reserve £221k, less £273k as a result of grant depreciation adjustments, plus £279k capital grants received, less pension adjustment of £970k.

The Reserves at 31 March 2019 were (£2,479k), comprising of general fund £257k, Pension Deficit (£4,885k), Restricted Funds relating to Capital Grants of £1,858k and Designated Funds totalling £291k.

Ongoing challenges with regards the levels of public funding being available to local authorities remains a major challenge. Scottish Borders Council have committed to a three-year financial settlement of 3% reduction in management fee from 2019/20 to 2021/22, on the basis that Live Borders Ltd fund all pressures. Discussions continue on the potential impact and how we will work together to achieve that budget.

Reserves policy

The Trust aims to maintain a level of reserves to provide adequate financial stability and the means to meet its charitable objects; meet contractual liabilities should the organisation have to close; meet unexpected costs like break down on plant and machinery; ensure that the Trust can continue to provide a stable and quality service to customers and provide working capital.

The Trustees reviewed the policy in February 2019 and consider that an appropriate target for General Reserves excluding designated reserves of 5% of total income less management fee.

The total reserves held at year-end excluding the pension liability of £4,885k (2018: £3,915k) were £2,407k (2018: £2,159k) of which £257k (2018: £183k) was unrestricted, £291k (2018: £166k) was designated and £1,858k (2018: £1,809k) was restricted.

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.

Designated Reserves

The board has agreed to ring fence the balance of the one off funding by SBC to invest in that improve business sustainability and long term viability.

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Unrestricted Reserves

Pension Reserve

The board recognises its responsibility to meet any projected net liability established through the triennial valuation of the Live Borders Ltd 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 income less management fee is appropriate.

Investment Policy

Live Borders Ltd had funds on short-term deposits during the year to 31 March 2019. Excess funds will be invested as and when it benefits the company.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

PLANS FOR FUTURE PERIODS

We are working towards our five-year strategy for Live Borders Ltd, the first integrated strategy for the company. An action plan for 2019/20 has been prepared which clearly sets out objectives and plans for the future. Live Borders Ltd intends to be recognised and respected as the leading organisation in the Scottish Borders for developing and promoting opportunities in culture, sport, leisure, health and wellbeing as we seek to **help everyone living, working and visiting the Borders to be healthier, happier and stronger**. As part of the planning process, the Directors have prepared operation plans to guide the activity across the company in a co-ordinated and measured way.

Our approved action plan is shown below:

MISSION STATEMENT:	We help everyone living, working and visiting the Borders to be healthier, happier and stronger				
STRATEGIC GOAL 1	STRATEGIC GOAL 2	STRATEGIC GOAL 3	STRATEGIC GOAL 4	STRATEGIC GOAL 5	STRATEGIC GOAL 6
To expand levels of participation	To grow our earned income	To develop plural funding streams	To build on our reputation for great customer service	To create a sustainable charity	To nurture our people to be proud of what we do
To be a strong, dynamic and quality focused Charity with the people and financial resources to underpin the delivery					
Key Initiatives	Key Initiatives	Key Initiatives	Key Initiatives	Key Initiatives	Key Initiatives
<ul style="list-style-type: none"> • Complete the scoping work for a "universal community card" aimed to increase participation through its distribution and use • Launch two targeted longitudinal case studies to evidence our impact • Further develop our health provision, in partnership where appropriate, embedding core provision across all sites • Implement an audience development plan 	<ul style="list-style-type: none"> • Draft a Business Plan for BSL Enterprises (Trading subsidiary) • Agree a prioritised programme of new business development opportunities and deliver against at least 2 opportunities • Deliver revised operational arrangements reflecting the new play park investment at Harestanes 	<ul style="list-style-type: none"> • Develop one additional cultural service proposition for Health and Social Care/ NHS investment • Identify and deliver two targeting fundraising activities (one community and 1 corporate) 	<ul style="list-style-type: none"> • Implement our customer charter, with all services having a customer improvement plan • Maintain our World Host status • Improve digital engagement, through launch of our new website, online booking capability and digital marketing 	<ul style="list-style-type: none"> • Deliver on the reimagined library service action plan and introduce new income generating activities • Support operational efficiency through development a Live Borders Ltd Facilities Plan • Implement the environmental and sustainability action plan • Develop evidence based questionnaire to demonstrate "healthier, happier, stronger" 	<ul style="list-style-type: none"> • Implement staff engagement strategy, initially supporting recruitment, induction and training • Implement "people planning" methodology to all services

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Our capital programme continues to focus on energy, with programmes supported by Scottish Borders Council and the Non Domestic Energy Efficiency Fund. Investment will be made to the externals in two of our swimming pools this year.

July 2019 will see the opening of the new Jim Clark Motorsport Museum. This is part funded by Scottish Borders Council, Heritage Lottery Fund and the Jim Clark Trust. This is an exciting opportunity to promote and celebrate the life and achievements of Jim Clark with an additional 5,000 visitors anticipated in the first year.

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 on the management of new school estate in Jedburgh.

Key Targets for 2019/20

Area	Target	% Growth
Sports Participation	1,427,769	0.02
Culture Visits	494,868	1.57
Sports Membership	3,363	5.25
Income generation	£4,912,000	3.00
Staff absence	2.5%	0

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Live Borders Ltd 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 the Scottish Charity Regulator.

The Charity has a trading subsidiary, Borders Sport and Leisure Enterprises. This is currently dormant and will be activated in 2019/20.

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.

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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 R Kerr, W White and A Moore are due to retire at the 2019 AGM but are eligible for re-election.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

In October 2016, the Board agreed to meet 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 audit, 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

2018/19 saw the implementation of revised pay structures and terms and conditions following the job evaluation and harmonisation consultation process. This structure covers all staff, including senior management. A consultant was engaged to support the process and carry out the appropriate benchmarking exercise.

Facilities

Live Borders Ltd current portfolio of sites consists of:

- 15 sports facilities include 6 swimming pool facilities
- 2 sports halls
- an Outdoor Sport complex and Bowls Hall
- 3 x 3G and 2G pitches
- two High School sports centres
- 6 Libraries

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

- 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 Ltd 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 Community Leisure UK, 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.

The risk register is reviewed quarterly and reported through the Audit and Governance Committee. Any major risks out with this are reported to Board. One of the biggest risks facing the Trust will be maintaining financial stability and service delivery in the context of managing a large property portfolio and ambitious income generation targets alongside reduced levels of Local Authority funding. This is mitigated through our financial processes and reporting and a strong relationship with Scottish Borders Council on both property and financial matters.

A further risk on the governance arrangements for the new Great Tapestry of Scotland, due to open in 2020/21, is being managed through our involvement in the project board, appropriate legal documentation between all parties and pre-opening marketing activity.

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REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC243577 (Scotland)

Registered Charity number

SC034227

Registered office

Melrose Road

Galashiels

Selkirkshire

TD1 2DU

Trustees

R J Kerr

D J Kelly

Resigned 24.9.18

P J Duncan

Resigned 24.9.18

Miss J I Cormack

Resigned 21.5.18

A H Hutton

P Smith

Resigned 24.9.18

Councillor D Parker

Councillor H Laing

W White

K Allan

Councillor N Richards

Mrs A Moore

David Pye

Ms Le Guennec

Appointed 15.5.18

Ms E Swinbank

Ms K Smith

Appointed 6.6.18

Ms A Cox

Appointed 23.11.18

Mr R Gardiner

Appointed 04.07.19

Councillors Parker, Laing and Richards were the Directors nominated by Scottish Borders Council for 2018/19

K Allan is the Director nominated by NHS Borders

D Kelly was the staff representative on the board

Trustees: R Kerr, W White and A Moore 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

TD1 1EP

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REPORT OF THE TRUSTEES FOR YEAR ENDED 31 MARCH 2019

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Live Borders Ltd 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 Moncrieff 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 on19/8/19..... and signed on its behalf by:



W White - Trustee

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS LTD FOR YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Live Borders Ltd (the charitable company) for the year ended 31 March 2019 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS LTD
FOR YEAR ENDED 31 MARCH 2019**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees (incorporating the Strategic Report), which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Report of the Trustees (incorporating the Strategic Report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (incorporating the Strategic Report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the charitable company's trustees, as a body, 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, the charitable company's members, as a body, and

LIVE BORDERS LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS LTD
FOR YEAR ENDED 31 MARCH 2019**

the charitable company's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Nick Bennett, Senior Statutory Auditor

For and on behalf of

Scott-Moncrieff Audit Services, Statutory Auditor

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

Chartered Accountants

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

Date: ~~July~~ 2019

10 September

LIVE BORDERS LTD

**STATEMENT OF FINANCIAL ACTIVITIES
FOR YEAR ENDED 31 MARCH 2019**

				2019	2018
				Total	Total
				Funds	Funds
				£	£
INCOME AND ENDOWMENTS FROM		Unrestricted Funds	Restricted Funds		
	Notes				
	4				
Charitable Activities		3,927,405		3,927,405	3,627,101
Management Fee		5,475,056		5,475,056	5,520,132
Capital Grants			279,124	279,124	333,892
Revenue Grants			585,082	585,082	739,638
Other Trading Activities	2	722,342		722,342	612,959
Investment Income	3	1,946		1,946	945
Total Income		10,126,749	864,206	10,990,955	10,834,667
 EXPENDITURE ON					
Charitable Activities	6	9,742,891	867,858	10,610,749	10,827,339
Trading Operations	5	630,041		630,041	478,418
Governance Costs	8	15,737		15,737	13,260
Total		10,388,669	867,858	11,256,527	11,319,017
 NET INCOME/ (EXPENDITURE)		(261,920)	(3,652)	(265,572)	(484,350)
 TRANSFERS BETWEEN FUNDS		(52,893)	52,893		
 Actuarial Recognised Gains / Losses		(457,000)		(457,000)	25,000
 Net Movement in Funds		(771,813)	49,241	(722,572)	(459,350)
 Total Funds Brought Forward				(1,756,169)	(1,296,819)
 Net Funds Carried Forward				(2,478,741)	(1,756,169)

LIVE BORDERS LTD

**BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible Assets	12	2,156,285	2,160,595
CURRENT ASSETS			
Stocks	13	44,903	60,537
Debtors	14	608,552	943,156
Cash at Bank and in Hand		1,105,097	1,176,132
		<u>1,758,552</u>	<u>2,179,825</u>
CREDITORS			
Amounts falling due within 1 year	15	<u>1,499,653</u>	<u>2,058,578</u>
Net Current Assets and Liabilities		<u>258,899</u>	<u>121,247</u>
Net Assets Excluding Pension Liability		2,415,184	2,281,842
CREDITORS			
Amounts Falling due after more than 1 year	16	(8,925)	(123,011)
Pension Asset / Liability	22	<u>(4,885,000)</u>	<u>(3,915,000)</u>
NET ASSETS		<u>(2,478,741)</u>	<u>(1,756,169)</u>
Unrestricted Funds	21		
General Fund		256,922	183,172
Pension Reserve		(4,885,000)	(3,915,000)
Designated Fund 3G Pitch Replacement		70,000	60,000
Designated Development Fund		221,004	0
Designated Fund - plant, fixtures and fittings reserve		<u>0</u>	<u>106,568</u>
		<u>(4,337,074)</u>	<u>(3,565,260)</u>
Restricted Funds	21	<u>1,858,333</u>	<u>1,809,091</u>
TOTAL FUNDS		<u>(2,478,741)</u>	<u>(1,756,169)</u>

Approved by order of the board of trustees on 18/9/18 and signed on its behalf by:



W. White - Trustee

LIVE BORDERS LTD

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

		2019	2018
		£	£
	Notes		
Cash flows from operating activities:	1		
Cash generated from operations		458,936	(979,706)
Interest Paid		(4,594)	(5,206)
Net Cash Provided by (used in) operating activities		454,342	(984,912)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(394,695)	(329,320)
Interest received		1,946	945
Net Cash Provided by (used in) investing activities		(392,749)	(328,375)
Cash flows from financing activities			
Loan repayments in year		(132,628)	(40,103)
Net Cash Provided by (used in) financing activities		(132,628)	(40,103)
Change in cash and cash equivalents in the reporting period		(71,035)	(1,353,391)
Cash and cash equivalents at the beginning of the reporting period		1,176,132	2,529,523
Cash and cash equivalents at the end of the reporting period		1,105,097	1,176,132

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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 2019/20 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.

Tangible fixed assets

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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.

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

LIVE BORDERS LTD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 LTD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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

	2019	2018
	£	£
Net income/ (expenditure) for the reporting period(as per the statement of financial activities)	(265,572)	(484,350)
Adjustments for:		
Depreciation		
Charges	398,969	339,947
Interest Received	(1,946)	(945)
Interest paid	4,594	5,206
(Increase)/ Decrease in Stocks	15,634	(15,681)
(Increase)/ Decrease in Debtors	334,604	(293,955)
Increase/ (Decrease) in Creditors	(540,347)	(1,143,928)
Difference between pension charge and cash contributions	513,000	614,000
Net cash provided by (used in) operating activities	458,936	(979,706)

2. OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Shop, cafeteria, caravan site fishing permits etc.	<u>722,342</u>	<u>612,959</u>

3. INVESTMENT INCOME

	2019	2018
	£	£
Deposit Account Interest	<u>1,946</u>	<u>945</u>

LIVE BORDERS LTD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	£	£
Income from Operations	3,927,405	3,627,101
Management Fee	5,475,056	5,520,132
Capital Grants	279,124	333,892
Revenue Grants	585,082	739,638
	<u>10,266,667</u>	<u>10,220,763</u>

Grants Received included in the above are as follows:

	2019	2018
	£	£
Capital		
Scottish Borders Council	279,124	333,892
	<u>279,124</u>	<u>333,892</u>

	2019	2018
	£	£
Revenue		
NHS	17,507	9,500
SportScotland CSH	40,028	35,376
SportScotland Active Schools	271,580	271,580
McMillan Support	35,329	40,368
Scottish Enterprise	27,500	67,350
Scottish Borders Council	45,592	120,632
Scottish Football Association	20,750	19,482
Scottish Government	11,000	
Disability Sport	15,321	15,030
Tennis Scotland	0	5,000
Hibernian	0	1,650
Fallago TR	0	11,860
Museums and Gall Scotland	49,950	19,975
Scottish Borders	0	4,013
Visit Scotland	0	21,000
Creative Scotland	49,350	76,778
University of Edinburgh	0	1,500
School Library Association	0	1,075
Scottish Council for Voluntary Organisations	0	7,941
Tourette Syndrome (UK) Association	0	2,750
The Scottish Library and Information	1,175	1,065
National Museum of Scot	0	5,713
	<u>585,082</u>	<u>739,638</u>

LIVE BORDERS LTD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

5. RAISING FUNDS

	2019	2018
	£	£
Purchases	310,910	283,245
Staff Costs	246,525	166,523
Heat Light and Power	18,265	1,950
Repairs and Equipment	14,764	15,475
Other Costs	39,577	11,225
	630,041	478,418

6. CHARITABLE ACTIVITY COSTS

	Direct costs	Grant Funding of Activities (See Note 7)	Support Costs (See Note 8)	Totals
	£	£	£	£
Operational Costs	7,707,046	263,769	2,639,934	10,610,749
Governance Costs			15,737	15,737
	7,707,046	263,769	2,655,671	10,626,486

7. GRANTS PAYABLE

	2019	2018
	£	£
SRU	12,000	10,000
ASP Borders	27,000	42,750
Club Sport Berwickshire	16,214	16,214
Club Sport Ettrick and Lauderdale	26,167	26,296
Club Sport Roxburgh	27,931	27,660
Club Sport Tweeddale	15,218	15,218
Scottish Hockey	10,311	8,256
Tennis Borders	4,000	4,000
BEST Management-Swimming	7,500	5,000
Sports Borders	9,725	5,914
Triathlon Scotland	0	8,000
Chirnside Community Centre	2,721	2,721
Athletics	6,916	9,476
Eastgate	76,948	81,000
Escape Youth	5,000	5,000
VACMA	6,525	7,434
RBS FST Emporium	(12)	212
Borders Youth Theatre	9,605	10,376
Firebrand Theatre Company	0	0
Youth Borders	0	1,250
Heritage Lottery Fund	0	1,667
	263,769	288,444

LIVE BORDERS LTD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. SUPPORT COSTS

	Management £	Governance Costs £	Totals £
Operations	2,639,934		2,639,934
Governance Costs		15,737	15,737
	<u>2,639,934</u>	<u>15,737</u>	<u>2,655,671</u>

Support Costs included in the above are as follows

	Operational Costs £	Governance Costs £	2019 Total Activities £	2,018 Total Activities £
Support salaries and Ancillary costs	1,343,195		1,343,195	1,296,486
Social Security	134,226		134,226	120,984
Other Pension Costs	313,235		313,235	293,838
Support Services	197,553		197,553	176,387
Professional Fees	100,385		100,385	239,043
Marketing	173,396		173,396	163,896
Admin Costs	327,615		327,615	218,554
Interest Payable and Similar Charges	0		0	0
Trustees Remuneration	0		0	0
Auditors Remuneration		15,737	15,737	13,260
Other Support Costs	45,735		45,735	29,196
	<u>2,639,934</u>	<u>15,737</u>	<u>2,655,671</u>	<u>2,556,850</u>

9 NET INCOME/ (EXPENDITURE)

	2019 £	2,018 £
Net income/ (expenditure) is stated after charging:		
Auditors Remuneration	<u>15,737</u>	<u>13,260</u>

10. TRUSTEES REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2019 nor for the year ended 31 March 2018

LIVE BORDERS LTD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

11 STAFF COSTS	2019	2018
	£	£
Wages and Salaries	5,314,013	5,422,276
Social Security Costs	357,329	383,093
Other Pension Costs	503,193	523,781
	<u>6,174,535</u>	<u>6,329,150</u>

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

2019	2018
£	£
<u>402</u>	<u>404</u>

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

	2019	2018
	£	£
£70,000 - £80,000	1	1

The total cost attributable to the Executive Management Team was £282,424 (£280,682 in 2017/18)

12. TANGIBLE FIXED ASSETS

	Freehold Property £	Improvements to Property £	Equipment £	Totals £
Cost				
At 1 April 2018	444,770	3,508,387	447,560	4,400,717
Disposals		(91,648)	(272,967)	(364,615)
Additions		342,091	52,604	394,695
As at 31 March 2019	<u>444,770</u>	<u>3,758,830</u>	<u>227,197</u>	<u>4,430,797</u>
Depreciation				
At 1 April 2018	75,963	1,775,791	388,368	2,240,122
Disposals		(91,648)	(272,967)	(364,615)
Charge for the Year	16,950	348,243	33,812	398,969
As at 31 March 2019	<u>92,913</u>	<u>2,032,386</u>	<u>149,213</u>	<u>2,274,512</u>
Net Book Value				
At 31 March 2019	<u>351,857</u>	<u>1,726,444</u>	<u>77,984</u>	<u>2,156,285</u>
At 31 March 2018	<u>368,807</u>	<u>1,732,596</u>	<u>59,192</u>	<u>2,160,595</u>

Improvements to property represents the costs to Live Borders Ltd of renovation of facilities owned by other parties. The value of fully depreciated assets written off during the year was £365,615

13. STOCK	2019	2018
	£	£
Stock	<u>44,903</u>	<u>60,537</u>

LIVE BORDERS LTD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade Debtors	198,142	850,394
Scottish Borders Council	61,265	
Other Debtors and Repayments	349,145	92,762
	<u>608,552</u>	<u>943,156</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR

	2019	2018
	£	£
Other Loans	17,850	50,416
Trade Creditors	202,639	714,930
Social Security	95,870	88,483
VAT	223,480	260,348
Other Creditors and Accruals	543,996	413,548
Income Received in advance	415,818	530,853
	<u>1,499,653</u>	<u>2,058,578</u>

Income received in advance arises mainly where payments are made in advance by partners and grant funders for specific projects.

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

	2019	2018
	£	£
Other loans (see note 18)	8,925	123,011

An additional loan towards fitting out costs of Trifitness £26,775 at 31 March 2019 is charged with interest at 3% over base. The bank loan towards the purchase of the Galashiels Head Office was repaid in full

17. FINANCIAL ASSETS AND LIABILITIES

	2019	2018
	£	£
Financial assets at amortised cost	1,364,505	2,026,526
Financial liabilities at amortised cost	(764,485)	(1,304,570)
	<u>600,020</u>	<u>721,956</u>

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.

LIVE BORDERS LTD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

18. LOANS

	2019	2018
	£	£
An analysis of the maturity of loans is given below:		
Amounts due within one year	17,850	36,392
Amounts due between 1 and 5 years	8,925	36,392
Amounts due between 1 and 5 years	0	58,479
Amounts due after 5 years	0	28,140
	<u>26,775</u>	<u>159,403</u>

19. FINANCE LEASE LIABILITIES

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

	Equipment	
	2019	2018
	£	£
Amounts falling due within one year on demand	0	14,024
Amounts falling due between one and two years	0	0
	<u>0</u>	<u>14,024</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2019	2018
	£	£	Total funds	Total funds
	£	£	£	£
Fixed Assets	473,780	1,682,505	2,156,285	2,160,595
Current Assets	1,631,966	126,586	1,758,552	2,179,825
Current liabilities	(1,499,653)		(1,499,653)	(2,058,578)
Long term liabilities	(8,925)		(8,925)	(123,011)
Pension asset/ (liability)	(4,885,000)		(4,885,000)	(3,915,000)
	<u>(4,508,836)</u>	<u>1,809,091</u>	<u>(2,478,741)</u>	<u>(1,756,169)</u>

LIVE BORDERS LTD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

21. MOVEMENT IN FUNDS

	At 01-Apr-18 £	Net movement in funds £	Transfers between funds £	At 31-Mar-19 £
Unrestricted Funds				
General fund	183,172	(32,818)	106,568	256,922
Pension reserve	(3,915,000)	(970,000)		(4,885,000)
Designated fund - 3G pitch replacement	60,000	10,000		70,000
Designated Development Fund		221,004		221,004
Designated fund - Plant, fixtures & fittings replacement reserve	106,568		(106,568)	0
	(3,565,260)	(771,814)	-	(4,337,074)
Restricted Funds				
<u>Capital</u>				
TLC - Upgrade facilities	243,306	(39,553)		203,753
Peebles swimming pool	118,072	(25,393)		92,679
Gala swimming pool	40,768	7,301		48,069
Kelso swimming pool	208,118	(36,488)		171,630
Eyemouth leisure centre	154,893	(9,224)		145,669
Tweedbank sports hub	240,286	(42,644)		197,642
Selkirk	521,706	(9,956)		511,750
Trifitness	126,586		52,894	179,480
Hawick Sports Initiative	44,576			44,576
Halls	62,489	80,329		142,818
Other restricted capital funds	48,291	71,976		120,267
	1,809,091	(3,652)	52,894	1,858,333
TOTAL FUNDS	(1,756,169)	(775,466)	52,894	(2,478,741)

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
21. MOVEMENT IN FUNDS - continued				
Unrestricted Funds				
General fund	10,126,749	(9,875,669)		251,080
	10,126,749	(9,875,669)		251,080
 <u>Capital</u>				
TLC - Upgrade facilities	0	(39,553)		(39,553)
Peebles swimming pool refurbishment	10,777	(36,170)		(25,393)
Gala swimming pool	17,084	(9,783)		7,301
Kelso swimming pool	9864	(46,352)		(36,488)
Eyemouth leisure centre	14,836	(24,060)		(9,224)
Tweedbank sports hub		(42,644)		(42,644)
Selkirk	51,266	(61,222)		(9,956)
HQ - Central	41,956	(9,329)		32,627
Property BMS	40,000			40,000
Halls	93,341	(7,411)		85,930
Other restricted funds		(6,252)		(6,252)
	279,124	(282,776)		(3,652)
 <u>Revenue</u>				
NHS Borders	17,507	(17,507)		
SportScotland CSH	40,028	(40,028)		
SportScotland Active Schools	271,580	(271,580)		
McMillan Cancer Support	35,329	(35,329)		
Scottish Enterprise	27,500	(27,500)		
Scottish Borders Council	45,592	(45,592)		
Scottish Football Association	20,750	(20,750)		
Scottish Government	11,000	(11,000)		
Disability Sport Scotland	15,321	(15,321)		
Museums and Galleries Scotland	49,950	(49,950)		
Creative Scotland	49,350	(49,350)		
The Scottish Library and Infor Council	1,175	(1,175)		
	585,082	(585,082)		
	10,990,955	(10,743,527)		247,428

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) 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 new website and catering and events posts.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Scottish Government Contribution to Borders Science Festival

Disability Sport Scotland provide partial funding for the disability sports officer

Museums and Galleries Scotland provide funding towards costs of running projects and Exhibitions

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

21. MOVEMENT IN FUNDS - continued

The Designated Fund represent funds towards the replacement of the 3G pitch

The Designated Development Fund is a reserve to facilitate the development activity and planning that improves business sustainability and long term viability

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.

22. EMPLOYEE BENEFIT OBLIGATIONS

Live Borders Ltd is an admitted body of the Scottish Borders 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 a Projected Unit Credit Method. The last actuarial valuation was at 31 March 2017.

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 31st March 2019.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Present value of funded obligations	(24,196,000)	(21,548,000)
Fair value of plan assets	<u>19,311,000</u>	<u>17,633,000</u>
	<u>(4,885,000)</u>	<u>(3,915,000)</u>
Surplus/ (Deficit)	<u>(4,885,000)</u>	<u>(3,915,000)</u>
Net asset	<u>(4,885,000)</u>	<u>(3,915,000)</u>

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

	Defined benefit pension plans	
	2019	2018
	£	£
Current service cost	848,000	1,148,000
Net interest from net defined benefit asset/liability	105,000	86,000
Administration costs	<u>9,000</u>	<u>8,000</u>
	<u>962,000</u>	<u>1,242,000</u>
Actual return on plan assets	<u>1,482,000</u>	<u>917,000</u>

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2019	2018
	£	£
Opening defined benefit obligation	(21,548,000)	(21,374,000)
Current service cost	(853,000)	(992,000)
Past service cost	(4,000)	(156,000)
Experience loss on define benefit obligations		(56,000)
Change in demographic assumptions		393,000
Contributions by scheme participants	(137,000)	(164,000)
Interest cost	(557,000)	(592,000)
Benefits paid net of transfers in	390,000	771,000
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions		
Actuarial (gains)/losses from changes in financial assumptions	(1,487,000)	622,000
Liabilities assumed/ (extinguished) on settlements		
	(24,196,000)	(21,548,000)

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

	Defined benefit pension plans	
	2019	2018
	£	£
Opening fair value of scheme assets	17,633,000	18,048,000
Contributions by employer	449,000	628,000
Contributions by scheme participants	137,000	164,000
Other actuarial gains/(losses)		(1,345,000)
Interest on assets	452,000	506,000
Benefits paid net of transfers in	(390,000)	(771,000)
Administration expenses		(8,000)
Return on plan assets less interest	1,030,000	411,000
Settlement prices received/ (paid)	0	0
	19,311,000	17,633,000

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2019	2018
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	0	393,000
Actuarial (gains)/losses from changes in financial assumptions	(1,487,000)	622,000
Experience (gains)/losses on beneficial obligation	0	(56,000)
Actuarial gains/(losses)	0	(1,345,000)
Return on plan assets less interest	1,030,000	411,000
	<u>(457,000)</u>	<u>25,000</u>

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

	Defined benefit pension plans	
	2019	2018
	£	£
Equities	10,814,160	10,249,000
Bonds	5,213,970	4,876,000
Property	2,896,650	2,488,000
Cash	386,220	20,000
	<u>19,311,000</u>	<u>17,633,000</u>

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

	2019	2018
	%	%
Discount rate	2.40%	2.60%
Future salary increases	2.00%	2.00%
Future pension increases	2.50%	2.30%
RPI increases		
CPI Increase		2.30%

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

Amounts for the current and previous period are as follows

	2019	2018
	£	£
Defined benefit pension plans		
Opening defined benefit obligation	(24,196,000)	(21,548,000)
Opening fair value of scheme assets	19,311,000	17,633,000
Surplus/ (Deficit)	(4,885,000)	(3,915,000)

Projected pension expense for the year ended 31 March 2020

	£000
Service cost	930
Net interest	124
Administration expenses	9
Total	<u>1,063</u>

Employers contributions	<u>411</u>
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23. RELATED PARTY DISCLOSURES

Live Borders Ltd is contracted to provide sport and cultural services by Scottish Borders Council (SBC). In the year ended 31 March 2019, SBC paid a management fee of £5,475,056 (2018, £5,520,132) and leased the facilities occupied by the company for a peppercorn rent.

SBC has made a contribution to the capital cost of the tenants improvements of £279,124 (2018, £333,892). These amounts are shown as grants received in the restricted fund.