



REGISTERED COMPANY NUMBER SC243577 (Scotland)

REGISTERED CHARITY NUMBER SC034227

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2021

LIVE BORDERS LIMITED



COMPANIES HOUSE

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**LIVE BORDERS LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

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 2021. 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

Vision Statement

“Our vision is that everyone living in, working in and visiting the Borders be healthier, happier and stronger”

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 health through helping people to maintain or improve their health;
- (b) the advancement of the arts, heritage, culture and science;
- (c) the advancement of 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;
- (d) the advancement of community development and rural regeneration; and
- (e) 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.

Live Borders deliver services on behalf of Scottish Borders Council. Arrangements are set out in a Service Provision Agreement and a management fee paid for services delivered. As a company Limited by Guarantee, Live Borders have 11 independent trustees, 3 nominated by the Local Authority and 1 nominated by the NHS. Live Borders prepare their accounts in accordance with the Financial Reporting Standard (FRS 102). Scottish Borders Council report Live Borders as a subsidiary in their accounts.

LIVE BORDERS LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES (continued)

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

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 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.

**LIVE BORDERS LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

ACHIEVEMENTS AND PERFORMANCE

During 2020/21 Live Borders was significantly impacted by the coronavirus pandemic. All facilities were closed on 21 March 2020. While some services restarted on a limited basis in summer 2020, they closed again on 26 December 2020 and at 31 March 2021 had not yet fully restarted. Limited digital services continued throughout the pandemic closure. These digital services were further developed during this time.

The consequences of the pandemic have been significant. The impact of the virus on participation numbers was noted in early March 2020, 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. Other staff supported our Community Planning partners in responding to the pandemic immediately after the March 2020 lockdown. This support continues.

In spring and summer, Live Borders staff worked in the Education Hubs, the holiday hubs and a number of staff supported SB Cares. In autumn, staff supported the flu vaccination clinics many of which took place in our public halls. A number of our staff were deployed to support the national Test and Protect Service, and a number of staff continue to support this activity. Our facilities and staff continue to support the covid vaccination programme.

Live Borders received substantial support through Government grants, not least the Job Retention Scheme. Scottish Borders Council continued to pay the management fee.

Work done in 2019/20 to bring our trading subsidiary, Borders Sport and Leisure Enterprises, into operation was put on hold as our services closed.

Performance monitoring against the key strategic indicators and targets was effectively stopped during the pandemic. Management applied a rigorous approach to all restart activity, including setting performance targets. Although the approach focused heavily on the safety of our customers and staff.

It is not possible to show comparative performance information. From the services restarted, it was evident that customer confidence had not returned to pre pandemic levels. While opening hours were limited, the occupancy levels for some services was very low.

People

During the unprecedented disruption, our focus was on our staff.

We developed a strategy for communication; initially through FAQs, then CEO updates and weekly bulletins to provide timely information to staff keeping them up to date on developments within services. We also held CEO led all staff calls responding to questions that had been sent through by staff. These efforts were appreciated by staff and we received positive feedback.

We partnered with an engagement specialist, HIVE. The HIVE platform was used to develop our communication activity and engagement. Utilizing the HIVE 5 system allows peer to peer recognition while the "open door" functionality gives staff the opportunity to ask a question, make a suggestion or provide feedback.

**LIVE BORDERS LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

ACHIEVEMENTS AND PERFORMANCE (continued)

In addition to the HIVE engagement we partnered with Westfield Health to provide a staff benefit package which supports staff wellbeing. This partnership allowed Live Borders to provide 24 hour telephone counselling, online access to support through the Big White Wall which is a contact point for staff to gain support for themselves.

Management Fee Reduction

During the year to 31 March 2021 Scottish Borders Council paid £5.2 million (2020: £5.4 million) in management fee to Live Borders. The management fee for the next two years has been set to reduce by £251k per annum, an annual 5% reduction. Live Borders are required to fund all budgetary pressures. Live Borders continue to discuss the potential impact of these pressures with Scottish Borders Council.

To address these pressures through our financial planning process we will develop proposals on service redesign and work in partnership with Scottish Borders Council to engage with our community. Scottish Borders Council have set out a Place Making approach for this community engagement. The approach will include consideration of the changing and challenging financial landscape, strategic change across the Borders, existing commitments and policy requirements, and some initial engagement on Borders wide service review.

Facility Development

Opening in 2021, the Scottish Borders will be home to The Great Tapestry of Scotland. The new £7m visitor centres is being built in Galashiels by Scottish Borders Council and will be operated by Live Borders. A Centre Director for the Great Tapestry of Scotland has been appointed to prepare all operational details for the Centre.

Scottish Borders Council have a programme of investment in the learning estate. Live Borders share the vision of this investment and the community use of the learning estate will be managed by Live Borders. In partnership with Scottish Borders Council 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.

Our capital programme was enhanced by the NDEEF (non Domestic Energy Efficiency Framework) investment. Working in partnership with Scottish Borders Council, a programme of £900k investment was implemented with works in Kelso Swimming Pool, Teviotdale Leisure Centre and Peebles Swimming pool.

Digital services

A number of digital services were tested in 2020/21 as we reacted to the pandemic.

We piloted our new online fitness classes. While implemented in the immediate aftermath of the pandemic these classes were well supported by our members as they enjoyed seeing a familiar face.

Work commenced to integrate the Archive and Museum records into a single system. This will facilitate the sharing on all the information digitally and support future programmes to how best to add value and reach wider audiences. A digital gallery is being developed for launch in autumn 2021.

New staff rota management system has been developed and will be implemented summer 2021, providing improved access to information for our staff and improved planning for managers.

**LIVE BORDERS LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

FINANCIAL REVIEW

Financial Results 2020/21

Total Incoming resources were £9,661k. Capital Grant Income was up by £111k reflecting projects delivered, Management fee was down by (£169k) and a decrease in income generated from operations amounted to (£4,285k).

Live Borders received substantial support through Government grants, not least £2,603K from the Job Retention Scheme and £363K from Business Support Grants.

An operating surplus of £1.3m is reported. Current forecasts on anticipated customer returns suggests it will be many months, if not years, before our customers return to pre pandemic level. The vaccination and national guidance will obviously affect that return which we continue to monitor closely. At this stage we forecast a surplus at the end of 2021/22, which will be required to support the business through the continued reduction in footfall and earned income, until customer confidence and programmed activity can return fully.

For the year ended 2020/21 we have reported a deficit of (£934k). This comprises:

- a surplus reported in the Trust's management accounts of £1,326k;
- plus increase in designated reserve for 3g pitch of £10k;
- less (£336k) as a result of grant depreciation adjustments;
- plus £394k capital grants received;
- less pension adjustment of (£2,328k)

The Reserves at 31 March 2021 were (£2,251k) comprising of general fund £260k, Pension Deficit (£5,986k), Restricted Funds relating to Capital Grants of £1,755k and Designated Funds totalling £1,720k.

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 2024/25, 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 of 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 £5,986k (2020: £3,657k) were £3,735k (2020: £2,340) of which £260k (2020: £195k) was unrestricted, £1,720k (2020: £174k) was designated and £1,755k (2020: £1,871k) was restricted.

**LIVE BORDERS LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

FINANCIAL REVIEW (continued)

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 recognised that it will take some time for customer confidence to return and the business to recover from the impact of the pandemic and created a designated Covid reserve (£1,435k). In addition, designated reserve to improve business sustainability and long term viability remains in place.

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 2021. Excess funds will be invested as and when it benefits the company.

**LIVE BORDERS LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

PLANS FOR FUTURE PERIODS

We are working towards our five-year strategy for Live Borders, the first integrated strategy for the company. 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.

Trustees supported a phased restart for all services, phased from easing of Government restrictions in early April 2021 to all services returning by end of August. While slower than Government guidelines for some, this is a supported prudent approach as the uncertainty of the spread of the virus and customer confidence remains.

Trustees continue to consider, on a monthly basis, the forecast reflecting the anticipated recovery and expected customer confidence to return to using our services. This forecast includes our cash flow position which remains positive. In addition, Scottish Borders Council have provided a letter of comfort to work in partnership to ensure appropriate cash flow remains in place over the next 12 months. Where necessary the Council will provide cash flow support to ensure the Trust remains a going concern that is able to meet its cash liability's as they fall due over this period.

To address these pressures through our financial planning process we will develop proposals on service redesign and work in partnership with Scottish Borders Council to share with the community. This recognises the learning from dealing with the pandemic, the subsequent changing operating environment and the Council's investment in their learning estate.

Five years after the integration of sport and culture, a review of the core principle documents will be undertaken. The partnership remains strong with a focus on opportunities presented through investment in the learning estate and The Great Tapestry of Scotland.

The priority actions for 2021/22 are summarised as:

- service redesign to address the challenges facing Live Borders, engaging with the community in partnership with Scottish Borders Council through the Place Making approach
- maximising investment and community operating in the learning estate
- investment in our health and fitness offer and programming to drive membership beyond pre pandemic levels
- staff engagement and development
- integration of our collections management to facilitate imaginative engagement with the community
- secure investment in our museums, galleries and visitor attractions
- review our key performance management indicators and reporting in light of the pandemic

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 and the management of the school estate.

The Trustees will continue to review the financial position and the forecast recovery on a monthly basis. This 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.

**LIVE BORDERS LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

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 2021/22.

Live Borders deliver services on behalf of Scottish Borders Council and are paid a management fee for those services.

Recruitment and appointment of new trustees

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

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

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

The Annual Election and Retiral of Trustees

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

Nominated

Local Authority Nominated Trustees (3) remain during the period as confirmed by the Local Authority.

Confirmation of this period of office should be sought by the Chief Executive Officer following the election of a new local authority.

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

At their AGM in September 2020 Board reviewed their Articles of Association. As a consequence the "Employee Trustee" position was removed and "Ordinary Trustee" Board members increased from ten to eleven.

Retirals

Directors/Trustees Alasdair Hutton, Ms K Smith and Ms A Cox are due to retire at the 2021 AGM but are eligible for re-election.

**LIVE BORDERS LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Training

Trustees continue to be notified of appropriate training opportunities.

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.

In the early stages of the pandemic, Board meet on a fortnightly basis and continue to meet at least monthly. The Finance Committee have increased their meetings to monthly to ensure consideration of the financial scenarios and forecasts.

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.

**LIVE BORDERS LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Induction and training of new trustees

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

Related parties

Live Borders co-operates with Scottish Borders Council (SBC); with NHS (Borders); Further and Higher Education establishments; the Community Planning Forum. Nationally the Trust co-operates with 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. Therefore, 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 outwith this are reported to Board. Consistently, one of the biggest risks facing the Trust is 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 joint risk register on the recovery plans from the pandemic was developed with Scottish Borders Council. This work has now been incorporated in to the Live Borders risk register.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC243577 (Scotland)

Registered Charity number

SC034227

Registered office

Melrose Road
Galashiels
Selkirkshire
TD1 2DU

**LIVE BORDERS LTD
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

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	Resigned 1 March 2021
Ms E Swinbank	Resigned 28 September 2020
Ms K Smith	
Ms A Cox	
Mr R Gardiner	
Dr J Ross	Appointed 4.8.21

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

Trustees: Alasdair Hutton, Ms K Smith and Ms A Cox are due to retire 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

Azets Audit Services Limited
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Bankers

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

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 Azets. Azets 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 23 August 2021 and signed on its behalf by:



W White - Trustee

LIVE BORDERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Live Borders Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including 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:

2. give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
3. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
4. 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS
FOR THE YEAR ENDED 31 MARCH 2021

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) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- Report of the Trustees (incorporating the Strategic Report) has 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 statement of the trustees' responsibilities 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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the charitable company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS
FOR THE YEAR ENDED 31 MARCH 2021

statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the charitable company's legal advisors.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

LIVE BORDERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS
FOR THE YEAR ENDED 31 MARCH 2021

Use of our report

This report is made solely to the charitable company's member, 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

Azets Audit Services, Statutory Auditor

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

Exchange Place 3

Seemple Street

Edinburgh

EH3 8BL

Date: 23 August 2021

LIVE BORDERS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

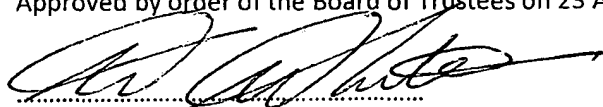
		£	£	2021 Total Funds £	2020 Total Funds £
INCOME AND ENDOWMENTS FROM	Notes	Unrestricted Funds	Restricted Funds		
Charitable Activities	5	688,113	-	688,113	4,046,511
Management Fee		5,217,373	-	5,217,373	5,386,203
Capital Grants		-	394,094	394,094	283,184
Revenue Grants		2,966,443	349,301	3,315,744	543,391
Other Trading Activities	3	44,538	-	44,538	774,148
Investment Income	4	1,113	-	1,113	4,398
Total Income		8,917,580	743,395	9,660,975	11,037,835
EXPENDITURE ON					
Charitable Activities	7	7,870,252	685,269	8,555,521	11,104,794
Trading Operations	6	138,000	-	138,000	694,491
Governance Costs	7	17,400	-	17,400	16,500
Total		8,025,652	685,269	8,710,921	11,815,785
NET INCOME/ (EXPENDITURE)		891,928	58,126	950,054	(777,950)
TRANSFERS BETWEEN FUNDS		174,207	(174,207)	-	-
Other Recognised Gains / Losses		(1,885,000)	-	(1,885,000)	1,940,000
Net Movement in Funds		(818,865)	(116,081)	(934,946)	1,162,050
Total Funds Brought Forward		(3,187,711)	1,871,020	(1,316,691)	(2,478,741)
Net Funds Carried Forward		(4,006,576)	1,754,939	(2,251,637)	(1,316,691)

LIVE BORDERS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible Assets	13	2,087,738	2,049,680
CURRENT ASSETS			
Stocks	14	28,252	57,862
Debtors	15	800,305	761,392
Cash at Bank and in Hand		2,369,579	2,462,221
		<u>3,198,136</u>	<u>3,281,475</u>
CREDITORS			
Amounts falling due within 1 year	16	1,551,511	2,990,846
Net Current Assets		<u>1,646,625</u>	<u>290,629</u>
Net Assets Excluding Pension Liability		3,734,363	2,340,309
Pension Liability	20	(5,986,000)	(3,657,000)
NET LIABILITIES		<u>(2,251,637)</u>	<u>(1,316,691)</u>
Unrestricted Funds	19		
General Fund		260,000	194,842
Pension Reserve		(5,986,000)	(3,657,000)
Designated Fund		1,434,977	-
Designated Fund 3G Pitch Replacement		90,000	80,000
Transformation Reserve		194,447	194,447
		<u>(4,006,576)</u>	<u>(3,187,711)</u>
Restricted Funds	19	1,754,939	1,871,020
TOTAL FUNDS		<u>(2,251,637)</u>	<u>(1,316,691)</u>

Approved by order of the Board of Trustees on 23 August 2021 and signed on its behalf by:



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

LIVE BORDERS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

		2021	2020
		£	£
	Notes		
Cash flows from operating activities:			
Cash generated from operations	2	356,357	1,695,414
Interest Paid		(1,560)	(920)
Net Cash Provided by operating Activities		354,797	1,694,494
Cash flows from invested activities:			
Purchase of tangible fixed assets		(441,134)	(322,413)
Interest received		1,113	4,398
Net Cash (used in) investing activities		(440,021)	(318,015)
Cash flows from financing activities			
Loan repayments in year		(7,418)	(19,356)
Net Cash (used in) financing activities		(7,418)	(19,356)
Change in cash and cash equivalents in the reporting period		(92,642)	1,357,124
Cash and cash equivalents at the beginning of the reporting period		2,462,221	1,105,097
Cash and cash equivalents at the end of the reporting period		<u>2,369,579</u>	<u>2,462,221</u>
 Analysis of change in Net debt	At 1 April 2020	Cash Flows	At 31 March 2021
Cash in Hand	<u>£2,462,221</u>	<u>£(92,642)</u>	<u>£2,369,579</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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.

Live Borders is recognised as a charity for tax purposes by HMRC and registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC034227. Details of the registered office can be found on page 13 of these financial statements.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's 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 2021/22. The trustees have assessed the impact of COVID-19 on its going concern status and after consideration, do not believe that this will affect the charity's ability to continue operating. And on this basis consider it appropriate to prepare the financial statements on a going concern basis.

Leases

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

Governance costs

These are the costs associated with the governance arrangements of the Trust that 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

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.

Leasehold Buildings	- over life of lease
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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

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 that is externally funded and contracted out of the State Earnings Related Pension Scheme. The scheme is administered by SBC in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998 as amended.

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

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

Company status

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

Critical judgements

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The only area where assumptions and estimates are significant to the financial statements is in relation to pensions. The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Trust with advice about the assumptions to be applied.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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

	2021	2020
	£	£
Net income/ (expenditure) for the reporting period(as per the statement of financial activities)	950,054	(777,950)
Adjustments for:		
Depreciation Charges	403,076	429,018
Interest Received	(1,113)	(4,398)
Interest paid	1,560	920
Decrease/ (Increase) in Stocks	29,610	(12,959)
(Increase) in Debtors	(38,913)	(152,840)
(Decrease)/ Increase in Creditors	(1,431,917)	1,501,624
Difference between pension charge and cash contributions	443,000	712,000
Net cash provided by operating activities	<u>356,357</u>	<u>1,695,414</u>

3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Shop, cafeteria, caravan site fishing permits etc.	<u>44,538</u>	<u>774,148</u>

4. INVESTMENT INCOME

	2021	2020
	£	£
Deposit Account Interest	<u>1,113</u>	<u>4,398</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	£	£
Income from Operations	688,113	4,046,511
Management Fee	5,217,373	5,386,203
Capital Grants	394,094	283,184
Revenue Grants	3,315,744	543,391
	<u>9,615,324</u>	<u>10,259,289</u>

Grants Received included in the above are as follows:

	2021	2020
	£	£
Capital		
Scottish Borders Council	394,094	283,184
	<u>394,094</u>	<u>283,184</u>

	2021	2020
	£	£
Revenue		
NHS Borders	1,055	28,557
SportScotland CSH	44,450	36,445
SportScotland Active Schools	242,255	279,322
McMillan Cancer Support	15,904	39,669
Scottish Enterprise	11,322	-
Scottish Borders Council	362,500	38,296
Scottish Football Association	(1,000)	21,016
Scottish Government	2,603,943	-
Disability Sport Scotland	4,223	17,212
Museums and Galleries Scotland	-	7,725
Creative Scotland	26,292	66,301
The Scottish Library and Information Council	-	4,575
National Museum of Scotland	4,800	4,273
	<u>3,315,744</u>	<u>543,391</u>

6. RAISING FUNDS

	2021	2020
	£	£
Purchases	67,043	323,312
Staff Costs	37,560	323,458
Heat Light and Power	9,853	9,853
Repairs and Equipment	5,815	5,815
Other Costs	17,729	25,061
	<u>138,000</u>	<u>694,491</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. CHARITABLE ACTIVITY COSTS

	Direct Costs	Grant Funding of Activities (see Note 8)	Support Costs (see Note 9)	2021 Totals	2020 Totals
	£	£	£	£	£
Operational Costs	6,308,387	128,577	2,118,557	8,555,521	11,104,794
Governance Costs			17,400	17,400	16,500
	<u>6,308,387</u>	<u>128,577</u>	<u>2,135,957</u>	<u>8,572,921</u>	<u>11,121,294</u>

8. GRANTS PAYABLE

	2021 £	2020 £
SRU	-	4,000
ASP Borders	6,900	27,000
Club Sport Berwickshire	4,152	14,565
Club Sport Ettrick and Lauderdale	6,729	23,611
Club Sport Roxburgh	7,080	24,837
Club Sport Tweeddale	3,860	13,645
Scottish Hockey	7,608	11,000
Tennis Borders	-	4,000
BEST Management-Swimming	7,500	7,500
Sports Borders	-	5,000
NHS Borders	-	1,500
Chirnside Community Centre	1,574	3,247
Athletics	3,224	2,333
Eastgate	73,100	75,330
Escape Youth	-	5,000
VACMA	225	23,354
Borders Youth Theatre	-	7,684
CABN Evolve	6,625	618
	<u>128,577</u>	<u>254,224</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. SUPPORT COSTS

	Management	Governance Costs	Totals
	£	£	£
Operations	2,118,557	-	2,118,557
Governance Costs	-	17,400	17,400
	<u>2,118,557</u>	<u>17,400</u>	<u>2,135,957</u>

Support Costs included in the above are as follows

	Operational Costs	Governance Costs	2021 Total Activities	2020 Total Activities
	£	£	£	£
Support salaries and ancillary costs	1,301,064	-	1,301,064	1,359,658
Social Security	112,958	-	112,958	131,581
Other Pension Costs	151,485	-	151,485	265,159
Support Services	260,073	-	260,073	245,812
Professional Fees	110,044	-	110,044	123,197
Marketing	58,043	-	58,043	187,129
Admin Costs	114,109	-	114,109	282,843
Interest Payable and Similar charges	1,560	-	1,560	920
Auditors Remuneration	-	17,400	17,400	16,500
Other Support Costs	9,221	-	9,221	51,605
	<u>2,118,557</u>	<u>17,400</u>	<u>2,135,957</u>	<u>2,664,404</u>

10. NET INCOME/ (EXPENDITURE)

	2021	2020
	£	£
Net income/ (expenditure) is stated after charging:		
Auditors Remuneration	<u>17,400</u>	<u>16,500</u>

11. TRUSTEES REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

LIVE BORDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. STAFF COSTS

	2021	2020
	£	£
Wages and Salaries	4,717,592	5,664,835
Social Security Costs	318,429	370,100
Other Pension Costs	561,022	600,824
	<u>5,597,043</u>	<u>6,635,759</u>

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

2021	2020
£	£
<u>325</u>	<u>428</u>

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

	2021	2020
	£	£
£80,000 - £90,000	1	1

The total cost attributable to the Executive Management Team was £325,405 (2020: £320,393)

This figure includes pension payments of £41,171 (2020: £35,820)

13. TANGIBLE FIXED ASSETS

	Freehold Property £	Improvements to Property £	Equipment £	Totals £
Cost				
At 1 April 2020	444,770	4,068,896	239,544	4,753,210
Additions		441,134	-	441,134
As at 31 March 2021	<u>444,770</u>	<u>4,510,030</u>	<u>239,544</u>	<u>5,194,344</u>
Depreciation				
At 1 April 2020	109,867	2,406,522	187,141	2,703,530
Charge for the Year	16,954	361,357	24,765	403,076
As at 31 March 2021	<u>126,821</u>	<u>2,767,879</u>	<u>211,906</u>	<u>3,106,606</u>
Net Book Value				
At 31 March 2021	<u>317,949</u>	<u>1,742,151</u>	<u>27,638</u>	<u>2,087,738</u>
At 31 March 2020	<u>334,903</u>	<u>1,662,374</u>	<u>52,403</u>	<u>2,049,680</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 2021

14. STOCK	2021	2020
	£	£
Stock	28,252	57,862

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
	£	£
Trade Debtors	33,786	201,136
Scottish Borders Council	93,621	150,318
Other Debtors and Prepayments	672,898	409,938
	<u>800,305</u>	<u>761,392</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR	2021	2020
	£	£
Other Loans	-	7,418
Trade Creditors	303,014	312,412
Social Security	63,372	93,986
VAT	218,693	473,404
Other Creditors and Accruals	579,359	431,933
Income Received in advance	387,073	1,671,693
	<u>1,551,511</u>	<u>2,990,846</u>

17. LOANS	2021	2020
	£	£
An analysis of the maturity of loans is given below:		
Amounts falling due within one year on demand	-	7,418
Amounts falling due between one and two years	-	-
	<u>-</u>	<u>7,418</u>

LIVE BORDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2021 Total Funds	2020 Total Funds
	£	£	£	£
Fixed Assets	441,362	1,646,376	2,087,738	2,049,680
Current Assets	3,089,563	108,563	3,198,136	3,218,475
Current liabilities	(1,551,511)	-	(1,551,511)	(2,990,846)
Pension asset/ (liability)	(5,986,000)	-	(5,986,000)	(3,657,000)
	<u>(4,006,576)</u>	<u>1,754,939</u>	<u>(2,251,637)</u>	<u>(1,316,691)</u>

19. Movement in Funds

	At 01 April 2020	Income	Expenditure	Transfers	Investment gains/(losses)	At 31 Mar 2021
	£	£	£	£	£	£
Unrestricted funds						
General fund	194,842	8,907,580	(7,581,652)	(1,260,770)		260,000
Pension reserve	(3,657,000)	-	(444,000)	-	1,885,000	(5,986,000)
Designated fund - 3G	80,000	10,000	-	-	-	90,000
Designated Fund- Covid 19				1,434,977		1,434,977
Transformation Reserve	194,447	-	-	-	-	194,447
Total unrestricted funds	<u>(3,187,711)</u>	<u>8,917,580</u>	<u>(8,025,652)</u>	<u>174,207</u>	<u>1,885,000</u>	<u>(4,006,576)</u>
Restricted funds						
<i>Capital</i>						
TLC - Upgrade facilities	184,595	201,470	(45,675)	-	-	340,390
PSP Refurbishment	94,348	38,753	(37,604)	-	-	95,497
Gala swimming pool	65,865	5,753	(14,593)	-	-	57,025
Kelso swimming pool	160,815	27,089	(52,089)	-	-	135,815
Eyemouth leisure centre	169,188	90,641	(34,310)	-	-	225,519
Tweedbank sports hub	154,998	-	(29,509)	-	-	125,489
Selkirk	456,615	10,967	(68,851)	-	-	398,731
Trifitness	238,194	-	-	(174,207)	-	63,987
Hawick Sports Initiative	44,576	-	-	-	-	44,576
Halls	164,994	19,421	(18,972)	-	-	165,443
Other restricted funds	<u>136,832</u>	<u>-</u>	<u>(34,365)</u>	<u>-</u>	<u>-</u>	<u>102,467</u>
<i>Revenue</i>						
NHS Borders	-	1,055	(1,055)	-	-	-
SportScotlandCSH	-	44,450	(44,450)	-	-	-
SportScotland AS	-	242,255	(242,255)	-	-	-
McMillan Cancer	-	15,904	(15,904)	-	-	-
Scottish Enterprise	-	11,322	(11,322)	-	-	-
Scottish Football Assn	-	(1,000)	1,000	-	-	-
Disability Sport Scotland	-	4,223	(4,223)	-	-	-
Creative Scotland	-	26,292	(26,292)	-	-	-
Nat Museum of Scot	-	4,800	(4,800)	-	-	-
Total restricted funds	<u>1,871,020</u>	<u>743,395</u>	<u>(685,269)</u>	<u>(174,207)</u>	<u>0</u>	<u>1,754,939</u>
Total funds	<u>(1,316,691)</u>	<u>9,660,975</u>	<u>(8,710,821)</u>	<u>0</u>	<u>(1,885,000)</u>	<u>(2,251,637)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. 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 (£44,450) which is aimed at creating sports hubs throughout the region, They also fund the Active Schools programme (£242,255) 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

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

The Designated Funds represent funds towards the replacement of the 3G pitch and a fund to assist in business recovery from the Covid19 pandemic.

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.

20. 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 2021.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Present value of funded obligations	(29,164,000)	(23,093,000)
Fair value of plan assets	<u>23,178,000</u>	<u>19,436,000</u>
(Deficit)	<u>(5,986,000)</u>	<u>(3,657,000)</u>
Net Liability	<u>(5,986,000)</u>	<u>(3,657,000)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

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

	Defined benefit pension plans	
	2021	2020
	£	£
Current service cost	747,000	973,000
Net interest from net defined benefit asset/liability	88,000	124,000
Past service cost	-	37,000
Administration costs	4,000	5,000
	<u>839,000</u>	<u>1,139,000</u>
Actual return on plan assets	<u>3,948,000</u>	<u>(168,000)</u>

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

	Defined benefit pension plans	
	2021	2020
	£	£
Opening defined benefit obligation	(23,093,000)	(24,196,000)
Current service cost	(751,000)	(978,000)
Past service cost	-	(37,000)
Contributions by scheme participants	(132,000)	(142,000)
Interest cost	(536,000)	(591,000)
Benefits paid net of transfers in	426,000	276,000
Remeasurements:		
Actuarial gains from changes in demographic assumptions	701,000	914,000
Actuarial gains/(losses) from changes in financial assumptions	(5,987,000)	1,613,000
Actuarial gains from other experiences	208,000	48,000
	<u>(29,164,000)</u>	<u>(23,093,000)</u>

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

	Defined benefit pension plans	
	2021	2020
	£	£
Opening fair value of scheme assets	19,436,000	19,311,000
Contributions by employer	395,000	427,000
Contributions by scheme participants	132,000	142,000
Other actuarial gains	(307,000)	-
Interest on assets	448,000	467,000
Benefits paid net of transfers in	(426,000)	(276,000)
Return on plan assets less interest	3,500,000	(635,000)
	<u>23,178,000</u>	<u>19,436,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. EMPLOYEE BENEFIT OBLIGATIONS - Continued

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

	Defined benefit pension plans	
	2021	2020
	£	£
Actuarial gains from changes in demographic assumptions	701,000	914,000
Actuarial gains from changes in financial assumptions	(5,987,000)	1,613,000
Actuarial gains/(losses)	(99,000)	48,000
Return on plan assets less interest	3,500,000	(635,000)
	<u>(1,885,000)</u>	<u>1,940,000</u>

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

	Defined benefit pension plans	
	2021	2020
	£	£
Equities	12,052,560	9,718,000
Bonds	6,258,060	5,053,360
Property	4,403,820	4,275,920
Cash	463,560	388,720
	<u>23,178,000</u>	<u>19,436,000</u>

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

	2021	2020
	%	%
Discount rate	2.00%	2.30%
Future salary increases	2.00%	2.00%
Future pension increases	2.85%	1.90%

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	20.9 years	23.5 years
Future Pensioners*	21.8 years	25.4 years

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. EMPLOYEE BENEFIT OBLIGATIONS - Continued

Amounts for the current and previous period are as follows

	2021	2020
	£	£
Defined benefit pension plans		
Opening defined benefit obligation	(29,164,000)	(23,093,000)
Opening fair value of scheme assets	23,178,000	19,436,000
(Deficit)	<u>(5,986,000)</u>	<u>(3,657,000)</u>

Projected pension expense for the year ended 31 March 2021

	£(000)
Service cost	1,169
Net interest	128
Total	<u>1,297</u>
Employers contributions	<u>395</u>

21 RELATED PARTY DISCLOSURES

Live Borders is contracted to provide sport and cultural services by Scottish Borders Council (SBC). In the year ended 31 March 2021, SBC paid a management fee of £5,271,373 (2020: £5,386,203) 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 £394,094 (2020: £283,184). These amounts are shown as grants received in the restricted fund.