

REGISTERED COMPANY NUMBER SC243577
(Scotland)

REGISTERED CHARITY NUMBER SC034227

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2022

LIVE BORDERS LIMITED

The Trustees, who are also Directors of Live Borders Limited for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31 March 2022. 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 Live Borders 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 is 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.

The strategic outcomes Live Borders’ plan to positively contribute towards, as set out in the Performance Management Framework with Scottish Borders Council, and measure 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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OBJECTIVES AND ACTIVITIES (Continued)

In support of the management of these services and delivery against outcomes, the 2018-2023 Live Borders strategy set six strategic goals of:

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

As a Leisure Trust, one of Live Borders' main responsibilities and commitments is to ensure wherever possible all 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 Live Borders' contributions to the plan. The FRS 102 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

Overview

During 2021/22 Live Borders invested £10.7m in delivering safe, fun, educational and accessible cultural, physical activity and sport facilities and services to the communities in the Scottish Borders.

During 2021/22 Live Borders continued to be significantly impacted by the COVID-19 pandemic. As the national lockdown was eased in April 2021, some facilities re-opened. However, it was August 2021 before all facilities and services restarted. While all services restarted by the end of August, participation numbers remain below pre-pandemic levels across all services.

Live Borders' trading subsidiary, Borders Sport and Leisure Enterprises came into operation during 2021/22.

Limited digital services continued throughout the COVID-19 pandemic closure and were further developed during this time.

ACHIEVEMENTS AND PERFORMANCE (Continued)

The consequences of the COVID-19 pandemic have been significant. Live Borders continued to use the Job Retention Scheme throughout the pandemic and recovery, as services restarted on a phased basis. Live Borders staff supported Community Planning partners throughout the pandemic, including a number of staff working on the Test and Protect Service with the NHS.

Live Borders staff continued to support the NHS vaccination clinics until February 2022.

The impact of the virus on participation numbers continues. During March 2022, Live Borders' paid sports membership was at 63% of the pre-pandemic level, with visitors (physical and digital) to libraries at 37%.

Throughout the summer holiday period of 2021, Live Borders worked in partnership with Scottish Borders Council and other key providers to deliver the "Get into Summer" programme. Funded by the Scottish Government, all Local Authorities in Scotland were allocated funding to provide an enhanced summer holiday provision to allow children and young people the opportunity to reconnect socially and physically in a fun environment.

This funding allowed Live Borders to deliver a comprehensive programme of sport, physical activity, and cultural opportunities and for the first time, introduced free places for identified children through discount codes and in some instances, making whole offers free of charge.

Activities included a variety of holiday camps in all school clusters (multi activity, sport, early years), universal free swimming, teen access to gyms, free cinema access for targeted groups and individuals, a range of museum and galleries activities, free recreational access to 2G and 3G pitches, and a partnership disability camp with a local third sector group.

Live Borders received substantial support through the Job Retention Scheme. Scottish Borders Council continued to pay the management fee.

Performance monitoring against the key strategic indicators was effectively stopped during the COVID-19 pandemic. Given the uncertainty at the time, no targets were set for 2021/22. Management applied a rigorous approach to all restart activity, including setting performance targets, with the approach focusing heavily on the safety of customers and staff.

Live Borders has now restarted monitoring its progress through its performance management framework. Comparisons are made to 2019/20 due to the disruption to service in 2020/21 from the national coronavirus lockdown resulting in no data being recorded. No targets were set for 2021/22 due to the uncertainty regarding the lifting of coronavirus restrictions. 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).

ACHIEVEMENTS AND PERFORMANCE (Continued)

Cost per Visit					
Sport		Libraries		Museums	
2019/20	2021/22	2019/20	2021/22	2019/20	2021/22
£7.16	£10.83	£3.41	£7.71	£7.12	£28.66

Business Indicators				
Staff Absence			H&S Accidents / Incidents	
2019/20	2021/22 Target	2021/22 Actual	2019/20	2021/22
3.03%	N/A	4.07%	160	49

Participants / Visits					
Sports Participants			Culture Visits		
2019/20	2021/22 Target	2021/22 Actual	2019/20	2021/22 Target	2021/22 Actual
1,261,019	N/A	705,907	448,317	N/A	182,954

Membership Users						
Sports Membership				Library Active Users		
2019/20		2021/22 Target	2021/22 Actual	2019/20	2021/22 Target	2021/22 Actual
6,107		N/A	3,990	15,593	N/A	7,363
2,787	Learn 2	N/A	1,895			
3,320	Active	N/A	2,095			

People

During the unprecedented disruption, Live Borders' focus was on its staff.

Live Borders continued with its strategy for communication utilising FAQs, CEO updates and weekly bulletins to provide timely information to staff, keeping them up to date on developments within services.

In addition to the HIVE engagement, Live Borders 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.

The staff turnover rate in 2021/22 rose sharply to 5.85%, reflecting the national trend in a very healthy recruitment market. Live Borders anticipates this will continue for a number of months to come. Going forward, Live Borders will focus on its induction process to welcome and recognise new starts.

Management Fee Reduction

During the year to 31 March 2022, Scottish Borders Council paid £5.06 million (2021: £5.2 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 and continue to discuss the potential impact of these pressures with Scottish Borders Council.

ACHIEVEMENTS AND PERFORMANCE (Continued)

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

Facility Development

The Great Tapestry of Scotland visitor centre opened to the public during August 2021. The new £7m visitor centre in Galashiels was built by Scottish Borders Council and is operated by Live Borders.

Scottish Borders Council have a programme of investment in the learning estate. Live Borders shares 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, Live Borders contributed to the design phases of the school campus work in Peebles, Galashiels and Hawick with the Galashiels site expected to house sports facilities, including a swimming pool.

In March 2022, following joint discussions, the lease of Harestanes Visitor Centre was not renewed.

Health Development

Live Borders continued delivery of the commissioned Counterweight Service. In addition, the NHS commissioned Live Borders to deliver a Tier 3 weight management programme.

MacMillan funding ceased during summer 2021. However, with a number of volunteers embedded across the region, many aspects of this programme will continue.

Live Borders invested in a programme for older adults, delivering health condition classes across the region.

FINANCIAL REVIEW

Financial Results 2021/22

Total Incoming resources were £9,624k. Capital Grant Income reduced by £121k reflecting projects delivered, Management fee reduced by £153k and income generated from Operations increased to £2,743k.

Live Borders received substantial support through Government grants of £529k from the Job Retention Scheme.

An operating deficit of £77k has been offset from the COVID Designated reserve (which was put in place at the end of the 2020/21 financial year) to show a breakeven position. Current forecasts on anticipated customer returns continue to suggest it will be many months, if not years, before customers numbers return to pre-pandemic levels. The impact of the gradual return on revenue will be supported by the COVID Designated reserve.

FINANCIAL REVIEW (Continued)

For the year ended 2021/22 Live Borders reported a surplus of £2,332k. This comprised:

- A deficit reported in the Trust's management accounts of £77k.
- Plus, increase in designated reserve for 3G pitch of £10k
- Plus, increase in restricted reserve of £21k for M&G tax relief
- Less, £352k as a result of grant depreciation adjustments.
- Less, Reduction in Revenue Grants £146k (excluding Government – Job Retention)
- Plus, £274k capital grants received
- Plus, pension adjustment of £2,486k.

The Reserves at 31 March 2022 were £379k comprising of general fund £263k, Pension Deficit (£3,500k), Restricted Funds relating to Grants received £1,900k and Designated Funds totalling £1,716k.

Ongoing challenges with regards the levels of public funding being available to Local Authorities remains a major challenge. Scottish Borders Council have indicated the three year agreement will be reviewed, with an expectation that the reduction will be £250k per annum (4% - 5%) over the two years from 2023/24 to 2024/25. Live Borders will be required to fund all pressures. Scottish Borders Council provided additional funding of £483k in 2022/23. This is one-year funding recognising the pressures of COVID and the need to plan for future reductions in Management Fee. Discussions continue on the potential impact of the on-going reduction in Management Fee and how Live Borders and Scottish Borders Council will work together to achieve the revised 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 the breakdown of plant and machinery and ensure the Trust can continue to provide a stable and quality service to customers and provide working capital.

The Trustees reviewed the Reserve policy during February 2019 and consider an appropriate target for General Reserves excluding designated reserves to be 5% of Total Income less Management Fee.

The total Reserves held at year-end excluding the pension liability of £3,500k (2021: £5,986k) were £3,879k (2021: £4,033k) of which £263k (2021: £260k) was unrestricted, £1,716k (2021 £1,720k) was Designated and £1,900k (2021: £2,053k) was Restricted.

Capital Grants Reserve

The Trustees recognise 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 Live Borders' 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 Trustees recognise 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.

FINANCIAL REVIEW (Continued)

Specific Revenue Reserve

Where it has been agreed 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 Trustees recognise it will take some time for customer confidence to return and the business to recover from the impact of the COVID-19 pandemic and created a Designated COVID reserve (£1,435k) in 2020/21. In addition, a Designated Reserve to improve business sustainability and long-term viability remains in place.

Unrestricted Reserves

Pension Reserve

The Trustees recognise their 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 of Live Borders.

General Reserve

The Trustees consider 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 Trustees believe a target of 5% of Total Income less Management Fee is appropriate.

Investment Policy

Live Borders had funds on short-term deposits during the year to 31 March 2022. Excess funds will be invested as and when it benefits the company.

FINANCIAL REVIEW (Continued)

PLANS FOR FUTURE PERIODS

LIVE BORDERS 2022/23 ACTION PLAN						
MISSION STATEMENT:	We help everyone living, working and visiting the Borders to be healthier, happier and stronger					
VISION STATEMENT:	We use our energy, enthusiasm and knowledge to help everyone to experience more, learn more and move					
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 of Strategic Goals 1-6						
Key Initiatives	Key Initiatives	Key Initiatives	Key Initiatives	Key Initiatives	Key Initiatives	
Deliver more health focus products and services driven by Live Borders	Build and deliver profit generating Events programme	Explore Commissioning/ partnership opportunities	Create and deliver a range of truly inclusive programmes	Create heritage development plan	Complete “skills for growth” audit and implementation plan	
Drive participation through digital platforms	Develop and deliver against our mass participation event programme	Achieve objectives in the approved Fundraising strategy	Build integrated customer engagement plan to optimise participation	Develop and implement access for all policy	Implement structure following ODR	
Create and deliver more programmes promoting family opportunities and older people	Implement BSLE Business Plan which focuses on food & beverage and secondary income	Sell one additional cultural service proposition for Health and Social Care	Roll out Healthier Happier Stronger cross Service evaluation	15% reduction in energy and water related carbon emissions	Develop and implement apprenticeship programme	
Implement our programme for growth in girls and woman’s football		Achieve one Sponsorship package with value exceeding £10k	Improve performance data to inform business decisions	Consolidate office working position / single HQ	Maximise recognition through external and internal awards	
Integrate Play pathway to participation programmes			Develop robust social impact reporting	Embed new HR system (Bamboo /Plan Day)		
				Develop and implement volunteer policy		
Context for 2022/23 is continued recovery from impact of Covid but focusing on revenue generation and programming for the future						
Themes	Health	Access and Inclusion	Digital	People	Environmental	Revenue focus

FINANCIAL REVIEW (Continued)**Key Targets for 2022/23**

Area	Target	% versus 2019/20	Comment
Sports Participation	1,108,179	-22.39%	General reduction in participation as scenarios however mainly impacted by lower membership, Harestanes visits removed and less events participation.
Culture Visits	245,830	-49.6%	APLS advise library services across Scotland are reporting an estimated 50% reduction in footfall. ASVA reporting an overall 35% reduction in footfall.
Sports Membership	2,566	-25.62%	Return rates affected by a number of factors including new local/national competition, slower recovery forecast in spring/summer months and alternative means of exercise found.
Income generation	£5,840		
Staff absence	4%	33.33%	

Live Borders are working in its final year of its current five-year strategy, the first integrated strategy for the charity. 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 it seeks 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.

To address these pressures through the financial planning process, Live Borders will develop proposals on service redesign and work in partnership with Scottish Borders Council to share these with the community. This recognises the learnings from dealing with the COVID-19 pandemic, the subsequent changing operating environment and Scottish Borders Council's investment in their learning estate.

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

Live Borders will work closely with Scottish Borders Council to support and deliver on significant Capital Programmes including, but not limited to, the management of the school estate.

Live Borders will work to develop its strategy for 2023 onwards.

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 which is operational and reflected in Live Borders' financial statements.

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 of 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 15.

The Annual Election and Retiral of Trustees

Any new Trustee who joins the Board during the year will require to have their nomination ratified at the next AGM.

Nominated

Local Authority Nominated Trustees (three) 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 should be asked by the Trust Chief Executive Officer to intimate/confirm the name of their nominated Trustee on an annual basis.

At the AGM held during September 2020 the Trustees reviewed the Articles of Association. As a consequence the "Employee Trustee" position was removed and "Ordinary Trustee" Board members increased from 10 to 11.

Retirals

Directors/Trustees W White, R Kerr and A Moore are due to retire at the 2022 AGM but are eligible for re-election.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Training

Trustees continue to be notified of appropriate training opportunities.

Governance

In October 2016, the Trustees 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 meets by arrangement at least once between meetings of the Board, and the Audit and Governance Committee meets by arrangement at least bi-annually. Both 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 Trustees 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 Trustees.

In the early stages of the COVID-19 pandemic, the Trustees met on a fortnightly basis and continued to meet at least monthly. The Finance Committee increased their meetings to monthly to ensure consideration of the financial scenarios and forecasts during this time.

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;
- 2 High School sports centres;
- 1 School community campus;
- 6 Libraries;
- 11 Museums;
- 1 Visitor attraction;
- 14 Community Halls;
- 10 Community Centres;
- 1 Archive Hub;
- Office Buildings; and
- a multi-function Cinema, Theatre and Office Complex with Café Bar.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Induction and training of new Trustees

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

Related parties

Live Borders co-operates with Scottish Borders Council, NHS (Borders), Further and Higher Education establishments and 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 Trustees 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 review of the 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 the Trustees. 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 Live Borders' 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 COVID-19 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

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Trustees

R J Kerr	
A H Hutton	
Councillor D Parker	Resigned 27/06/2022
Councillor H Laing	Resigned 27/06/2022
W White	
K Allan	
Councillor N Richards	
Mrs A Moore	
Mr D Pye	
Ms K Smith	Resigned 27/09/2021
Ms A Cox	
Mr R Gardiner	
Dr J Ross	
Ms S Mathieson	Appointed 15/07/2022
Mr E Elder	Appointed 15/07/2022
Mr J Fordyce	Appointed 18/07/2022
Mr T Weatherston	Appointed 03/08/2022
Ms P Brown	Appointed 10/08/2022

Councillors Parker, Laing and Richards were the Trustees nominated by Scottish Borders Council in 2021/22, Councillors Weatherston and Brown were nominated by Scottish Borders Council in 2022/23. K Allan is the Trustee nominated by NHS Borders.

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

The Live Borders' 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
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Bankers

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

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; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume 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 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.

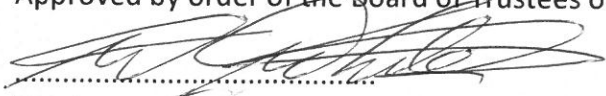
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

AUDITOR

The appointed auditor 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 ...19 December 2022... and signed on its behalf by:



Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Live Borders Limited (the 'parent charitable company') and its subsidiary ('the group') for the year ended 31 March 2022 which comprise the Consolidated and Parent Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Statement of Financial Position, the Consolidated and Parent 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 group's and parent 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 group's or the parent 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS LIMITED FOR THE YEAR ENDED 31 MARCH 2022

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) 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 15, 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 group and the parent 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 group or parent 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 group and the parent 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 statements, whether due to fraud or error, design and perform audit procedures responsive

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS LIMITED FOR THE YEAR ENDED 31 MARCH 2022

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 group and the parent 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 group and the parent charitable company through discussions with trustees and other management, and from our 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 group and the parent 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 group's legal advisors.

We assessed the susceptibility of the 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.

Use of our report

This report is made solely to the parent 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 parent 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF LIVE BORDERS LIMITED FOR THE YEAR ENDED 31 MARCH 2022

the parent charitable company, the parent 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

Seiple Street

Edinburgh

EH3 8BL



Date: 19 December 2022

LIVE BORDERS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
AS AT 31 MARCH 2022

LIVE BORDERS LIMITED - GROUP

				2022	2021
	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	£	£
INCOME AND ENDOWMENTS FROM					
Charitable Activities	5	2,743,404	-	2,743,404	688,113
Management Fee		5,064,282	-	5,064,282	5,217,373
Capital Grants		-	273,423	273,423	394,094
Revenue Grants		529,207	634,761	1,163,968	3,384,550
Other Trading Activities	3	358,681	20,631	379,312	44,538
Investment Income	4	332	-	332	1,113
TOTAL INCOME		8,695,906	928,815	9,624,721	9,729,781
EXPENDITURE ON					
Charitable Activities	7	9,355,032	1,018,002	10,373,034	8,555,521
Trading Operations	6	319,586	-	319,586	138,000
Governance Costs	7	19,762	-	19,762	17,400
TOTAL EXPENDITURE		9,694,380	1,018,002	10,712,382	8,710,921
NET INCOME/ (EXPENDITURE)		(998,474)	(89,187)	(1,087,661)	1,018,860
Transfer Between Funds		63,987	(63,987)	-	-
Other Recognised Gains / Losses		3,420,000	-	3,420,000	(1,885,000)
NET MOVEMENT IN FUNDS		2,485,513	(153,174)	2,332,339	(866,140)
Total Funds Brought Forward		(4,006,576)	2,053,352	(1,953,224)	(1,087,084)
NET FUNDS CARRIED FORWARD		(1,521,063)	1,900,178	379,115	(1,953,224)

LIVE BORDERS LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
AS AT 31 MARCH 2022**

LIVE BORDERS LIMITED - CHARITY

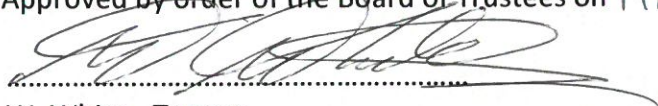
				2022	2021
	Notes	Unrestricted Funds	Restricted Funds	Total	As restated Total
		£	£	£	£
INCOME AND ENDOWMENTS FROM					
Charitable Activities	5	2,743,404	-	2,743,404	688,113
Management Fee		5,064,282	-	5,064,282	5,217,373
Capital Grants		-	273,423	273,423	394,094
Revenue Grants		529,207	634,761	1,163,968	3,384,550
Other Trading Activities	3	178,332	20,631	198,963	44,538
Investment Income	4	332	-	332	1,113
TOTAL INCOME		8,515,557	928,815	9,444,372	9,729,781
EXPENDITURE ON					
Charitable Activities	7	9,355,032	1,018,002	10,373,034	8,555,521
Trading Operations	6	147,377	-	147,377	138,000
Governance Costs	7	14,162	-	14,162	17,400
TOTAL EXPENDITURE		9,516,571	1,018,002	10,534,573	8,710,921
NET INCOME/ (EXPENDITURE)		(1,001,014)	(89,187)	(1,090,201)	1,018,860
Transfer Between Funds		63,987	(63,987)	-	-
Other Recognised Gains / Losses		3,420,000	-	3,420,000	(1,885,000)
NET MOVEMENT IN FUNDS		2,482,973	(153,174)	2,329,799	(866,140)
Total Funds Brought Forward		(4,006,576)	2,053,352	(1,953,224)	(1,087,084)
NET FUNDS CARRIED FORWARD		(1,523,603)	1,900,178	376,575	(1,953,224)

LIVE BORDERS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Notes	GROUP		CHARITY	
		2022	2021	2022	2021
		£	As restated £	£	As restated £
FIXED ASSETS					
Tangible Assets	13	1,993,608	2,087,738	1,993,608	2,087,738
Investments	14	-	-	1	1
		1,993,608	2,087,738	1,993,609	2,087,739
CURRENT ASSETS					
Stocks	15	61,543	28,252	59,107	28,252
Debtors	16	828,381	800,305	831,465	800,304
Cash at Bank and in Hand		2,361,319	2,369,579	2,355,666	2,369,579
		3,251,243	3,198,136	3,246,238	3,198,135
CREDITORS					
Amounts falling due within 1 year	17	(1,365,736)	(1,253,098)	(1,363,272)	(1,253,098)
Net Current Assets and Liabilities		1,885,507	1,945,307	1,882,966	1,945,037
Net Assets Excluding Pension Liability		3,879,115	4,032,776	3,876,575	4,032,776
Pension Asset / Liability	20	(3,500,000)	(5,986,000)	(3,500,000)	(5,986,000)
NET ASSETS		379,115	(1,953,224)	376,575	(1,953,224)
Unrestricted Funds	19				
General Fund		262,540	260,000	260,000	260,000
Pension Reserve		(3,500,000)	(5,986,000)	(3,500,000)	(5,986,000)
Designated Fund 3G Pitch Replacement		100,000	90,000	100,000	90,000
Transformation Reserve		194,447	194,447	194,447	194,447
Designated Fund – COVID Recovery		1,421,950	1,434,977	1,421,950	1,434,977
		(1,521,063)	(4,006,576)	(1,523,603)	(4,006,576)
Restricted Funds	19	1,900,178	2,053,352	1,900,178	2,053,352
TOTAL FUNDS		379,115	(1,953,224)	376,575	(1,953,224)

Approved by order of the Board of Trustees on 19 December 2022 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 2022

	Notes	GROUP		CHARITY	
		2022 £	2021 £	2022 £	2021 £
Cash flows from operating activities:	2				
Cash generated from operations		285,417	356,357	279,764	356,357
Interest paid		-	(1,560)	-	(1,560)
Net Cash Provided by operating activities		285,417	354,797	279,764	354,797
Cashflows from investing activities:					
Purchase of tangible fixed assets		(294,009)	(441,134)	(294,009)	(441,134)
Interest received		332	1,113	332	1,113
Net Cash Provided by (used in) investing activities		(293,677)	(440,021)	(293,677)	(440,021)
Cash flows from financing activities:					
Loan repayments in year		-	(7,418)	-	(7,418)
Net Cash Provided by (used in) financing activities		-	(7,418)	-	(7,418)
Change in cash and cash equivalents in the reporting period		(8,260)	(92,642)	(13,913)	(92,642)
Cash and cash equivalents at the beginning of the reporting period		2,369,579	2,462,221	2,369,579	2,462,221
Cash and cash equivalents at the end of the reporting period		2,361,319	2,369,579	2,355,666	2,369,579
Analysis of Change in net debt:		At 1st April 2021	Cash Flows	At 31 March 2022	
GROUP		2,369,579	(8,260)	2,361,319	
Analysis of Change in net debt:		At 1st April 2021	Cash Flows	At 31 March 2022	
CHARITY		2,369,579	(13,913)	2,355,666	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**1. ACCOUNTING POLICIES****Basis of preparing the financial statements**

These are the financial statements of Live Borders Limited and its subsidiary, Borders Sport and Leisure Enterprises Limited. The charitable company 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.

Basis of consolidation

The consolidated financial statements of the Group represent the parent charity, Live Borders Limited and its subsidiary, Borders Sport and Leisure Enterprises Limited. Intercompany transactions and balances between Group entities are eliminated in full.

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 has approved a budget for 2022/23. The Trustees have assessed the impact of the COVID-19 pandemic 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (Continued)

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 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:

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

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

Stocks

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

Debtors

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

Cash

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

Creditors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (Continued)

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 Scottish Borders Council 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 Scottish Borders Council 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (Continued)

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.

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

	GROUP		CHARITY	
	2022	2021	2022	2021
		As restated		As restated
	£	£	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,087,661)	1,018,860	(1,090,201)	1,018,860
Adjustments for:				
Depreciation Charges	388,139	403,076	388,139	403,076
Interest Received	(332)	(1,113)	(332)	(1,113)
Interest Paid	-	1,560	-	1,560
(Increase) / Decrease in Stocks	(33,291)	29,610	(30,855)	29,610
(Increase) / Decrease in Debtors	(28,076)	(38,913)	(31,161)	(38,913)
Increase / (Decrease) in Creditors	112,638	(1,500,723)	110,174	(1,500,723)
Difference between Pension Charge and Cash Contributions	934,000	444,000	934,000	444,000
Net cash provided by / (used in) operating activities	285,417	356,357	279,764	356,357

3. OTHER TRADING ACTIVITIES

	GROUP		CHARITY	
	2022	2021	2022	2021
	£	£	£	£
Shop, cafeteria, caravan site, fishing permits etc.	379,312	44,538	198,963	44,538

4. INVESTMENT INCOME – GROUP AND CHARITY

	2022	2021
	£	£
Deposit Account Interest	332	1,113

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. INCOME FROM CHARITABLE ACTIVITIES - GROUP AND CHARITY

	2022	2021
		As restated
	£	£
Income from Operations	2,743,404	688,113
Management Fee	5,064,282	5,217,373
Capital Grants	273,423	394,094
Revenue Grants	1,163,968	3,384,550
	<u>9,245,077</u>	<u>9,684,130</u>

Grants received included in the above are as follows:

Capital	2022	2021
		As restated
	£	£
Scottish Borders Council	<u>273,423</u>	<u>394,094</u>

Revenue	2022	2021
		As restated
	£	£
NHS Borders	26,547	11,381
SportScotland CSH	36,435	44,450
SportScotland Active Schools	270,694	242,255
Macmillan Cancer Support	16,517	15,904
Scottish Enterprise	5,625	11,322
Scottish Borders Council	183,581	362,500
Scottish Football Association	4,000	(1,000)
Government – Job Retention	529,207	2,603,943
Disability Sport Scotland	19,131	4,223
Museums and Galleries Scotland	650	7,500
Creative Scotland	64,392	75,272
Glasgow University	2,184	-
National Museum of Scotland	-	4,800
Other grants	5,005	2,000
	<u>1,163,968</u>	<u>3,384,550</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. RAISING FUNDS

	GROUP		CHARITY	
	2022	2021	2022	2021
	£	£	£	£
Purchases	157,064	67,043	80,159	67,043
Staff Costs	114,953	37,560	52,670	37,560
Heat Light and Power	12,887	9,853	-	9,853
Repairs and Equipment	8,022	5,815	4,690	5,815
Other Costs	26,660	17,729	9,858	17,729
	319,586	138,000	147,377	138,000

7. CHARITABLE ACTIVITY COSTS

	Direct Costs	Group Funding of Activities (See Note 8)	Support Costs (See Note 9)	2022 Total	2021 Total
GROUP	£	£	£	£	£
Operational Costs	7,788,377	194,059	2,390,598	10,373,034	8,555,521
Governance Costs	-	-	19,762	19,762	17,400
	7,788,377	194,059	2,410,360	10,392,796	8,572,921

	Direct Costs	Group Funding of Activities (See Note 8)	Support Costs (See Note 9)	2022 Total	2021 Total
CHARITY	£	£	£	£	£
Operational Costs	7,788,377	194,059	2,390,598	10,373,034	8,555,521
Governance Costs	-	-	14,162	14,162	17,400
	7,788,377	194,059	2,404,760	10,387,196	8,572,921

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. GRANTS PAYABLE – GROUP AND CHARITY

	2022	2021
	£	£
Coaching	2,435	-
ASP Borders	16,733	6,900
Club Sport Berwickshire	10,066	4,152
Club Sport Ettrick and Lauderdale	16,318	6,729
Club Sport Roxburgh	17,165	7,080
Club Sport Tweeddale	9,361	3,860
Scottish Hockey	7,625	7,608
BEST Management – Swimming	7,500	7,500
NHS Borders	7,308	-
Chirnside Community Centre	-	1,574
Athletics	4,000	3,224
Eastgate	67,954	73,100
Sports Hub	500	-
VACMA	10,394	225
Borders Youth Theatre	13,447	-
CABN Evolve	3,253	6,625
	<u>194,059</u>	<u>128,577</u>

9. SUPPORT COSTS

GROUP	Management	Governance Costs	Total
	£	£	£
Operations	2,390,598	-	2,390,598
Governance Costs	-	19,762	19,762
	<u>2,390,598</u>	<u>19,762</u>	<u>2,410,360</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. SUPPORT COSTS (Continued)

Support Costs included in the above are as follows:

	Operational Costs £	Governance Costs £	2022 Total Activities £	2021 Total Activities £
Support Salaries and Ancillary costs	1,348,304	-	1,348,304	1,301,064
Social Security	122,092	-	122,092	112,958
Other Pension Costs	188,829	-	188,829	151,485
Support Services	279,025	-	279,025	260,073
Professional Fees	140,895	-	140,895	110,044
Marketing	111,744	-	111,744	58,043
Admin Costs	137,321	-	137,321	114,109
Interest Payable and Similar Charges	-	-	-	1,560
Auditors Remuneration	-	19,762	19,762	17,400
Other Support Costs	62,388	-	62,388	9,221
	2,390,598	19,762	2,410,360	2,135,957

CHARITY

	Management £	Governance Costs £	Total £
Operations	2,390,598	-	2,390,598
Governance Costs	-	14,162	14,162
	2,390,598	14,162	2,404,760

Support Costs included in the above are as follows:

	Operational Costs £	Governance Costs £	2022 Total Activities £	2021 Total Activities £
Support Salaries and Ancillary Costs	1,348,304	-	1,348,304	1,301,064
Social Security	122,092	-	122,092	112,958
Other Pension Costs	188,829	-	188,829	151,485
Support Services	279,025	-	279,025	260,073
Professional Fees	140,895	-	140,895	110,044
Marketing	111,744	-	111,744	58,043
Admin Costs	137,321	-	137,321	114,109
Interest Payable and Similar Charges	-	-	-	1,560
Auditors Remuneration	-	14,162	14,162	17,400
Other Support Costs	62,388	-	62,388	9,221
	2,390,598	14,162	2,404,760	2,135,957

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. NET (EXPENDITURE) / INCOME

Net income / (expenditure) is stated after charging:

	2022	2021
	£	£
GROUP		
Auditors Remuneration	19,762	17,400
	<hr/>	<hr/>
CHARITY		
Auditors Remuneration	14,162	17,400
	<hr/>	<hr/>

11. TRUSTEE REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

12. STAFF COSTS

	GROUP		CHARITY	
	2022	2021	2022	2021
	£	£	£	£
Wages and Salaries	4,783,303	4,717,592	4,728,089	4,717,592
Social Security Costs	341,012	318,429	338,154	318,429
Other Pension Costs	565,932	561,022	561,721	561,022
	<hr/>	<hr/>	<hr/>	<hr/>
	5,690,247	5,597,043	5,627,964	5,597,043

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

	2022	2021
	£	£
Average number of employees	298	325
	<hr/>	<hr/>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £80,000 was:

	2022	2021
	£	£
£80,000 - £90,000	1	1
	<hr/>	<hr/>

The total cost attributable to the Executive Management Team was £336,717 (2021-£325,405). This figure includes pension payments of £42,569 (2021 -£41,171).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Freehold Property £	Improvements to Property £	Equipment £	Total £
Cost				
At 1 April 2021	444,770	4,510,030	239,544	5,194,344
Disposals	-	-	-	-
Additions	-	294,009	-	294,009
As at 31 March 2022	444,770	4,804,039	239,544	5,488,353
Depreciation				
At 1 April 2021	126,821	2,767,879	211,906	3,106,606
Disposals	-	-	-	-
Charge for the Year	16,953	352,411	18,775	388,139
As at 31 March 2022	143,774	3,120,290	230,681	3,494,745
Net Book Value				
As at 31 March 2022	300,996	1,683,749	8,863	1,993,608
As at 31 March 2021	317,949	1,742,151	27,638	2,087,738

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.

14. INVESTMENT IN SUBSIDIARY

The charity owns 100% of the ordinary share capital of Borders Sport and Leisure Enterprises Limited (SC244374). The profit for the year ended 31 March 2022 was £2,540 and the company had net assets of £2,541.

15. STOCK

	GROUP		CHARITY	
	2022	2021	2022	2021
	£	£	£	£
Stock	61,543	28,252	59,107	28,252

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2022	2021	2022	2021
	£	£	£	£
Trade Debtors	153,755	33,786	153,755	33,785
Scottish Borders Council	371,639	93,621	371,639	93,621
Other Debtors and Prepayments	302,987	672,898	302,987	672,898
Amounts owed by Subsidiary	-	-	3,084	-
	828,381	800,305	831,465	800,304

17. CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR

	GROUP		CHARITY	
	2022	2021	2022	2021
	£	As restated £	£	As restated £
Trade Creditors	202,154	303,014	199,690	303,014
Social Security	89,436	63,372	89,436	63,372
VAT	271,215	218,693	271,215	218,693
Other Creditors and Accruals	723,610	579,359	723,610	579,359
Income Received in Advance	79,321	88,660	79,321	88,660
	1,365,736	1,253,098	1,363,272	1,253,098

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP			2022	2021
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	£	£	£	As restated £
Fixed Assets	406,250	1,587,358	1,993,608	2,087,738
Current Assets	2,938,423	312,820	3,251,243	3,198,136
Current Liabilities	(1,365,736)	-	(1,365,736)	(1,253,098)
Pension Liability	(3,500,000)	-	(3,500,000)	(5,986,000)
	(1,521,063)	1,900,178	379,115	(1,953,224)

CHARITY			2022	2021
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	£	£	£	As restated £
Fixed Assets	406,251	1,587,358	1,993,609	2,087,739
Current Assets	2,933,418	312,820	3,246,238	3,198,135
Current Liabilities	(1,363,272)	-	(1,363,272)	(1,253,098)
Pension Liability	(3,500,000)	-	(3,500,000)	(5,986,000)
	(1,523,063)	1,900,178	376,575	(1,953,224)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. MOVEMENT IN FUNDS

GROUP	At 01-Apr-21 As restated £	Income	Expenditure	Transfers	Investment gains/(losses)	At 31-Mar-22 £
Unrestricted Funds						
General fund	260,000	8,685,906	(8,760,380)	77,014	-	262,540
Pension reserve	(5,986,000)	-	(934,000)	-	3,420,000	(3,500,000)
Designated fund - 3G pitch replacement	90,000	10,000	-	-	-	100,000
Designated Fund - COVID Recovery	1,434,977	-	-	(13,027)	-	1,421,950
Transformation Reserve	194,447	-	-	-	-	194,447
Total Unrestricted Funds	(4,006,576)	8,695,906	(9,694,380)	63,987	3,420,000	(1,521,063)
Restricted Funds						
<i>Capital</i>						
TLC - Upgrade facilities	340,390	101,193	(67,943)	-	-	373,640
PSP Refurb	95,497	12,391	(19,775)	-	-	88,113
Gala swimming pool	57,025	223	(14,966)	-	-	42,282
Kelso swimming pool	135,815	12,042	(55,681)	-	-	92,176
Eyemouth leisure centre	225,519	93,091	(41,372)	-	-	277,238
Tweedbank sports hub	125,489	242	(26,671)	-	-	99,060
Selkirk	398,731	28,228	(70,418)	-	-	356,541
Trifitness	63,987	-	-	(63,987)	-	-
Hawick Sports Initiative	44,576	-	-	-	-	44,576
Halls	165,443	23,980	(23,375)	-	-	166,048
Other restricted capital funds	102,467	22,663	(32,870)	-	-	92,260
<i>Revenue</i>						
NHS Borders	49,467	26,547	(36,123)	-	-	39,891
SportScotland CSH	-	36,435	(36,435)	-	-	-
SportScotland Active Schools	-	270,694	(270,694)	-	-	-
Macmillan Cancer Support	8,000	16,517	(16,517)	-	-	8,000
Scottish Enterprise	-	5,625	(5,625)	-	-	-
Scottish Borders Council	16,519	183,582	(177,470)	-	-	22,631
Scottish Football Association	-	4,000	(4,000)	-	-	-
Disability Sport Scotland	-	19,131	(19,131)	-	-	-
Museums and Galleries Scotland	7,500	650	(2,000)	-	-	6,150
Creative Scotland	106,955	64,392	(94,752)	-	-	76,595
Glasgow University	-	2,184	(2,184)	-	-	-
Health Strategic	52,000	-	(750)	-	-	51,250
Other restricted revenue funds	57,922	5,005	750	-	-	63,727
	2,053,352	928,815	(1,018,002)	(63,987)	-	1,900,178
TOTAL FUNDS	(1,953,224)	9,624,721	(10,712,382)	-	3,420,000	379,115

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. MOVEMENT IN FUNDS (Continued)

CHARITY	At 01-Apr-21 As restated £	Income £	Expenditure £	Transfers £	Investment gains/(losses) £	At 31-Mar-22 £
Unrestricted Funds						
General fund	260,000	8,505,557	(8,582,571)	77,014	-	260,000
Pension reserve	(5,986,000)	-	(934,000)	-	3,420,000	(3,500,000)
Designated fund - 3G pitch replacement	90,000	10,000	-	-	-	100,000
Designated Fund - COVID Recovery	1,434,977	-	-	(13,027)	-	1,421,950
Transformation Reserve	194,447	-	-	-	-	194,447
Total Unrestricted Funds	(4,006,576)	8,515,557	(9,516,571)	63,987	3,420,000	(1,523,603)
Restricted Funds						
<i>Capital</i>						
TLC - Upgrade facilities	340,390	101,193	(67,943)	-	-	373,640
PSP Refurb	95,497	12,391	(19,775)	-	-	88,113
Gala swimming pool	57,025	223	(14,966)	-	-	42,282
Kelso swimming pool	135,815	12,042	(55,681)	-	-	92,176
Eymouth leisure centre	225,519	93,091	(41,372)	-	-	277,238
Tweedbank sports hub	125,489	242	(26,671)	-	-	99,060
Selkirk	398,731	28,228	(70,418)	-	-	356,541
Trifitness	63,987	-	-	(63,987)	-	-
Hawick Sports Initiative	44,576	-	-	-	-	44,576
Halls	165,443	23,980	(23,375)	-	-	166,048
Other restricted capital funds	102,467	22,663	(32,870)	-	-	92,260
<i>Revenue</i>						
NHS Borders	49,467	26,547	(36,123)	-	-	39,891
SportScotland CSH	-	36,435	(36,435)	-	-	-
SportScotland Active Schools	-	270,694	(270,694)	-	-	-
Macmillan Cancer Support	8,000	16,517	(16,517)	-	-	8,000
Scottish Enterprise	-	5,625	(5,625)	-	-	-
Scottish Borders Council	16,519	183,582	(177,470)	-	-	22,631
Scottish Football Association	-	4,000	(4,000)	-	-	-
Disability Sport Scotland	-	19,131	(19,131)	-	-	-
Museums and Galleries Scotland	7,500	650	(2,000)	-	-	6,150
Creative Scotland	106,955	64,392	(94,752)	-	-	76,595
Glasgow University	-	2,184	(2,184)	-	-	-
Health Strategic	52,000	-	(750)	-	-	51,250
Other restricted revenue funds	57,922	5,005	750	-	-	63,727
	2,053,352	928,815	(1,018,002)	(63,987)	-	1,900,178
TOTAL FUNDS	(1,953,224)	9,444,372	(10,534,573)	-	3,420,000	376,575

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. MOVEMENT IN FUNDS (Continued)

NHS Borders fund is used for the provision of exercise classes targeted at health improvement for Scottish Border residents.

SportScotland fund the community Sports hub programme (£36,435) which is aimed at creating sports hubs throughout the region. They also fund the Active Schools programme (£270,694) which is run in conjunction with the schools in the Scottish Borders.

HMRC Government provided funding via the Job Retention Scheme during the COVID-19 pandemic.

Scottish Enterprise provided funding for consultancy support.

Scottish Borders Council provided funding for summer sports activities.

Macmillan 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.

National Museums Scotland provide funding towards costs of running projects and exhibitions.

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 COVID-19 pandemic.

The **Restricted Funds** detailed above relate to grants received in respect of capital project 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 31st March 2022.

The amounts recognised in the Balance Sheet are as follows:

Defined benefit pension plans:	2022	2021
	£	£
Present value of funded obligations	(28,176,000)	(29,164,000)
Fair value of plan assets	24,676,000	23,178,000
Deficit	<u>(3,500,000)</u>	<u>(5,986,000)</u>
Net Liability	<u>(3,500,000)</u>	<u>(5,986,000)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. EMPLOYEE BENEFIT OBLIGATIONS (Continued)

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

Defined benefit pension plans:	2022	2021
	£	£
Current service cost	1,216,000	747,000
Net interest from net defined benefit liability	128,000	88,000
Past service cost		
Administrative costs	2,000	4,000
	<u>1,346,000</u>	<u>839,000</u>
Actual return on plan assets	<u>1,384,000</u>	<u>3,948,000</u>

	2022	2021
	£	£
Opening defined benefit obligation	(29,164,000)	(23,093,000)
Current service cost	(1,218,000)	(751,000)
Contribution by scheme participants	(138,000)	(132,000)
Interest costs	(592,000)	(536,000)
Benefits paid net of transfers in	436,000	426,000
Remeasurements:		
Actuarial gains from changes in demographic assumptions	138,000	701,000
Actuarial gains / (losses) from changes in financial assumptions	2,413,000	(5,987,000)
Actuarial (losses) / gains from other experiences	(51,000)	208,000
	<u>(28,176,000)</u>	<u>(29,164,000)</u>

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

	2022	2021
	£	£
Opening fair value of scheme assets	23,178,000	19,436,000
Contributions by employer	412,000	395,000
Contributions by scheme participants	138,000	132,000
Other actuarial gains / (losses)	-	(307,000)
Interest on assets	464,000	448,000
Benefits paid net of transfers in	(436,000)	(426,000)
Return on plan assets less interest	920,000	3,500,000
	<u>24,676,000</u>	<u>23,178,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. EMPLOYEE BENEFIT OBLIGATIONS (Continued)

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

Defined benefit pension plans:	2022	2021
	£	£
Actuarial gains from changes in demographic assumptions	138,000	701,000
Actuarial gains / (losses) from changes in financial assumptions	2,413,000	(5,987,000)
Actuarial (losses) / gains	(51,000)	(99,000)
Return on plan assets less interest	920,000	3,500,000
	<u>3,420,000</u>	<u>(1,885,000)</u>

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

Defined benefit pension plans:	2022	2021
	£	£
Equities	11,597,720	12,052,560
Bonds	6,169,000	6,258,060
Property	6,415,760	4,403,820
Cash	493,520	463,560
	<u>24,676,000</u>	<u>23,178,000</u>

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

	2022	2021
	%	%
Discount rate	2.70%	2.00%
Future salary increases	2.00%	2.00%
Future pension increases	3.20%	2.85%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	20.7 Years	23.3 Years
Future Pensions	21.6 Years	25.2 Years

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. EMPLOYEE BENEFIT OBLIGATIONS (Continued)

Amounts for the current and previous period are as follows:

	2022	2021
	£	£
Defined benefit pension plans:		
Opening defined benefit obligation	(28,176,000)	(29,164,000)
Opening fair value of scheme assets	24,676,000	23,178,000
Deficit	<u>(3,500,000)</u>	<u>(5,986,000)</u>

Projected pension expense for the year ended 31 March 2022:	£(000)
Service cost	1,095
Net interest	110
Total	<u>1,205</u>
 Employers contribution	 <u>411</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 2022, SBC paid a management fee of £5,064,282 (2021, £5,217,373) and leased the facilities occupied by the company for a peppercorn rent.

SBC has contributed to the capital cost of the tenants' improvements of £273,423 (2021, £394,094). These amounts are shown as grants received in the restricted fund.

22. PRIOR YEAR ADJUSTMENT

It was discovered during the year that grant income had been deferred incorrectly. A prior year adjustment is required to account for the grant income in the correct periods.

	£
Total funds as at 31 March 2020	(1,316,691)
Grant income to be recognised	229,607
Restated total funds as at 31 March 2020	<u>(1,087,084)</u>
 Total funds as at 31 March 2021	 (2,251,637)
Grant income to be recognised	298,413
Restated total funds as at 31 March 2021	<u>(1,953,224)</u>
 Statement of financial activities restatement	
Total movement in funds for the year ended 31 March 2021	(934,946)
Grant income to be recognised	68,806
Restated total movement in funds for the year ended 31 March 2021	<u>(866,140)</u>