



REGISTERED COMPANY NUMBER SC243577 (Scotland)

REGISTERED CHARITY NUMBER SC034227

REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2020

LIVE BORDERS



## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

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 2020. 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

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 2019-2023 Live Borders 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

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

### OBJECTIVES AND ACTIVITIES (CONTINUED)

#### Vision Statement

**"Our vision is that 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 remain affordable and accessible to all individuals and groups across 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) transfers, is an admitted body of the Local Government Pension Scheme. Actuarial valuations are 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.

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

### ACHIEVEMENTS AND PERFORMANCE

During 2019/20 Live Borders invested £11,815k 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 delivering a diverse range of sport and cultural activity across the Scottish Borders. We delivered year two of the five-year strategy. 2019/20 saw delivery start on the first commissioned health service, the counterweight programme.

The consequences of the Covid 19, Coronavirus pandemic overshadowed our progress in 2019/20. The impact of the virus on participation numbers was noted in early March, with full closure of all our facilities on 21 March 2020. By April over 90% of staff were furloughed as we joined the Government's Coronavirus Job Retention Scheme. A small core team of staff were retained to support the business, while 30 staff were redeployed to support education and social care in the Local Authority.

During the extended national lockdown because of the Coronavirus pandemic the uncertainty for the future provision and use of the service became evident. Planning for phased, gradual and steady restarting of the business has commenced. The need to ensure the safety of staff and customers is paramount to this planning and restart work.

The Jim Clark Motorsport Museum opened to the public on 11 July 2019 following a £1.6 million capital investment partnership project (Scottish Borders Council, Heritage Lottery Fund, Jim Clark Trust). It welcomed 13,000 visitors in its first six months as well as securing its first award, from the Royal Automobile Club Historic Awards. The new museum was awarded the prestigious Visit Scotland five star grading in early 2020. The first museum in the Scottish Borders to receive this accolade.

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

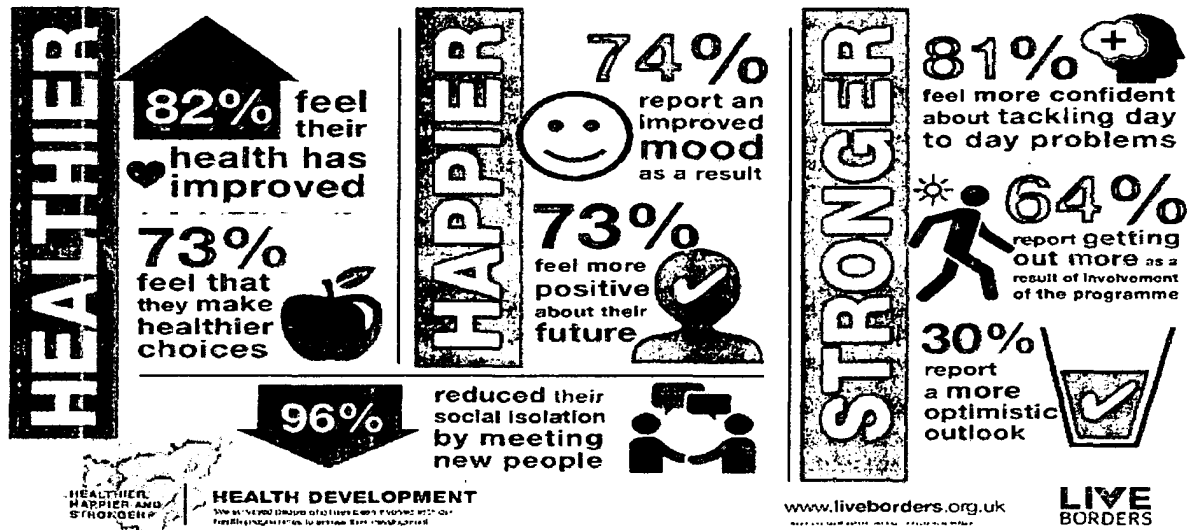
### ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Work was undertaken in 2019/20 to bring our trading subsidiary, Borders Sport and Leisure Enterprises, into operation ready for the start of 2020/21. However, the closure due to the Coronavirus pandemic has delayed trading.

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](https://www.scotborders.gov.uk/downloads/download/672/live_borders_performance_reports)).

The performance figures were negatively impacted by the Coronavirus pandemic with venues closed from 21 March 2020.

As we seek to develop our performance framework and demonstrate achievement against our vision “that everyone living in, working in and visiting the Borders is healthier, happier and stronger” an evidence-based questionnaire was piloted. The fantastic results shown below are for our health programmes.



**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2020**

**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

Our performance indicators are shown below:

<b>Cost per Visit</b>					
<b>Sport</b>		<b>Libraries</b>		<b>Museums</b>	
2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
£7.01	£7.16	£3.63	£3.41	£6.67	£7.12

<b>Business Indicators</b>				
<b>Staff Absence</b>			<b>H&amp;S accidents/incidents</b>	
2018/19	2019/20 target	2019/20 actual	2018/19	2019/20 actual
2.27%	2.50%	3.03%	243	160

<b>Participants/Visits</b>					
<b>Sports Participants *</b>			<b>Culture visits *</b>		
2018/19	2019/20 target	2019/20 actual	2018/19	2019/20 target	2019/20 actual
1,343,333	1,427,769	1,261,559	437,749	494,868	448,317

<b>Membership/Users</b>						
<b>Sports Membership</b>				<b>Library Active Users *</b>		
2018/19		2019/20 target	2019/20 actual	2018/19	2019/20 target	2019/20 actual
6,424		6,459	6,107	14,574	15,398	15,593
2,891	Learn 2	3,096	2,787			
3,533	Active	3,363	3,320			

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

### ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

#### Organisational Development

Our Service planning methodology was implemented in 2019/20. This service redesign approach started with the Operations team and a revised structure was put in place in late 2019. Work commenced in both Museum and Gallery and Library Services as we seek to ensure these services deliver to their vision. These include more transparent links to health and wellbeing, more digital engagement, colocation where appropriate and delivering through education and outreach activities.

Staff engagement is a key focus for the organisation and 2019 saw our first staff engagement survey. This returned an eNPS (employee net promoter score) of -6, which is a positive result for our first survey. Work continues to support this engagement focus, which is paramount as we work through the consequences of the Covid 19, Coronavirus pandemic.

#### Management Fee Reduction

During the year to 31 March 2020 Scottish Borders Council paid £5,386k (2019: £5,475k) in management fee to Live Borders for the delivery of core services. The management fee for the next two years has been set at £160k and £251k a 3% and 5% reduction, with Live Borders funding all budgetary pressures. Live Borders continue to discuss the potential impact of these pressures with Scottish Borders Council.

#### Facility Development

July 2019 saw the opening of the redeveloped Jim Clark Motorsport Museum following a £1.6m investment, including Heritage Lottery Funding. A successful first year of operation culminated in the awarding, by Visit Scotland, of 5 star attraction.

Following £350k investment by Scottish Borders Council the new play park at Harestanes Visitor Centre opened in April 2019. The park offers a variety of play equipment for children with additional support needs including the Borders' only wheelchair swings and an all-inclusive sensory boardwalk.

Working in partnership with Scottish Borders Council a Centre Director for the Great Tapestry of Scotland was appointed. The £6m capital build of a new visitor attraction in Galashiels is scheduled to open to the public in spring 2021. The Centre Director will lead on pre-opening preparation working with The Great Tapestry of Scotland Trustees and Scottish Borders Council and the many other local and national stakeholders.

In line with our strategic position, we continue to work with partners in operating the community use of facilities. This includes a partnership with Scottish Borders Council to operate community activity at the new integrated campus school in Jedburgh that was due to open in April 2020 and a partnership with Melrose Rugby Football Club to manage the new 3G pitch at the Greenyards in Melrose. We have contributed to the design phases of the school campus work in Peebles, Galashiels and Hawick with the latter two sites expected to house sports facilities, including swimming pools.

In our Queens Centre sports hall we invested in new gymnastics equipment with an enhanced gymnastics programme offered from January 2020. The new equipment allows us to deliver a programme across a wider age group including high school children.

In May 2019, Board approved our Facilities plan. Management of our property resource will be key to delivering safe and efficient services in the future. We continue to work with Scottish Borders Council, as property owner, to maximise use of our physical space. Delivery through new school campus estate is a key strand of this Plan.

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

### ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Our capital programme saw completion of the Building Management system upgrades, aimed to improve the central controls and reduce our utility usage across our sports sites. External remedial works remained a focus with work complete at Galashiels, Kelso and Peebles Swimming Pools.

#### Health Development

Live Borders plays an important role in the development and implementation of a range of projects and programmes that support improving the health of the population and reducing inequalities in the Scottish Borders. We work closely with NHS Borders, Scottish Borders Council and many others to provide and develop these services.

In 2019/20, we launched our first commissioned health service, counterweight. The programme is a licenced weight management programme that combines physical activity and education/nutrition to participants in a group setting. Since October 2019, we have delivered to groups in Hawick, Peebles, Galashiels and Kelso (45 people in total). Participants are referred into the programme from the NHS Weight Management Service. Covid-19 has halted the project but content was put online just prior to lockdown to allow participants to continue with some gentle physical activity sessions at home.

In association with the joint health improvement team Hawick library has hosted a reminiscence group. Volunteers accompanied participants with varying levels of dementia on monthly visits to the library for recollection sessions. Initially museums reminiscence boxes were used to resource the sessions, then the library staff made their own materials using yesteryear photos that were passed round the group, prompting memories and conversations.

#### Service Development

The Sports, Health and Arts Development teams had a very colourful and action packed summer working with the Borders Additional Needs Group BANG to deliver a summer activity camp specifically tailored for families with young children with additional needs. The camp ran for 5 weeks at Leader Valley School in Earlston, a facility that offers an enhanced level of provision for children with the most profound and complex needs. The teams worked with 30 families every week.

Heart of Hawick hosted a pilot E-game event in November 2019. While numbers were small, the feedback was great and we look forward to offering further events.

Creative Communities team working together with other agencies initiated borders Young Creatives, a project funded by Leader and Creative Scotland. Sessions include event planning sessions, 'go and see' and technical workshops giving the young people a detailed insight into planning and promoting events and working with an audience. Working with Borders Live Touring the young people curate an event programme. Our Creative Arts and Business Network (CABN) team led on the delivery of The Mill feasibility to look at the viability of developing a print facility and studio space for the creative industries. Early indications on the viability of the project are positive but further work is required with stakeholders/funders and the team are progressing with view to pilot in 2020/21.

The 2019 Live Borders Triathlon series ended in Peebles in September. The series which offers participation opportunities for recreational and competitive triathletes with a choice of events from Come and Tri and Sprint, to the Olympic Standard distance, saw a 4% increase in participation from last year with 1,337 entrants, generating an income of £45k.

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**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

Live Borders joined the new 'LeisureLink Partnership' in July. This reciprocal partnership allows members of other Trusts in Highland, Moray, Orkney, The Western Isles, Argyll and Bute to access gym, public swimming and fitness classes at leisure facilities across all of these regions.

**Funding**

Our donations increased by 46%, from £30k to £44k in the year as we continue to promote our charitable status. A dedicated Funding Officer was appointed in February 2020 to continue to promote our charitable messages and maximise external funding opportunities that support delivery against our Outcomes.



## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

### FINANCIAL REVIEW

#### Financial Results 2019/20

Total Incoming resources were £11,038, an increase of £47k on 2018/19. Capital Grant Income was down by £4k reflecting projects delivered, Management fee was down by £89k and a decrease in income generated from operations amounted to £118k.

For the year ended 2019/20 we have reported a surplus of £1,162k, this comprises a deficit reported in the Trust's management accounts of £3k, less reduction in designated reserves of £27k, less £319k as a result of grant depreciation adjustments, plus £283k capital grants received, plus pension adjustment of £1,228k.

The Reserves at 31 March 2020 were (£1,317k), comprising of general fund £195k, Pension Deficit (£3,657k), Restricted Funds relating to Capital Grants of £1,871k and Designated Funds totalling £274k.

Ongoing challenges with regards the levels of public funding being available to local authorities remains a major challenge. Scottish Borders Council have indicated that the three year agreement will be reviewed, with an expectation that the reduction will be £250k per annum (4% - 5%) over the three years from 2022/23 to 2023/24, Live Borders will require to 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 £3,657k (2019: £4,885k) were £2,340k (2019: £2,407k) of which £195k (2019: £257k) was unrestricted, £274k (2019: £291k) was designated and £1,871 (2019: £1,858k) 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.

**REPORT OF THE TRUSTEES  
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**FINANCIAL REVIEW (CONTINUED)**

**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.

**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 income less management fee is appropriate.

**Investment Policy**

Live Borders had funds on short-term deposits during the year to 31 March 2020. Excess funds will be invested as and when it benefits the company.

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

### PLANS FOR FUTURE PERIODS

We are working towards our five-year strategy for Live Borders, the first integrated strategy for the company. An action plan for 2020/21 has been prepared which clearly sets out objectives and plans for the future. Live Borders 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"><li>• Prepare for opening of the Great Tapestry of Scotland</li></ul>	<ul style="list-style-type: none"><li>• Scope options for accommodation at Harestanes</li></ul>	<ul style="list-style-type: none"><li>• Draft Fundraising Strategy</li></ul>	<ul style="list-style-type: none"><li>• Scope digital delivery across our services: Museums digital content and access plan / library membership / booking</li></ul>	<ul style="list-style-type: none"><li>• Roll our Healthier, Happier, Stronger evaluation</li></ul>	<ul style="list-style-type: none"><li>• Key focus on staff engagement</li></ul>	
<ul style="list-style-type: none"><li>• Develop health offering: local area / integrated services / sports facilities</li></ul>	<ul style="list-style-type: none"><li>• Create Trifitness development plan</li></ul>	<ul style="list-style-type: none"><li>• Develop reminiscence project and scope roll out with partners</li></ul>	<ul style="list-style-type: none"><li>• Deliver and evaluate SIMD pilot project</li></ul>	<ul style="list-style-type: none"><li>• Develop an environmental management system</li></ul>	<ul style="list-style-type: none"><li>• Deliver improved staff benefits offer</li></ul>	
<ul style="list-style-type: none"><li>• Scope concept of "Reivers" offering in the Borders</li></ul>	<ul style="list-style-type: none"><li>• Align to "tourism" to better support our services</li></ul>		<ul style="list-style-type: none"><li>• Deliver co-located Museum and Library in Peebles</li></ul>		<ul style="list-style-type: none"><li>• Implement HR/Payroll system</li></ul>	
<ul style="list-style-type: none"><li>• Develop programme that aligns to older market</li></ul>	<ul style="list-style-type: none"><li>• Scope Creative Academy options</li></ul>		<ul style="list-style-type: none"><li>• Pilot iPad offer within our library service</li></ul>	<ul style="list-style-type: none"><li>• Implement new operating model for Community Centres</li></ul>	<ul style="list-style-type: none"><li>• Scope options for single HQ</li></ul>	
<ul style="list-style-type: none"><li>• Deliver in Jedburgh Community Campus</li><li>• Scope development options at Sir Walter Scott Courthouse</li></ul>	<ul style="list-style-type: none"><li>• Complete feasibility on Creative Hub/ Print and studio</li><li>• Develop BSLE</li></ul>			<ul style="list-style-type: none"><li>• Embed green team and projects into the business</li></ul>		
Themes	Health	Older adults	Poverty	Better place to work	Energy efficiency	Tourism

**REPORT OF THE TRUSTEES  
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**PLANS FOR FUTURE PERIODS (CONTINUED)**

Working in partnership with Scottish Borders Council, a programme of £900k investment through the Non Domestic Energy Efficiency Fund has been planned to commence in May 2020. Investment to enhance this work is expected.

We will work closely with Scottish Borders Council to support and deliver on significant Capital Programmes including but not limited to 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.

**Key Targets for 2020/21**

Area	Target	% Growth	
Sports Participation	1,427,941	0.01%	
Culture Visits	487,750	-1.44%	Library visits declining as we drive digital engagement
Sports Membership	3,450	2.59%	
Income generation	£5,249,000	1%	
Staff absence	3%		

The consequences of the Covid 19, Coronavirus pandemic have been considered, although much remains unknown. There has been no service provision between April and July 2020, therefore no income generated.

Trustees have considered a number of scenarios looking at timing of restart of services as well as the expected customer confidence to return to using our services. These scenarios include our cash flow position that remains positive in all scenarios considered. In addition, Scottish Borders Council have provided a letter of comfort on the Trusts cash position.

Scottish Borders Council continue to support the Trust through payment of the full management fee. The Trust have furloughed over 90% of their workforce and are using the Government Job Retention Scheme. In addition, overhead costs are being well managed during lockdown and plans to continue low spend for the remainder of the 2020/21 financial year, and beyond if necessary. Additional funding has and will be sought to support the Trust through these unprecedented times.

In line with our three-year financial plan, Trustees have taken this opportunity to review their long-term plans and assess which, if any, could be accelerated in line with our restart activity. This acceleration will be supported by phased part time opening of our facilities with hours increasing in line with demand. Trustees will also seek to accelerate appropriate actions identified in the Facilities Plan, including better use of the community campus/school estate and closure of smaller venues that may no longer be able to operate safely should the risk of covid infection continue.

The Trustees consideration of the scenarios and projections, along with the support from Scottish Borders Council, lead to the conclusion that the Trust has the resource to sustain itself and is therefore a going concern.

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

### 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 the Scottish Charity Regulator.

The Charity has a trading subsidiary, Borders Sport and Leisure Enterprises. This is currently dormant and will be activated in 2020/21.

#### 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. The staff representative position has been vacant since September 2018.

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 David Pye, Ms E Swinbank and Ms A Le Guennec are due to retire at the 2020 AGM but are eligible for re-election.

#### Training

Two training sessions were provided for all Trustees. In addition, further training was attended by a number of Trustees.

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### STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

#### 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

2019/20 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 current portfolio of sites consists of:

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

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

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 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 spring 2021, is being managed through our involvement in the project board, appropriate legal documentation between all parties and pre-opening marketing activity.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

SC243577 (Scotland)

**Registered Charity number**

SC034227

**Registered office**

Melrose Road  
Galashiels  
Selkirkshire  
TD1 2DU

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

**Trustees**

R J Kerr  
A H Hutton  
Councillor D Parker  
Councillor H Laing  
W White  
K Allan  
Councillor N Richards  
Mrs A Moore  
David Pye  
Ms Le Guennec  
Ms E Swinbank  
Ms K Smith  
Ms A Cox  
Mr R Gardiner

Appointed 4 July 2019

Councillors Parker, Laing and Richards were the Directors nominated by Scottish Borders Council  
K Allan is the Director nominated by NHS Borders

There was no staff representative on the board

Trustees: David Pye, Ms E Swinbank and Ms A Le Guennec 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

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Senior Statutory Auditor**

Nick Bennett

**Auditor**

Scott Moncrieff Audit Services  
25 Bothwell Street  
GLASGOW  
G4 QW

**Bankers**

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



**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2020**

**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 that 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 adequate 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 auditor is 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 auditor is 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.

**AUDITOR**

The appointed auditor, Scott-Moncrieff, tendered their resignation during 2019 and were replaced by Scott-Moncrieff Audit Services. Scott-Moncrieff Audit Services have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the Annual General Meeting

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 24 August 2020 and signed on its behalf by:



W White - Trustee

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS  
FOR THE YEAR ENDED 31 MARCH 2020**

**Opinion**

We have audited the financial statements of Live Borders (the charitable company) for the year ended 31 March 2020 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 2020 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.

However, because not all future events or conditions can be predicted, this is not a guarantee as to the charitable company's ability to continue as a going concern. For example the ongoing effect of COVID-19 on financial stability worldwide is ever-changing and therefore it is difficult to evaluate all of the potential implications on the charitable company's trade, customers, suppliers and the wider economy.

**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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS  
FOR THE YEAR ENDED 31 MARCH 2020**

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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.

**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 17, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS  
FOR THE YEAR ENDED 31 MARCH 2020**

**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  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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](http://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 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

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

Date: ~~20~~ 28 August 2020

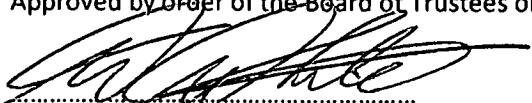
**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2020**

				<b>2020</b>	<b>2019</b>
				<b>Total</b>	<b>Total</b>
				<b>Funds</b>	<b>Funds</b>
		£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>		<b>Unrestricted Funds</b>	<b>Restricted Funds</b>		
	<b>Notes</b>				
	<b>5</b>				
Charitable Activities		4,046,511		4,046,511	3,927,405
Management Fee		5,386,002		5,386,203	5,475,056
Capital Grants			283,184	283,184	279,124
Revenue Grants			543,391	543,391	585,082
Other Trading Activities	3	774,148		774,148	722,342
Investment Income	4	4,398		4,398	1,946
<b>Total Income</b>		<b>10,211,260</b>	<b>826,575</b>	<b>11,037,835</b>	<b>10,990,955</b>
<b>EXPENDITURE ON</b>					
Charitable Activities	7	10,232,192	872,602	11,104,794	10,610,749
Trading Operations	6	694,491		694,491	630,041
Governance Costs	7	16,500		16,500	15,737
<b>Total</b>		<b>10,943,183</b>	<b>872,602</b>	<b>11,815,785</b>	<b>11,256,527</b>
<b>NET INCOME/ (EXPENDITURE)</b>		<b>(731,923)</b>	<b>(46,027)</b>	<b>(777,950)</b>	<b>(265,572)</b>
<b>TRANSFERS BETWEEN FUNDS</b>		<b>(58,714)</b>	<b>58,714</b>		
<b>Other Recognised Gains / Losses</b>		<b>1,940,000</b>		<b>1,940,000</b>	<b>(457,000)</b>
<b>Net Movement in Funds</b>		<b>1,149,363</b>	<b>12,687</b>	<b>1,162,050</b>	<b>(722,572)</b>
<b>Total Funds Brought Forward</b>		<b>(4,337,074)</b>	<b>1,858,333</b>	<b>(2,478,741)</b>	<b>(1,756,169)</b>
<b>Net Funds Carried Forward</b>		<b>(3,187,711)</b>	<b>1,871,020</b>	<b>(1,316,691)</b>	<b>(2,478,741)</b>

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible Assets	13	2,049,680	2,156,285
<b>CURRENT ASSETS</b>			
Stocks	14	57,862	44,903
Debtors	15	761,392	608,552
Cash at Bank and in Hand		2,462,221	1,105,097
		<u>3,281,475</u>	<u>1,758,552</u>
<b>CREDITORS</b>			
Amounts falling due within 1 year	16	<u>2,990,846</u>	<u>1,499,653</u>
<b>Net Current Assets</b>		<u>290,629</u>	<u>258,899</u>
Net Assets Excluding Pension Liability		2,340,309	2,415,184
<b>CREDITORS</b>			
Amounts Falling due after more than 1 year	17	0	(8,925)
Pension Liability	21	(3,657,000)	(4,885,000)
<b>NET LIABILITIES</b>		<u>(1,316,691)</u>	<u>(2,478,741)</u>
<b>Unrestricted Funds</b>	20		
General Fund		194,842	256,922
Pension Reserve		(3,657,000)	(4,885,000)
Designated Fund 3G Pitch Replacement		80,000	70,000
Transformation Reserve		<u>194,447</u>	<u>221,004</u>
		<u>(3,187,711)</u>	<u>(4,337,074)</u>
Restricted Funds	20	<u>1,871,020</u>	<u>1,858,333</u>
<b>TOTAL FUNDS</b>		<u>(1,316,691)</u>	<u>(2,478,741)</u>

Approved by order of the Board of Trustees on 24 August 2020 and signed on its behalf by:



W. White - Trustee  
Company Number – SC243577 (Scotland)

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2020**

		2020 £	2019 £
	Notes		
<b>Cash flows from operating activities:</b>	2		
Cash generated from operations		1,695,414	458,936
Interest Paid		(920)	(4,594)
<b>Net Cash Provided by operating Activities</b>		<b>1,694,494</b>	<b>454,342</b>
<b>Cash flows from invested activities:</b>			
Purchase of tangible fixed assets		(322,413)	(394,695)
Interest received		4,398	1,946
<b>Net Cash (used in) investing activities</b>		<b>(318,015)</b>	<b>(392,749)</b>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(19,356)	(132,628)
<b>Net Cash Provided by (used in) financing activities</b>		<b>(19,356)</b>	<b>(132,628)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,357,124</b>	<b>(71,035)</b>
Cash and cash equivalents at the beginning of the reporting period		1,105,097	1,176,132
Cash and cash equivalents at the end of the reporting period		<u>2,462,221</u>	<u>1,105,097</u>
 Analysis of change in Net debt			
	At 1 April 2019	Cash Flows	At 31 March 2020
Cash in Hand	<u>£1,105,097</u>	<u>£1,357,124</u>	<u>£2,462,211</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

## 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. The financial statements are presented in pounds sterling (GBP) as this is the currency in which the charitable company transactions are denominated.

### 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 2020/21 which aims to generate a surplus of £71k. Since then the Covid-19 Pandemic has affected the trading activities of Live Borders from March 2020 when all facilities were closed following government instructions. However, the income from the Job Retention Scheme and Business Support grants, have helped maintain a strong cash flow position. Currently we are using government guidelines for re-opening facilities and services, our financial projections show a small deficit, but this will be covered by General Reserve.

### 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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

**Tangible fixed assets** Fixed Assets are stated at cost net of depreciation

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.

The debtor balance due from Scottish Borders Council is for services performed at normal invoice price.

The Prepayment amount is for advance payments of annual contracts.

**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. Accruals are for goods and services received but not yet invoiced, and payments due to HMRC for VAT and Social Security costs.

**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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

**Pension Costs and other post retirement benefits (continued)**

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.

**Critical Judgements and Estimates**

In preparing the financial statements, trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Critical judgements are made in the application of income recognition accounting policies, and the timing of the recognition of income in accordance with the Charities SORP (FRS 102)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Net income/ (expenditure) for the reporting period(as per the statement of financial activities)</b>	<b>(777,950)</b>	<b>(265,572)</b>
<b>Adjustments for:</b>		
Depreciation Charges	429,018	398,969
Interest Received	(4,398)	(1,946)
Interest paid	920	4,594
(Increase)/ Decrease in Stocks	(12,959)	15,634
(Increase)/ Decrease in Debtors	(152,840)	334,604
Increase/ (Decrease) in Creditors	1,501,624	(540,347)
Difference between pension charge and cash contributions	712,000	513,000
<b>Net cash provided by (used in) operating activities</b>	<b><u>1,695,414</u></b>	<b><u>458,936</u></b>

**3. OTHER TRADING ACTIVITIES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Shop, cafeteria, caravan site fishing permits etc.	<u>774,148</u>	<u>722,342</u>

**4. INVESTMENT INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deposit Account Interest	<u>4,398</u>	<u>1,946</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**5. INCOME FROM CHARITABLE  
ACTIVITIES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Income from Operations	4,046,511	3,927,405
Management Fee	5,386,203	5,475,056
Capital Grants	283,184	279,124
Revenue Grants	543,391	585,082
	<u>10,259,289</u>	<u>10,266,667</u>

Grants Received included in the above are as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Capital</b>		
Scottish Borders Council	283,184	279,124
	283,184	279,124

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Revenue</b>		
NHS Borders	28,557	17,507
SportScotland CSH	36,445	40,028
SportScotland Active Schools	279,322	271,580
McMillan Cancer Support	39,669	35,329
Scottish Enterprise	-	27,500
Scottish Borders Council	38,296	45,592
Scottish Football Association	21,016	20,750
Scottish Government	-	11,000
Disability Sport Scotland	17,212	15,321
Museums and Galleries Scotland	7,725	49,950
Creative Scotland	66,301	49,350
The Scottish Library and Information Council	4,575	1,175
National Museum of Scotland	4,273	-
	<u>543,391</u>	<u>585,082</u>

**6. RAISING FUNDS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Purchases	323,312	310,910
Staff Costs	323,458	246,525
Heat Light and Power	12,414	18,265
Repairs and Equipment	10,246	14,764
Other Costs	25,061	39,577
	<u>694,491</u>	<u>630,041</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**7. CHARITABLE ACTIVITY COSTS**

	Direct Costs	Grant Funding of Activities (see Note 8)	Support Costs (see Note 9)	2020 Totals	2019 Totals
	£	£	£	£	£
Operational Costs	8,202,666	254,224	2,647,904	11,104,794	10,610,749
Governance Costs			16,500	16,500	15,737
	<u>8,202,666</u>	<u>254,224</u>	<u>2,664,404</u>	<u>11,121,294</u>	<u>10,626,486</u>

**8. GRANTS PAYABLE**

	2020 £	2019 £
SRU	4,000	12,000
ASP Borders	27,000	27,000
Club Sport Berwickshire	14,565	16,214
Club Sport Ettrick and Lauderdale	23,611	26,167
Club Sport Roxburgh	24,837	27,931
Club Sport Tweeddale	13,645	15,218
Scottish Hockey	11,000	10,311
Tennis Borders	4,000	4,000
BEST Management-Swimming	7,500	7,500
Sports Borders	5,000	9,725
NHS Borders	1,500	*
Chirnside Community Centre	3,247	2,721
Athletics	2,333	6,916
Eastgate	75,330	76,948
Escape Youth	5,000	5,000
VACMA	23,354	6,525
Borders Youth Theatre	7,684	9,593
CABN Evolve	618	-
	<u>254,224</u>	<u>263,769</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**9. SUPPORT COSTS**

	Management £	Governance Costs £	Totals £
Operations	2,647,904		2,647,904
Governance Costs		16,500	16,500
	<u>2,647,904</u>	<u>16,500</u>	<u>2,664,404</u>

Support Costs included in the above are as follows

	Operational Costs £	Governance Costs £	2020 Total Activities £	2019 Total Activities £
Support salaries and ancillary costs	1,359,658		1,359,658	1,343,195
Social Security	131,581		131,581	134,226
Other Pension Costs	265,159		265,159	313,235
Support Services	245,812		245,812	197,553
Professional Fees	123,197		123,197	100,385
Marketing	187,129		187,129	173,396
Admin Costs	282,843		282,843	327,615
Interest Payable and Similar charges	920		920	4,594
Auditors Remuneration		16,500	16,500	15,737
Other Support Costs	51,605		51,605	45,735
	<u>2,647,904</u>	<u>16,500</u>	<u>2,664,404</u>	<u>2,655,671</u>

**10. NET INCOME/ (EXPENDITURE)**

	2020 £	2019 £
Net income/ (expenditure) is stated after charging:		
Auditors Remuneration	<u>16,500</u>	<u>15,737</u>

**11. TRUSTEES REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**12. STAFF COSTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	5,664,835	5,314,013
Social Security Costs	370,100	357,329
Other Pension Costs	600,824	503,193
	<u>6,635,759</u>	<u>6,174,535</u>

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

<b>2020</b>	<b>2020</b>
<b>£</b>	<b>£</b>
<u>428</u>	<u>402</u>

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
£80,000 - £90,000	1	-
£70,000 - £80,000	-	1

The total cost attributable to the Executive Management Team was £320,393 (2019: £282,424)

This figure includes pension payments of £35,820 (2019: £24,491)

**13. TANGIBLE FIXED ASSETS**

	Freehold Property £	Improvements to Property £	Equipment £	Totals £
<b>Cost</b>				
At 1 April 2019	444,770	3,758,830	227,197	4,430,797
Additions		310,066	12,347	322,413
As at 31 March 2020	<u>444,770</u>	<u>4,068,896</u>	<u>239,544</u>	<u>4,753,210</u>
<b>Depreciation</b>				
At 1 April 2019	92,913	2,032,386	149,213	2,274,512
Charge for the Year	16,954	374,136	37,928	429,018
As at 31 March 2020	<u>109,867</u>	<u>2,406,522</u>	<u>187,141</u>	<u>2,703,530</u>
<b>Net Book Value</b>				
At 31 March 2020	<u>334,903</u>	<u>1,662,374</u>	<u>52,403</u>	<u>2,049,680</u>
At 31 March 2019	<u>351,857</u>	<u>1,726,444</u>	<u>77,984</u>	<u>2,156,285</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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**14. STOCK**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Stock	57,862	44,903

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade Debtors	201,136	198,142
Scottish Borders Council	150,318	61,235
Other Debtors and Prepayments	409,938	349,145
	<u>761,392</u>	<u>608,552</u>

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other Loans	7,418	17,850
Trade Creditors	312,412	202,639
Social Security	93,986	95,870
VAT	473,404	223,481
Other Creditors and Accruals	431,933	543,996
Income Received in advance	1,671,693	415,818
	<u>2,990,846</u>	<u>1,499,654</u>

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other loans (see note 18)	-	8,925

**18. LOANS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
An analysis of the maturity of loans is given below:		
Amounts falling due within one year on demand	7,418	17,850
Amounts falling due between one and two years	-	8,925
	<u>7,418</u>	<u>26,775</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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

	Unrestricted funds	Restricted funds	2020 Total Funds	2019 Total Funds
	£	£	£	£
Fixed Assets	461,430	1,588,250	2,049,680	2,156,285
Current Assets	2,998,705	282,770	3,218,475	1,758,552
Current liabilities	(2,990,846)		(2,990,846)	(1,499,653)
Long term liabilities	-		-	(8,925)
Pension asset/ (liability)	(3,657,000)		(3,657,000)	(4,885,000)
	<u>(3,187,711)</u>	<u>1,871,020</u>	<u>(1,316,691)</u>	<u>(2,478,741)</u>

**20. Movement in Funds**

	At 01 April 2019 £	Income £	Expenditure £	Transfers £	Investment gains/(losses) £	At 31 Mar 2020 £
<b>Unrestricted funds</b>						
General fund	256,922	10,201,260	(10,204,626)	(58,714)		194,842
Pension reserve	(4,885,000)	-	(712,000)	-	1,940,000	(3,657,000)
Designated fund - 3G	70,000	10,000	-	-	-	80,000
Transformation Reserve	221,004	-	(26,557)	-	-	194,447
Total unrestricted funds	<u>(4,337,074)</u>	<u>10,211,260</u>	<u>(10,943,183)</u>	<u>(58,714)</u>	<u>1,940,000</u>	<u>(3,187,711)</u>
<b>Restricted funds</b>						
<i>Capital</i>						
TLC - Upgrade facilities	203,753	20,395	(39,553)	-	-	184,595
PSP Refurbishment	92,679	39,382	(37,713)	-	-	94,348
Gala swimming pool	48,069	31,012	(13,216)	-	-	65,865
Kelso swimming pool	171,630	38,899	(49,714)	-	-	160,815
Eyemouth leisure centre	145,669	50,824	(27,305)	-	-	169,188
Tweedbank sports hub	197,642	-	(42,644)	-	-	154,998
Selkirk	511,750	12,549	(67,684)	-	-	456,615
Trifitness	179,480	-	-	58,714	-	238,194
Hawick Sports Initiative	44,576	-	-	-	-	44,576
Halls	142,818	39,503	(17,327)	-	-	164,994
Other restricted funds	<u>120,267</u>	<u>50,620</u>	<u>(34,055)</u>	<u>-</u>	<u>-</u>	<u>136,832</u>
<i>Revenue</i>						
NHS Borders	-	28,557	(28,557)	-	-	-
SportScotlandCSH	-	36,445	(36,445)	-	-	-
SportScotland AS	-	279,322	(279,322)	-	-	-
McMillan Cancer	-	39,669	(39,669)	-	-	-
Scottish Borders Council	-	38,296	(38,296)	-	-	-
Scottish Football Assoc	-	21,016	(21,016)	-	-	-
Disability Sport Scotland	-	17,212	(17,212)	-	-	-
Museums and Gall Scot	-	7,725	(7,725)	-	-	-
Creative Scotland	-	66,301	(66,301)	-	-	-
SLIC	-	4,575	(4,575)	-	-	-
Nat Museum of Scot	-	4,273	(4,273)	-	-	-
Total restricted funds	<u>1,858,333</u>	<u>826,575</u>	<u>(872,602)</u>	<u>58,714</u>	<u>-</u>	<u>1,871,020</u>
<b>Total funds</b>	<u>(2,478,741)</u>	<u>11,037,835</u>	<u>(11,815,785)</u>	<u>-</u>	<u>1,940,000</u>	<u>(1,316,691)</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

## 20. Movement in Funds (Continued)

**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 (£36,445) which is aimed at creating sports hubs throughout the region, They also fund the Active Schools programme (£279,322) 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

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

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

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

**Scottish Library and Information Council** provide grants for Libraries

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.

## 21. 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 March 2020.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Present value of funded obligations	(23,093,000)	(24,196,000)
Fair value of plan assets	<u>19,436,000</u>	<u>19,311,000</u>
(Deficit)	<u>(3,657,000)</u>	<u>(4,885,000)</u>
Net Liability	<u>(3,657,000)</u>	<u>(4,885,000)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**21. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)**

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

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	978,000	848,000
Net interest from net defined benefit asset/liability	124,000	105,000
Past service cost	37,000	
Administration costs	5,000	9,000
	<u>1,139,000</u>	<u>962,000</u>
Actual return on plan assets	<u>(168,000)</u>	<u>1,482,000</u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Opening defined benefit obligation	(24,196,000)	(21,548,000)
Current service cost	(978,000)	(853,000)
Past service cost	(37,000)	(4,000)
Contributions by scheme participants	(142,000)	(137,000)
Interest cost	(591,000)	(557,000)
Benefits paid net of transfers in	276,000	390,000
Remeasurements:		
Actuarial gains from changes in demographic assumptions	914,000	
Actuarial gains/(losses) from changes in financial assumptions	1,613,000	(1,487,000)
Actuarial gains from other experiences	48,000	
	<u>(23,093,000)</u>	<u>(24,196,000)</u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Opening fair value of scheme assets	19,311,000	17,633,000
Contributions by employer	427,000	449,000
Contributions by scheme participants	142,000	137,000
Other actuarial gains		
Interest on assets	467,000	452,000
Benefits paid net of transfers in	(276,000)	(390,000)
Return on plan assets less interest	(635,000)	1,030,000
	<u>19,436,000</u>	<u>19,311,000</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**21. EMPLOYEE BENEFIT OBLIGATIONS - Continued**

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

	Defined benefit pension plans	
	2020	2019
	£	£
Actuarial gains from changes in demographic assumptions	914,000	0
Actuarial gains from changes in financial assumptions	1,613,000	(1,487,000)
Actuarial gains/(losses)	48,000	0
Return on plan assets less interest	(635,000)	1,030,000
	<u>1,940,000</u>	<u>(457,000)</u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Equities	9,718,000	10,814,160
Bonds	5,053,360	5,213,970
Property	4,275,920	2,896,650
Cash	388,720	386,220
	<u>19,436,000</u>	<u>19,311,000</u>

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

	2020	2019
	%	%
Discount rate	2.30%	2.40%
Future salary increases	2.00%	2.00%
Future pension increases	1.90%	2.50%

**Mortality**

Life expectancy is based on S2PA tables with a multiplier of 110% for males and 100% for females. These tables are then projected using the CMI2018 Model with an allowance for smoothing of recent mortality experience and long term rates of improvement of 1.25% pa.

	Males	Females
Current Pensioners	22.4 years	24.0 years
Future Pensioners*	23.8 years	25.5 years

\* Figures assume members aged 45 as at last formal valuation date

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

**21. EMPLOYEE BENEFIT OBLIGATIONS - Continued**

Amounts for the current and previous period are as follows

	2020	2019
	£	£
Defined benefit pension plans		
Opening defined benefit obligation	(23,093,000)	(26,844,000)
Opening fair value of scheme assets	19,436,000	20,989,000
(Deficit)	(3,657,000)	(4,885,000)

Projected pension expense for the year ended 31 March 2021

	£(000)
Service cost	812
Net interest	88
Total	900
Employers contributions	427

**22 RELATED PARTY DISCLOSURES**

Live Borders is contracted to provide sport and cultural services by Scottish Borders Council (SBC). In the year ended 31 March 2020, SBC paid a management fee of £5,386,203 (2019, £5,475,056) and leased the facilities occupied by the company for a peppercorn rent.

SBC has made a contribution to the capital cost of the tenant's improvements of £283,184 (2019, £279,124). These amounts are shown as grants received in the restricted fund.