

Charity Registration No. SC000175 (Scotland)

Company Registration No. SC042641 (Scotland)

LIVE ACTIVE LEISURE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

LIVE ACTIVE LEISURE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Councillor B Brawn	
	Mr I P Collins	
	Mr D A Longmuir	
	Mr D Maclehose	
	Ms L Scott	
	Dr D Carey	
	Councillor S Carr	(Appointed 9 June 2022)
	Councillor B Leishman	(Appointed 9 June 2022)
Secretary	Ms V Haston	
Chief Executive Officer	Mr P Cromwell	
Charity number (Scotland)	SC000175	
Company number	SC042641 (Scotland)	
Registered office	Caledonia House Hay Street Perth United Kingdom PH1 5HS	
Auditor	Azets Audit Services 5 Whitefriars Crescent Perth PH2 0PA	

LIVE ACTIVE LEISURE LIMITED

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LIVE ACTIVE LEISURE LIMITED

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023

As Company Chairman, I am pleased to present the Annual Report on the operation of Live Active Leisure Limited (LAL) for the Financial Year to 31 March 2023.

It has not been an easy year as Live Active Leisure navigated the operational recovery from the impact of the COVID 19 pandemic. Although restrictions finally ended and services could resume for the people and communities of Perth and Kinross, uncertainty remained as to how this recovery would unfold.

Like many businesses, Live Active Leisure continued to operate with a huge amount of unpredictability during this time. The Board continued to commit significant reserves to support staff and underwrite fixed operational costs and expenditure, as the Company steered its way through this unprecedented period. This financial commitment provided the Board and management team with the ability to respond to the business needs effectively. The Company has continued to work closely with our partners at Perth and Kinross Council throughout and I am grateful to the officers and Councillors for their support.

The Covid 19 pandemic highlighted the importance and benefits of a physically active lifestyle on mental wellbeing and resilience to illness, reinforcing the importance of Live Active Leisure's role at the heart of the communities we serve. We remain committed in our ambition to provide affordable and high-quality access to sport and leisure activities and services. The Board believes that providing contemporary gym, swimming and so many more sport and leisure facilities, allows us all to enjoy and keep as healthy as we can be. In doing so we hope that most of us can minimise our dependence on NHS support for longer. In doing so we believe the significant investment of staff, equipment, and facilities that LAL operates across Perth & Kinross, offers real value for money to the Council and all who enjoy using these centres.

It is safe to say however, that this is not an easy period and real financial pressures remain. The impact of COVID 19 coming at the tail end of years of austerity and ongoing Public Finance restrictions, compounded now further with the added cost of living crisis, rising inflation - particularly energy costs, are creating the most challenging period in LAL's long existence since formation in 1965. However, the focus remains to support our communities to live physically active lives.

The Company's portfolio of venues is a key resource which enables our communities to be active. The properties are ageing, are less efficient and require ongoing substantial investment. As a result, longer-term asset management planning is necessary. The Board is committed to identifying suitable investment funding solutions for all our centres. For this reason, the Board made a key investment decision at Bell's Sports Centre to deliver an improved customer offer by bringing fitness together under one roof in Perth. This created an outstanding fitness gym and studio provision whilst improving financial sustainability. This investment was only approved by the Company following the completion of an independent business plan, utilising financial reserves to reinvest back into the services we deliver for the benefit of our local communities and customers.

Live Active Leisure continues to attach immense importance to PH2O. This project remains vital for LAL's longer term sustainability and I would argue is essential to support the health and wellbeing for future generations of Perth & Kinross residents and visitors. Whilst this project has been put on pause whilst a wider review is carried out, LAL's Board and Senior team continue to work with the Council on this crucial investment for the future.

We also welcome Perth & Kinross Council's commitment to developing the new leisure venue for the community and school in Blairgowrie which is due to open in 2024.

Of course, LAL offers far more than just venue provision. Our Active Schools, Wellbeing and Community Sport teams provide an invaluable range of services to schools, clubs, individuals and communities - an essential component of the integrated health and wellbeing provision that we provide across Perth and Kinross.

LIVE ACTIVE LEISURE LIMITED

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Our ever-increasing partnership working is making a very significant and positive impact on the health and wellbeing of people across our communities. The Board appreciates and thanks all our key partners who generously support our activities – most notably Perth & Kinross Council, The Gannochy Trust, NHS Tayside and Sportscotland. Without this necessary support LAL would not be delivering the range and quality of service that I believe we do successfully and with pride.

As I write this report, LAL is facing yet another significant challenge to its operation in the current fiscal year. On 8 October 2023 Bell's Sports Centre and the Company head office succumbed to the worst flooding since 1993, with water rising to 50 cm in some areas. It is too soon to know the costs or timing of the reinstatement of these facilities. It is inevitable that this will place a further strain on the Company reserves.

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 introduced a requirement for all quoted companies to report both their annual emissions and an intensity ratio in their Directors' Report.

	Units	Current reporting year (2022/23)
Emissions from combustion of gas (Scope 1)	tCO2e	1,842
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO2e	102
Emissions from purchase of electricity (Scope 2)	tCO2e	521
Total Gross Scope 1 and 2 emissions	tCO2e	2,465
Energy consumption used to calculate above emissions	kWh	12,826,488
Intensity Metric	(£) Annual Turnover	9,648,655
Intensity Ratio	tCO2/(£) Annual Turnover	0.000255

As Chair I would like to take this opportunity to record my appreciation, on behalf of the Board, to all the staff during times that are proving to be continually demanding, and to the customers of Live Active Leisure for their continued effort and support. It provides testament to LAL's long standing success that local people and visitors to Perth and Kinross enjoy such important levels of participation in sport and physical activity. It is heartening that this is increasingly recognised and valued at the highest levels.

I close by thanking my fellow Board of Directors - all volunteers - and all of whom commit such time and energy into LAL's continued progress and whose expertise and counsel I value enormously. I particularly want to thank Chris Allan and Iain Blair who have stepped down as Directors but provided so much backing and expertise to Live Active Leisure.


Mr D Maclehorse

Chairman

Dated: 14/12/23 2023

LIVE ACTIVE LEISURE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

Live Active Leisure Limited is a private company, limited by guarantee and not having share capital. The principle objectives of the Company are:

- to provide for the advancement of public participation in sport
- the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended
- and the carrying on of such other related activities (providing they further a charitable purpose or purposes) as are consistent with the objectives set out above.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

Live Active Leisure's origins date back to 1965 when the Company was first incorporated under the name Bell's Sports Centre (Perth) Limited. The Company became a Sole Member organisation of Perth & Kinross Council on 20 June 2013 with the Company's new Articles of Association being adopted on this date. The objectives of the Company are to provide for the advancement of public participation in sport and the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended and the carrying on of such other related activities (providing they further a charitable purpose or purposes) as are consistent with the purposes set out above.

In this financial year Live Active Leisure owned or operated 14 venues, plus 9 Community halls across the 2000sq mile area, and added to that delivers an increasing range of activities and initiatives through the generous support from a number of partners, namely, the Perth & Kinross Council, The Gannochy Trust, NHS Tayside, and **sportscotland**.

The charitable company recognises the employees as its principal asset and welcomes the essential role which dedicated and skilled employees play in its continued success.

LIVE ACTIVE LEISURE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

The financial year of 31 March 2023 remained both challenging and unpredictable for the company, whilst the direct influence of Covid 19 receded it was replaced by a cost of living crisis and high energy prices which added to the broader economic uncertainty. In recognition and as a consequence of these challenges, the Company entered the year with an anticipated forecast deficit position, underwritten by Company Reserves.

The Company progressed well throughout the course of the year, welcoming back customers and achieving increased financial returns through each and every quarter of the year, with positive gains reflected in membership update / income and casual activity, particularly swimming and fitness. The successful launch of the new fitness gym and studios at Bell's Sports Centre contributing significantly to performance. Although these gains have not reached pre pandemic level, effective control of expenditure and particularly staffing costs reduced the overall deficit position by the end of the year.

The Company continues to develop key relationships with partners and key stakeholders, continuing to attract funding to support a range of essential initiatives and programmes across school, community and wellbeing activities.

The Company's ageing building portfolio remains a strategic risk for the Company, the PH20 project which was given approval at the Council's budget meeting in February 2022, was subsequently paused in the corresponding meeting in February 2023, as a consequence of rising construction inflation. As part of the budget process the Council committed to the completion of two reviews; the transformation review of Arms Length External Organisations and Leisure Assets, with the joint purpose to develop findings and recommendations to support longer term accessible, affordable and sustainable provision for communities. The reviews are scheduled to be completed in December 2023.

Reserves policy

To continue to preserve and provide for long term viability, the charity must generate and retain a suitable level of reserves. In light of the financial climate and the challenging plans, the charity will continually review and update its Reserve Policy to ensure that reserves held are at an appropriate level and are designated, when required, for a specific purpose.

During the year, the board have continually reviewed reserves and realigned the allocation of reserves in line with current circumstances.

The Board has set a general unrestricted reserve target of £1m. Resources in excess of target may be transferred to any designated reserve at the discretion of the board. These reserves are required in order to manage unexpected fluctuations in income and expenditure and create a contingency to cushion the impact of unexpected events or emergencies over a period.

The charitable company also has five designated reserves, which have been revised as, the Lifecycle Maintenance Reserve, the Insurance Reserve, the Covid19 Recovery Reserve, the Development Reserve, and the Depreciation Reserve.

The purpose of the Lifecycle Maintenance Reserve is to fund major repairs and significant 'spend to save' initiatives identified through the Company's Asset Management Plan.

The Insurance reserve is designated specifically to provide contingency for any uninsured losses.

The Specific project reserve is designated funds set aside for one-off major repairs.

LIVE ACTIVE LEISURE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The COVID19 Reserve is designated funds to aid in the recovery of the company from the current pandemic.

The Development Reserve is designated for use to improve/support service delivery and projects which will support the objectives of the company.

The Depreciation Reserve is funded by grants received from external bodies and funds allocated by the charitable company with the purpose of buying or constructing property. These funds are fully committed for transfer to the general reserve in line with the useful lives of the existing buildings

The balances on the Reserves at the 31 March 2023 were:

Health & Inclusion Fund	£	150k
The Ballechin Fund	£	2k
Financial Assistance Reserve	£	105k
Lifecycle Maintenance Reserve	£	1,984k
Facility Vision Reserve	£	2,500k
Specific Project Recovery Reserve	£	50k
Depreciation Reserve	£	9,798k
General Reserve	£	<u>1,888k</u>
	£	16,477k

Investment powers

In accordance with Article 7.18 of the charitable company's Articles of Association, the charitable company has the power to invest monies under its charge as may be considered appropriate and to dispose of, and vary, such investments.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The charity has undertaken a Business Risk Analysis. This analysis has resulted in a Risk Log that identifies the major risks that exist within the charitable company and the means by which the charitable company will manage such risks.

LIVE ACTIVE LEISURE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

Governing document

The charitable company is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr C D Allan	(Resigned 23 June 2023)
Dr I N Blair	(Resigned 4 May 2023)
Councillor B Brawn	
Mr I P Collins	
Mr D A Longmuir	
Mr D Maclehose	
Ms L Scott	
Dr D Carey	(Appointed 28 February 2022)
Councillor S Carr	(Appointed 9 June 2022)
Councillor B Leishman	(Appointed 9 June 2022)
Miss E Muirhead	(Appointed 27 October 2022 and resigned 20 September 2023)

Recruitment and appointment of new trustees

Appointment of Directors

It is the duty of the Company's Nominations Committee to recommend the appointment of new Directors to Perth & Kinross Council as Sole Member who thereafter approve any appointments on behalf of the charitable company.

Any vacancies on the Board are advertised to the public. Applications are invited from candidates who can demonstrate relevant experience or skills to support the operation of the charitable company and undertake a specific portfolio remit.

Selection is by interview.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel remuneration policy is set using the same bandings and parameters which apply to all staff.

Appointment of Elected Members

Perth & Kinross Council nominates three Elected Members to the Board for such a period as they deem fit and/or on their ceasing to be a Member of the Council.

Organisational structure

The charitable company's Board comprises 11 Directors of which 3 are nominated by Perth & Kinross Council. The Board meets on a bi-monthly basis and oversees the operation and governance of the charitable company. Directors also have individual specific remits for which they provide input and guidance.

The charitable company's management structure includes the Chief Executive Officer who reports to the Chairman and has overall responsibility for the charitable company's strategic operation and governance.

LIVE ACTIVE LEISURE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Induction and training of new trustees

An induction process is in place for new Directors. This covers the strategic and operational issues affecting the charitable company. The ongoing training needs of Directors are considered by the Board from time to time.

Related parties

Co-operation with other organisations

The charitable company operates independently and has a contractual relationship with Perth & Kinross Council for the delivery of Sport and Leisure Services under the terms of a Contract. Under separate arrangements, the charitable company leases land and buildings from Perth & Kinross Council on the basis of peppercorn or nominal rents.

Employee involvement

The charitable company's consultative structure includes a HR Joint Review Group and Health & Safety Committee comprising employee and trade union representatives.

Communication is also made to employees by way of a bi-weekly newsletter and regular team meetings.

Disabled persons

The company will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

During employment the company seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

Policy on Equal Opportunities

Live Active Leisure Limited opposes any form of discrimination that disadvantages sections of the community and individuals because of the grouping with which they identify.

The charitable company seeks to achieve meaningful equal opportunities for all citizens, to reduce disadvantage and eliminate direct and indirect discrimination in the provision of services and the employment of people to deliver and administer those services.

The primary discriminating factors that the policy addresses are: age; disability; religion; ethnic origin; gender; and sexual orientation.

LIVE ACTIVE LEISURE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of trustees' responsibilities

The trustees, who are also the directors of Live Active Leisure Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. 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.

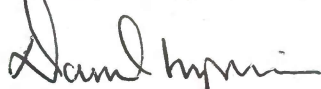
Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

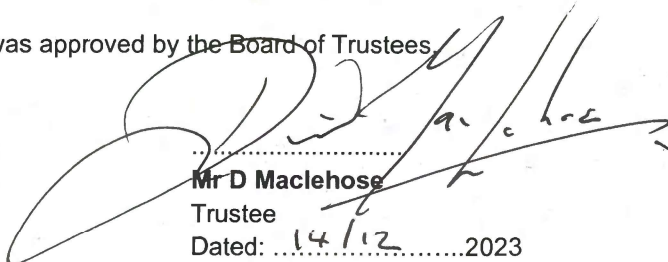
The trustees' report, including the strategic report, was approved by the Board of Trustees.



Mr D A Longmuir

Trustee

Dated: 14/12.....2023



Mr D Maclehose

Trustee

Dated: 14/12.....2023

LIVE ACTIVE LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LIVE ACTIVE LEISURE LIMITED

Opinion

We have audited the financial statements of Live Active Leisure Limited (the 'parent charitable company') for the year ended 31 March 2023 which comprise the Group and Parent Charitable Company statement of financial activities, the Group and Parent Charitable Company balance sheet, the Group statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other 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 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 and group'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.

LIVE ACTIVE LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LIVE ACTIVE LEISURE LIMITED

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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the trustees 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Chairman's report or the trustees' 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) requires us to report to you if, in our opinion:

- the group has not kept adequate and proper accounting records 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company 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 parent charitable company's and group'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 parent charitable company and group or to cease operations, or have no realistic alternative but to do so.

LIVE ACTIVE LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LIVE ACTIVE LEISURE LIMITED

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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 independent 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 the 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, 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 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 entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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.

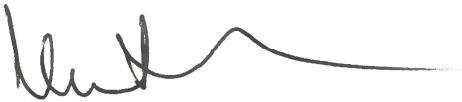
LIVE ACTIVE LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LIVE ACTIVE LEISURE LIMITED

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 charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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.



Neil Morrison (Senior Statutory Auditor)

for and on behalf of Azets Audit Services

15th December 2023

**Chartered Accountants
Statutory Auditor**

5 Whitefriars Crescent
Perth
PH2 0PA

LIVE ACTIVE LEISURE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Income from:							
Grants and donations	3	58,626	491,974	550,600	419,145	416,997	836,142
Charitable activities	4	9,020,326	6,407	9,026,733	9,580,669	9,482	9,590,151
Investment income	5	71,323	-	71,323	14,114	-	14,114
Total income		9,150,275	498,381	9,648,656	10,013,928	426,479	10,440,407
Expenditure on:							
<u>Charitable activities</u>							
Operating activities		10,095,377	314,470	10,409,847	10,048,849	288,127	10,336,976
Grants for sporting & recreational purposes		-	190,962	190,962	-	106,524	106,524
Pension fund costs		1,435,000	-	1,435,000	1,669,000	-	1,669,000
Total charitable expenditure		11,530,377	505,432	12,035,809	11,717,849	394,651	12,112,500
Net (losses)/gains on investments	10	(10)	-	(10)	32	-	32
Net outgoing resources before transfers		(2,380,112)	(7,051)	(2,387,163)	(1,703,889)	31,828	(1,672,061)
Gross transfers between funds		-	-	-	-	-	-
Net outgoing resources		(2,380,112)	(7,051)	(2,387,163)	(1,703,889)	31,828	(1,672,061)
Other recognised gains and losses							
Actuarial gains on defined benefit pension schemes		8,613,000	-	8,613,000	3,698,000	-	3,698,000
Net movement in funds		6,232,888	(7,051)	6,225,837	1,994,111	31,828	2,025,939
Fund balances at 1 April 2022		9,987,854	263,858	10,251,712	7,993,743	232,030	8,225,773
Fund balances at 31 March 2023		16,220,742	256,807	16,477,549	9,987,854	263,858	10,251,712

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The consolidated statement of financial activities also complies with the requirements for a consolidated income and expenditure account under the Companies Act 2006.

LIVE ACTIVE LEISURE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted Funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Income from:							
Grants and donations	3	100,360	491,974	592,334	419,145	416,997	836,142
Charitable activities	4	8,994,127	6,407	9,000,534	9,487,407	9,482	9,496,889
Investment income	5	71,323	-	71,323	14,114	-	14,114
Total income		9,165,810	498,381	9,664,191	9,920,666	426,479	10,347,145
Expenditure on:							
<u>Charitable activities</u>							
Operating activities		10,096,676	314,470	10,411,146	10,018,482	288,127	10,306,609
Grants for sporting & recreational purposes		-	190,962	190,962	-	106,524	106,524
Pension fund costs		1,435,000	-	1,435,000	1,669,000	-	1,669,000
Total charitable expenditure		11,531,676	505,432	12,037,108	11,687,482	394,651	12,082,133
Net (losses)/gains on investments	10	(10)	-	(10)	32	-	32
Net outgoing resources		(2,365,877)	(7,051)	(2,372,928)	(1,766,784)	31,828	(1,734,956)
Other recognised gains and losses							
Actuarial gains on defined benefit pension schemes		8,613,000	-	8,613,000	3,698,000	-	3,698,000
Net movement in funds		6,247,123	(7,051)	6,240,072	1,931,216	31,828	1,963,044
Fund balances at 1 April 2022		9,973,619	263,858	10,237,477	8,042,403	232,030	8,274,433
Fund balances at 31 March 2023		16,220,742	256,807	16,477,549	9,973,619	263,858	10,237,477

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

LIVE ACTIVE LEISURE LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11	9,798,332		9,855,331	
Investments	12	311		321	
		<u>9,798,643</u>		<u>9,885,652</u>	
Current assets					
Stocks	13	23,850		29,597	
Debtors	14	1,397,230		1,098,758	
Cash at bank and in hand		<u>6,337,576</u>		<u>7,866,031</u>	
		7,758,656		8,994,386	
Creditors: amounts falling due within one year	15	<u>(1,079,750)</u>		<u>(1,420,326)</u>	
Net current assets		<u>6,678,906</u>		<u>7,574,060</u>	
Total assets less current liabilities		<u>16,477,549</u>		<u>17,429,712</u>	
Provisions for liabilities			-		(7,178,000)
Net assets		<u>16,477,549</u>		<u>10,251,712</u>	
Income funds					
Restricted funds	18	256,807		263,858	
<u>Unrestricted funds</u>					
Designated funds	19	14,332,571		15,825,977	
General unrestricted funds		<u>1,888,171</u>		<u>(5,838,123)</u>	
		<u>16,220,742</u>		<u>9,987,854</u>	
		<u>16,477,549</u>		<u>10,251,712</u>	

The financial statements were approved by the Trustees on2023


Mr D A Longmuir
Trustee


Mr D Maclehoose
Trustee

Company Registration No. SC042641 (Scotland)

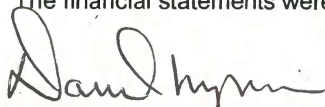
LIVE ACTIVE LEISURE LIMITED

BALANCE SHEET

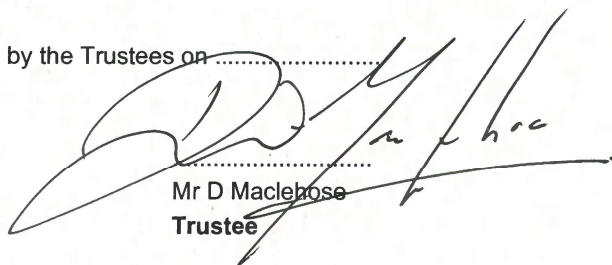
AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11	9,798,332		9,855,331	
Investments	12	312		322	
		<u>9,798,644</u>		<u>9,855,653</u>	
Current assets					
Stocks	13	23,850		29,597	
Debtors	14	1,423,757		1,138,496	
Cash at bank and in hand		<u>6,302,518</u>		<u>7,806,861</u>	
		7,750,125		8,974,954	
Creditors: amounts falling due within one year	15	<u>(1,071,220)</u>		<u>(1,415,130)</u>	
Net current assets		<u>6,678,905</u>		<u>7,559,824</u>	
Total assets less current liabilities		<u>16,477,549</u>		<u>17,415,477</u>	
Provisions for liabilities		-		(7,178,000)	
Net assets		<u>16,477,549</u>		<u>10,237,477</u>	
Income funds					
Restricted funds	18	256,807		263,858	
<u>Unrestricted funds</u>					
Designated funds	19	14,332,571		15,825,977	
General unrestricted funds		<u>1,888,171</u>		<u>(5,852,358)</u>	
		<u>16,220,742</u>		<u>9,973,619</u>	
		<u>16,477,549</u>		<u>10,237,477</u>	

The financial statements were approved by the Trustees on



Mr D A Longmuir
Trustee



Mr D Macleghose
Trustee

Company Registration No. SC042641 (Scotland)

LIVE ACTIVE LEISURE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	24		(961,174)		136,925
Investing activities					
Purchase of tangible fixed assets		(660,458)		(25,099)	
Revaluation on investment		10		-	
Sale of tangible fixed assets		21,844		-	
Interest received		71,323		14,114	
Net cash used in investing activities			(567,281)		(10,985)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			(1,528,455)		125,940
Cash and cash equivalents at beginning of year			7,866,031		7,740,091
Cash and cash equivalents at end of year			6,337,576		7,866,031

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Live Active Leisure Limited is a private company limited by guarantee incorporated in Scotland. The registered office is Caledonia House, Hay Street, Perth, PH1 5HS.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of Consolidation

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary Live Active Leisure Trading Limited (company number SC420693, registered in Scotland) on a line by line basis. The company together with Live Active Leisure Trading Limited comprises the Group.

As described in Note 12, Live Active Leisure Limited is deemed to be a subsidiary undertaking of its ultimate parent, Perth & Kinross Council. Accordingly, the financial statements of Perth & Kinross Council will incorporate the results of Live Active Leisure Limited and its trading subsidiary.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Charity's ability to continue as a going concern. For example, given the ongoing situation with COVID-19 and the fact that visitor numbers haven't returned to pre-pandemic levels, it is difficult to evaluate all the potential implications on the Charity's operations and the wider economy.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Transfers from unrestricted funds are made to meet any shortfalls in restricted projects.

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (cont)

1.5 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Where practicable, income is related to the operating activities of the charitable company. Where there are terms placed on income that limit the company's discretion over how the income can be used, that income is shown as restricted income in the accounts.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. Where a grant condition allows for recovery of any unexpended grant, a liability is recognised when repayment becomes probable. Where donor imposed conditions require that the resource is expended in a future accounting period, income is recorded as deferred income at the Balance Sheet date.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset. Legacy income is measured at fair value, generally the cash amount receivable and discounted if deferred for more than 12 months. The unwinding of the discount is recognised as interest receivable.

Where incoming resources are given specifically to provide a fixed asset, or a fixed asset is donated, all of the incoming resource is recognised in the Statement of Financial Activities when receivable. Once the asset is acquired, the relevant fund is reduced over the useful economic life of the asset in line with its depreciation.

Incoming resources from charitable activities

Perth and Kinross Council service fees; income derived from operation of the sports facilities and all other sports related programmes.

Income from investments

Interest on funds held on deposit is credited to income in the period in which it is receivable.

1.6 Resources expended

Expenditure is recognised when the company has entered into a legal or constructive obligation and related where practicable to the operational activities of the company. Where possible, expenditure is attributed directly to the function to which it relates. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Resources expended are included in the Statement of Financial Activities on an accruals basis.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Individual fixed assets costing more than £10,000 are capitalised at cost. IT equipment and assets relating to refurbishment are expended in full in the year of purchase.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% -20% on cost
Plant and equipment	20% on cost
Fixtures & fittings	20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (cont)

1.8 Fixed asset investments

The charity's investment in its wholly owned subsidiary is included in the charity's balance sheet at cost less impairment.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises actual purchase prices of goods for resale, uniforms and consumables.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Basic financial liabilities

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.11 Retirement benefits

The charity is a member of the Tayside Superannuation Fund ('the Fund'), a defined benefit pension scheme. A defined benefit pension plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to: age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from an employee service during the period, and;
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is recognised in profit or loss as 'Other finance costs'.

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (cont)

1.11 Retirement benefits (cont)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts, together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial gain on defined benefit schemes'.

The gain recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually, the company engages with independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

1.12 Taxation

Live Active Leisure Limited is a partially exempt organisation under Schedule 9 of the VAT Act 1994. During the year, VAT returns have been submitted on a partially exempt basis.

Irrecoverable VAT is charged against the cost of activities where it is incurred.

The charitable company is a registered charity and therefore is not liable to income tax and corporation tax on income and gains derived from its charitable activities, as it falls within the various exemptions available for registered charities.

The subsidiary company has an obligation to covenant any available taxable profits up to Live Active Leisure Limited under Gift Aid.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Grants and donations

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Donations and gifts	348	872	42,082	872
Grant funding	550,252	835,270	550,251	835,270
	<u>550,600</u>	<u>836,142</u>	<u>592,333</u>	<u>836,142</u>

4 Charitable activities

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Income within charitable activities	4,373,327	4,944,978	4,347,128	4,851,716
Services provided under contract	4,653,406	4,645,173	4,653,406	4,645,173
	<u>9,026,733</u>	<u>9,590,151</u>	<u>9,000,534</u>	<u>9,496,889</u>

Included within 'Income within charitable activities' is insurance income of £108,349 (2022 - £2,179,332).

Analysis by fund				
Unrestricted funds	9,020,326	9,580,669	8,994,127	9,487,407
Restricted funds	6,407	9,482	6,407	9,482
	<u>9,026,733</u>	<u>9,590,151</u>	<u>9,000,534</u>	<u>9,496,889</u>

5 Investment income

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Investment income	<u>71,323</u>	<u>14,114</u>	<u>71,323</u>	<u>14,114</u>

6 Grants payable

Grants amounting to £190,962 (2022 - £106,524) were made for sporting and recreational purposes.

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Support costs

	Support costs	Governance costs	2023	2022
	£	£	£	£
Auditor's remuneration	18,861	-	18,861	17,015
	<u>18,861</u>	<u>-</u>	<u>18,861</u>	<u>17,015</u>
Analysed between				
Charitable activities	18,861	-	18,861	17,015
	<u>18,861</u>	<u>-</u>	<u>18,861</u>	<u>17,015</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

No charity trustees received payment for professional or other services (2022 - £nil).

The key management personnel of the parent charity comprise the trustees, the Chief Executive Officer, Director of Finance/Deputy Chief Executive Officer and Director of Operational Services. The total employee benefits of the key management personnel of the charitable company were £260,145 (2022 - £250,024). A relevant proportion of these benefits are recharged to the trading subsidiary within the management charge.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Instruction	38	33
Leisure management	38	38
Operational	172	171
Support	23	21
	<u>271</u>	<u>263</u>

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Employees (continued)

Employment costs

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	4,937,175	4,338,142	4,937,175	4,338,142
Social security costs	362,160	317,353	362,160	317,353
Other pension costs	757,789	691,998	757,789	691,998
	<u>6,057,124</u>	<u>5,347,493</u>	<u>6,057,124</u>	<u>5,347,493</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2023 Number	2022 Number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>1</u>	<u>1</u>

10 Net gains on investments

	Total funds	Total funds
	2023 £	2022 £
Revaluation of investments	<u>(10)</u>	<u>32</u>

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Tangible fixed assets – charity (also comprising that of the group)

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 April 2022	20,437,208	1,091,177	11,950	21,540,335
Additions	549,287	111,171	-	660,458
Disposals	-	(10,646)	(11,200)	(21,846)
At 31 March 2023	20,986,495	1,191,702	750	22,178,947
Depreciation and impairment				
At 1 April 2022	10,646,220	1,038,521	263	11,685,004
Depreciation charged in the year	642,116	63,991	150	706,257
Eliminated in respect of disposals	-	(10,646)	-	(10,646)
At 31 March 2023	11,288,336	1,091,866	413	12,380,615
Carrying amount				
At 31 March 2023	9,698,159	99,836	337	9,798,332
At 31 March 2022	9,790,988	52,656	11,687	9,855,331

Assets under construction at a cost of £25,800 (2022 - £36,299) are included in Freehold land and buildings.

12 Fixed asset investments

	Listed investments	Shares in group	Total
	£	£	£
Cost or valuation			
At 1 April 2022	321	1	322
Valuation changes	(10)	-	(10)
As at 31 March 2023	311	1	312
Carrying amount			
At 31 March 2023	311	1	312
At 31 March 2022	321	1	322

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Fixed asset investments (continued)

Unlisted investments relate entirely to Live Active Leisure Limited's beneficial interest in its trading subsidiary, Live Active Leisure Trading Limited. It is represented by one £1 ordinary share held in Live Active Leisure Trading Limited (company number: SC420693).

Live Active Leisure Trading Limited, incorporated in Scotland, is a wholly-owned subsidiary of Live Active Leisure Limited, established in order to operate facility rental, bar and catering services on behalf of the group.

Net assets of Live Active Leisure Trading Limited at 31 March 2023 totalled £1 which comprised current assets of £1. Relevant financial information regarding Live Active Leisure Trading Limited for the year ended 31 March 2023 is as follows:

	2023 £	2022 £
Turnover	112,421	488,651
Cost of sales	(9,426)	(370,466)
Gross (loss)/profit	102,995	118,185
Administrative expenses	(117,229)	(55,291)
Profit/(loss) on ordinary activities before taxation	(14,234)	62,894
Tax on profit on ordinary activities	-	-
Profit/(loss) for the financial period	(14,234)	62,894

13 Stocks

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Finished goods and goods for resale	23,850	29,597	23,850	29,597

14 Debtors

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Amounts falling due within one year:				
Trade debtors	1,172,983	920,380	1,166,225	919,987
Amounts owed by subsidiary undertakings	-	-	33,285	40,130
Other debtors	49,920	-	49,920	-
Prepayments and accrued income	174,327	178,378	174,327	178,379
	1,397,230	1,098,758	1,423,757	1,138,496

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year:				
Other taxation and social security	167,607	334,669	165,272	332,564
Trade creditors	186,342	290,881	185,781	290,881
Accruals and deferred income	725,801	794,776	720,167	791,685
	<u>1,079,750</u>	<u>1,420,326</u>	<u>1,071,220</u>	<u>1,415,130</u>

16 Provisions for liabilities

	Notes	2023	2022
		£	£
Retirement benefit obligations	17	-	7,178,000
		<u>-</u>	<u>7,178,000</u>

17 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £9k (2022 - £14k).

Defined benefit schemes

The charitable company is an admitted body to the Local Government Pension Scheme (LGPS). This is a defined benefit scheme to which all employees are eligible to join. The LGPS is operated through a number of local Pension Funds with Live Active Leisure Limited and its employees contributing to the Tayside Superannuation Fund administered by Dundee City Council. In the year to 31 March 2023, the employer's contribution rate was 17% of earnings by employees. The employer's contribution rate will be 17% for the next financial year.

Valuation

The charitable company, acting through the administering authority, has employed the fund's actuaries Barnett Waddingham to value Live Active Leisure Limited's share of the assets and liabilities of Tayside Superannuation Fund as at 31 March 2023. The actuaries have used the following financial assumptions in their calculations:

Key assumptions

	2023	2022
	%	%
Discount rate	4.80	2.60
Expected rate of increase of pensions in payment	2.90	3.20
Expected rate of salary increases	<u>3.90</u>	<u>4.20</u>

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Retirement benefit schemes (continued)

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2023 Years	2022 Years
Retiring today		
- Males	19.0	18.9
- Females	22.4	22.3
Retiring in 20 years		
- Males	20.4	20.3
- Females	23.9	23.9

These assumptions are set with reference to market conditions at 31 March 2023.

The estimate of the Employer's past service liability duration is 21 years.

An estimate of the Employer's future cashflows is made using notional cashflows based on the estimated duration above. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point). This is consistent with the approach used at the previous accounting date.

Similar to the approach used to derive the discount rate, the Retail Prices Index (RPI) increase assumption is set using a Single Equivalent Inflation Rate (SEIR) approach using the notional cashflows described above. The single inflation rate derived is that which gives the same net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the BoE implied inflation curve. As above, the Merrill Lynch AA rated corporate bond yield spot curve is assumed to be flat beyond the 30 year point and the BoE implied inflation spot curve is assumed to be flat beyond the 40 year point. This is consistent with the approach used at the previous accounting date.

As future pension increases are expected to be based on Consumer Prices Index (CPI) rather than RPI, a further assumption has been made about CPI which is that it will be 0.30% p.a. below RPI i.e. 2.85% p.a. We believe that this is a reasonable estimate for the future differences in the indices, based on the different calculation methods, recent independent forecasts and the duration of the Employer's liabilities. The difference between RPI and CPI is less than assumed at the previous accounting date. This reflects the movement in market implied RPI inflation that occurred following the UK Statistics Authority's proposal to change how RPI is calculated and subsequent announcements from the Chancellor on the issue.

Salaries are assumed to increase at 1.0% p.a. above CPI in addition to a promotional scale.

Amounts recognised in the profit and loss account:

	2023 £	2022 £
Current service cost	1,988,000	2,159,000
Net interest on defined benefit liability/(asset)	177,000	182,000
Other costs and income	9,000	14,000
Total costs	2,174,000	2,355,000

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Retirement benefit schemes (continued)

Sensitivity Analysis

The following table sets out the impact of a small change in the assumptions on the defined benefit obligation and projected service cost.

	£000's	£000's	£000's
Adjustment to discount rate	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	26,484	27,023	27,579
Projected service cost	710	738	767
Adjustment to long term salary increase	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	27,080	27,023	26,967
Projected service cost	739	738	738
Adjustment to pension increases and deferred revaluation	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	27,532	27,023	26,529
Projected service cost	768	738	709
Adjustment to life expectancy assumptions	+ 1 year	None	- 1 year
Present value of total obligation	27,887	27,023	26,188
Projected service cost	766	738	711

Amounts taken to other comprehensive income:

	2023 £	2022 £
Actual return on scheme assets	1,805,000	(1,905,000)
Less: calculated interest element	963,000	709,000
Return on scheme assets excluding interest income	2,768,000	(1,196,000)
Actuarial changes related to obligations	(19,847,000)	(2,502,000)
Total costs/(income)	(17,079,000)	(3,698,000)

The amounts included in the balance sheet arising from the charitable company's obligations in respect of defined benefit plans are as follows:

	2023 £	2022 £
Present value of defined benefit obligations	35,489,000	43,927,000
Fair value of plan assets	(26,876,000)	(36,749,000)
(Surplus)/deficit in scheme	(8,613,000)	7,178,000
Restriction on scheme assets	8,613,000	-
(Surplus)/deficit recognised	-	7,178,000

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Retirement benefit schemes (continued)

The actuaries have taken into account the requirements of FRS 102 and IAS 19 to consider the asset ceiling. The asset ceiling is the present value of any economic benefit available to the employer in the form of refunds or reduced future employer contributions. The asset ceiling has been calculated to be the future cost of accrual over the expected period of the participation in the fund, calculated in line with the discount rate. However, an allowance has been deducted for the present value of future contributions expected to be paid into the fund, based on the primary rate. The impact of the asset ceiling exceeds the fund asset of £8,466k as at 31 March 2023 and therefore the asset has been reduced to £nil.

Movements in the present value of defined benefit obligations:

	2023 £	2022 £
Defined benefit obligation at 1 April 2022	43,927,000	43,523,000
Current service cost	1,988,000	2,159,000
Past service cost	-	-
Benefits paid	(440,000)	(380,000)
Contributions from scheme members	255,000	236,000
Actuarial gains and losses	(19,847,000)	(2,502,000)
Interest cost	1,140,000	891,000
Changes in effect of asset ceiling	8,466,000	-
At 31 March 2023	35,489,000	43,927,000

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets:

	2023 £	2022 £
Fair value of assets at 1 April 2022	36,749,000	34,316,000
Interest income	963,000	709,000
Return on plan assets (excluding amounts included in net	(2,777,000)	1,182,000
Benefits paid	(440,000)	(380,000)
Contributions by the employer	739,000	686,000
Contributions by scheme members	255,000	236,000
At 31 March 2023	35,489,000	36,749,000

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Retirement benefit schemes (continued)

The fair value of plan assets at the reporting period end was as follows:

	2023 £	2022 £
Equity instruments	25,633,000	26,024,000
Property	3,472,000	4,007,000
Gilts	858,000	1,730,000
Other bonds	4,486,000	4,387,000
Cash	978,000	564,000
Alternatives	62,000	37,000
	<hr/>	<hr/>
	35,489,000	36,749,000
	<hr/>	<hr/>

Projections for the year to 31 March 2024

	£000's
Service cost	738
Net interest on the defined liability	(18)
Administration expenses	9

Total loss **729**

Employer contributions 743

Note - these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2023. These projections are based on the assumptions as at 31 March 2023, as described in this note.

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£	£	£	£	£
Financial Assistance Reserve	109,443	152,000	(147,876)	-	113,567	6,538	(15,000)	-	105,105
Health & Inclusion Reserve	118,776	274,479	(245,091)	-	148,164	1,411	-	-	149,575
Ballechin Fund	2,127	-	-	-	2,127	-	-	-	2,127
Other Reserve	1,684	-	(1,684)	-	-	-	-	-	-
	<u>232,030</u>	<u>426,479</u>	<u>(394,651)</u>	<u>-</u>	<u>263,858</u>	<u>7,949</u>	<u>(15,000)</u>	<u>-</u>	<u>256,807</u>

Purposes of Restricted Funds

Financial Assistance Reserve

The Financial Assistance Reserve is a restricted reserve in so far as the charitable company receives an annual grant from the Gannochy Trust for the purpose of awarding financial assistance to sports initiatives.

Health & Inclusion Reserve

The Health & Inclusion Reserve is a restricted reserve in so far as the charitable company receives grants from a number of external sources, including NHS Tayside, for health improvement and inclusion remits and initiatives for the purpose of supporting programme and service development for this agenda.

The Ballechin Fund

A legacy of £30k was received on 10 March 2008 from Miss E M Honeyman's estate to be known as the Ballechin Fund to be utilised solely for the maintenance or capital expenditure associated with the new recreation centre to be built within the new Aberfeldy Community School.

Other Reserve

A grant was received for support of Community Sports Hubs.

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£	£	£	£	£
Lifecycle Maintenance	1,192,940	300,000	-	-	1,492,940	491,299	-	-	1,984,239
PH2O Reserve	4,102,805	400,000	-	(4,502,805)	-	-	-	-	-
Facility Vision Reserve	-	-	-	2,500,000	2,500,000	-	-	-	2,500,000
Asset Management	-	-	-	602,805	602,805	-	(602,805)	-	-
Specific Project Reserve	-	-	(25,099)	800,000	774,901	-	(724,901)	-	50,000
Covid Recovery Reserve	-	-	-	600,000	600,000	-	(600,000)	-	-
Depreciation Reserve	10,509,925	25,099	(679,693)	-	9,855,331	-	(56,999)	-	9,798,332
	<u>15,805,670</u>	<u>725,099</u>	<u>(704,792)</u>	<u>-</u>	<u>15,825,977</u>	<u>491,299</u>	<u>(1,984,705)</u>	<u>-</u>	<u>14,332,571</u>

Purposes of designated funds

Lifecycle Maintenance Reserve

The Lifecycle Maintenance Reserve is funds set aside for major repairs and significant 'spend to save' initiatives. It is funded by resources allocated by the charitable company.

PH2O Reserve

The PH2O reserve is funds set aside for the delivery of the charity's Facility Vision projects. It is funded by resources allocated by the charitable company which in turn support the submission of external funding support applications.

Insurance Reserve

The Insurance Reserve is funds set aside following the significant flood damage at Perth Leisure Pool and Bell's Sports Centre, and until such time traditional insurance cover is reinstated, this is a prudent provision should a similar event occur.

Asset Management Reserve

This reserve is allocation of funds for significant works identified by the company's Asset Management Plan.

Specific Projects Reserve

The Specific Projects Reserve comprises funds set aside for one-off major repairs.

Covid Recovery Reserve

The Covid Recovery Reserve is designated funds to aid in the recovery of the company from the COVID-19 pandemic.

Depreciation Reserve

The Depreciation Reserve has been funded by grants received from external bodies and funds allocated by the charitable company for investment in the purchase or construction of buildings. The funds are fully committed for transfer to the general reserve in line with the useful lives of the existing buildings.

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Analysis of net assets between funds

	Unrestricted	Designated	Restricted	Total	Total
	2023	2023	2023	2023	2022
Group	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:					
Tangible	-	9,798,332	-	9,798,332	9,855,331
Investments	311	-	-	311	321
Current assets	1,887,860	4,534,239	256,807	6,678,906	7,574,060
Provisions and	-	-	-	-	(7,178,000)
	<u>1,888,171</u>	<u>14,332,571</u>	<u>256,807</u>	<u>16,477,549</u>	<u>10,251,712</u>

LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Analysis of net assets between funds (continued)

	Unrestricted	Designated	Restricted	Total	Total
	2023	2023	2023	2023	2022
	£	£	£	£	£
Company					
Fund balances at 31 March 2023 are represented by:					
Tangible assets	-	9,798,332	-	9,798,332	9,855,331
Investments	312	-	-	312	322
Current assets	1,887,859	4,534,239	256,807	6,678,905	7,559,824
Provisions and pensions	-	-	-	-	(7,178,000)
	<u>1,888,171</u>	<u>14,332,571</u>	<u>256,807</u>	<u>16,477,549</u>	<u>10,237,477</u>

21 Operating lease commitments

At 31 March 2023 the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	1,624	2,614
Between two and five years	-	1,386
	<u>1,624</u>	<u>4,000</u>

22 Capital commitments

	2023	2022
	£	£

At 31 March 2023 the charitable company had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	<u>220,701</u>	<u>748,443</u>
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LIVE ACTIVE LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 Related party transactions

The parent and ultimate controlling party is Perth & Kinross Council.

Substantial funding is received from Perth & Kinross Council by way of grants and service level fees for general purposes and other activities.

Perth & Kinross Council is the sole member of Live Active Leisure Limited. As sole member, Perth & Kinross Council has certain powers of control which are set out in the Articles, including the right to nominate up to 3 elected members of Council to serve on the board of directors, as well as to decide on the appointment and removal of all other directors.

Given the degree of control and influence which exists in the funding, operational and governance relationship, 100% of Live Active Leisure Limited's general funds and net assets are consolidated in Perth & Kinross Council's annual group accounts, in accordance with financial reporting and accounting standards and other regulations applicable to local authorities delivering services through arm's length external organisations.

Related party transactions and balances with Perth & Kinross Council are exempted from disclosure in accordance with paragraph 33.11(a) of FRS 102.

Balances and transactions between the company and its wholly owned subsidiary, Live Active Leisure Trading Limited, have been eliminated on consolidation in the group accounts and are exempted from disclosure in accordance with paragraph 1.12(e) of FRS 102.

24 Cash (absorbed by)/generated from operations	2023	2022
	£	£
Deficit for the year	(2,387,173)	(1,672,061)
Adjustments for:		
Investment income recognised in statement of financial activities	(71,323)	(14,114)
Fair value gains and losses on investments	10	(32)
Depreciation and impairment of tangible fixed assets	695,611	679,693
Loss on disposal of fixed assets	-	-
Difference between pension charge and cash contributions	1,435,000	1,669,000
Movements in working capital:		
Decrease in stocks	5,747	3,200
Increase in debtors	(298,470)	(127,559)
(Decrease)/increase in creditors	(340,576)	(401,202)
Cash generated from operations	961,174	136,925

25 Analysis of changes in net funds

The charitable company had no debt during the year.