



LIVE ACTIVE LEISURE LTD

ANNUAL REPORT

2014/2015

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CHAIRMAN'S STATEMENT

I am pleased to present the Annual Report on the operation of Live Active Leisure Limited for the Financial Year to 31 March 2015.

The Company is not immune to the economic challenge, but has responded with a determination to be imaginative and resourceful whilst continuing to deliver against our priorities for the year to March 2015.

As Chairman, I would like to record my appreciation of the effort and dedication of all Company employees and of course my fellow Volunteer Directors, all of whom contribute in no small way to successes enjoyed and the preparedness to face the undoubted challenges ahead.

In the year when Scotland hosted The Commonwealth Games and Perthshire welcomed The Ryder Cup, the Company achieved a great deal and developed a diverse range of fitness, health and sport services for the communities of Perth and Kinross. The Company once again demonstrated that it is a most effective and efficient organisation and does so entirely on a 'not for profit' basis that sees the communities and economy of Perth and Kinross being the direct beneficiaries.

It is important that I always recognise the vital and beneficial relationship the Company enjoys with a range of individuals and other organisations, especially noteworthy are Perth & Kinross Council, NHS Tayside, The Gannochy Trust, Scottish Enterprise, Perth College UHI, and other Sports and Leisure Trusts.

I believe that Live Active Leisure, through ever increasing partnership working, is making a very significant positive impact on the health and wellbeing of people across our communities. The correlation between active lifestyles and improved health is indisputable and I am in no doubt that there is a considerable opportunity for the Company and its partners to be recognised as genuine 'pathfinders' when seeking-out innovative solutions, services and business opportunities that are immensely beneficial.

The Company has continued its efforts towards realising its PH₂O vision that will deliver a sustainable hub of sports, leisure play and physical activities in the heart of Perth, whilst also providing revenue efficiencies. This project aims to deliver not only health, social and recreational benefits, but also economic growth, sustainable facilities and tourism potential.

The Company has worked collaboratively with Perth & Kinross Council in its review of Culture and Leisure Services to establish new commissioning and delivery arrangements for culture and leisure to ensure best value, with an integrated offer to deliver priority outcomes. The sport and leisure offer is, and must be recognised as being extremely important to the future development of Perth and Kinross as a wider visitor destination.

The Company continues to evolve, develop and play an integral role in enhancing the lives of so many people across Perth and Kinross whilst also acting as an economic stimulus of even greater value during times of such economic challenge.

Bill Duncan
Chairman

Dated:

REFERENCE INFORMATION

DIRECTORS

J Angus (Resigned 31.03.15)
G Bannerman
W Duncan – Chairman
K Dunn
J Hunter
M Robinson – Vice Chair
L Scarborough – Vice Chair (Resigned 24.4.14)
D Longmuir (Appointed 28.05.14)
L Hudson (Hunt) (Appointed 28.05.14)
Councillor J Coburn (Resigned 19.06.14)
Councillor G Laing
Councillor H Stewart
Councillor M Williamson (Appointed 08.10.14)

COMPANY SECRETARY & CHIEF EXECUTIVE OFFICER

J Moyes

COMPANY NUMBER

Registration No. SC042641

REGISTERED CHARITY NUMBER

Registered Charity No. SC000175

REGISTERED OFFICE

Caledonia House
Hay Street
Perth
PH1 5HS

WEBSITE

www.liveactive.co.uk

AUDITOR

Campbell Dallas LLP
Chartered Accountants & Registered Auditors
4 Atholl Crescent
Perth
PH1 5NG

BANKERS

The Co-Operative Bank
29 Gordon Street
GLASGOW
G1 3PF

SOLICITORS

Anderson Beaton Lamond Solicitors
Bordeaux House
31 Kinnoull Street
PERTH
PH1 5EN

LIVE ACTIVE LEISURE LIMITED
(Company Limited by Guarantee and not having a Share Capital)

DIRECTORS' REPORT (Incorporates Trustees Report)

ACCOUNTING CONVENTION

The Directors, who are also Trustees of the Company for the purposes of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", submit their annual report and the audited financial statements for the year ended 31 March 2015.

The Directors have adopted the provisions of the Companies Act 2006, the SORP "Accounting and Reporting by Charities" and the Charities Accounts (Scotland) Regulations 2006 in preparing the annual report and financial statements.

OBJECTS OF THE COMPANY

Live Active Leisure Limited is a private company, limited by guarantee. The Company'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 objects 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.

ORGANISATION

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

The Directors who served the company during the period were as follows:

J Angus (Resigned 31.03.15)
G Bannerman
W Duncan
K Dunn
J Hunter
M Robinson
L Scarborough (Resigned 24.04.14)
D Longmuir (Appointed 28.05.14)
L Hudson (Hunt) (Appointed 28.05.14)
Councillor J Coburn (Resigned 19.06.14)
Councillor G Laing
Councillor H Stewart
Councillor M Williamson (Appointed 08.10.14)

The Company's management structure includes the Chief Executive Officer, J Moyes, who reports to the Chairman and has overall responsibility for the Company's strategic operation and governance.

LIVE ACTIVE LEISURE LIMITED
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DIRECTORS' REPORT (Continued)

LEGAL AND ADMINISTRATIVE INFORMATION

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 Company.

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

Selection is by interview.

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.

Induction and Training of Directors

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

Investment Powers

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

Co-operation with other organisations

The 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. Representatives of Perth & Kinross Council, Education & Children's Services act as monitoring agents of the contract on behalf of the Council. Under separate arrangements the Company leases land from Perth & Kinross Council on the basis of peppercorn or nominal rents.

Employees

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

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

LIVE ACTIVE LEISURE LIMITED
(Company Limited by Guarantee and not having a Share Capital)

DIRECTORS' REPORT (Continued)

Policy on Equal Opportunities

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

The 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 this policy addresses are: age; disability; religion; ethnic origin; gender; and sexual orientation.

Policy on Reserves

The Board has set a general unrestricted reserve target of 10% of total incoming resources, excluding restricted funds, property funding and pensions reserve, with a minimum of 8%. 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 sustain operations over a period if temporary fluctuations in income and expenditure levels are experienced.

The Company currently has three designated reserves, the Lifecycle Maintenance Reserve, the PH₂O Reserve (previously Facility Vision Reserve) and the Depreciation Reserve (previously Property Reserve).

The purpose of the Lifecycle Maintenance Reserve is to fund major repairs and significant 'spend to save' initiatives.

The PH₂O Reserve is designated specifically to contribute to the Company's vision for facilities at the Perth Leisure Pool/Dewars site.

The Depreciation Reserve is funded by grants received from external bodies and funds allocated by the Company with the purpose of buying or constructing property. The 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 as at 31 March 2015 were:

Health & Inclusion Fund	The Ballechin Fund	Financial Assistance Reserve	Lifecycle Maintenance Reserve	PH ₂ O Reserve	Depreciation Reserve	Pension Reserve	General Reserve
£37K	£9K	£110K	£1,310K	£5,000K	£12,361K	(£5,786K)	£1,211K

The existence of the pension deficit may be indicative of future increases in pension costs.

Policy on Grant Making

The Company applies to the Gannochy Trust for financial assistance to support Sports Coaching Initiatives within the Perth and Kinross area.

LIVE ACTIVE LEISURE LIMITED
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DIRECTORS' REPORT (Continued)

RISK MANAGEMENT

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

The Company carries out an annual review of its activities and produces an updated comprehensive risk schedule.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

Live Active Leisure continues to attach great importance to progressing its PH₂O Facility Vision with its 'spend to save' capacity being vital as revenue generation becomes increasingly significant as a result of the extremely challenging economic climate.

The Company has continued its programme of necessary investment in a range of facilities and services across the Perth and Kinross area including a number of venue enhancements and essential maintenance.

To continue to preserve and provide for long term viability, the Company must generate and retain a suitable level of reserves. In light of the financial climate and the challenging plans, the Company 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.

Live Active Leisure has continued to deliver positive turnover and admissions against a backdrop of a reducing core contract fee. Despite this challenge, the range of activities delivered by the Company continues to grow and reflects demand, contractual priorities and commercial potential to assist the cross-subsidisation of social provision, thus reducing exposure to risk.

Importantly, once again the Company enjoyed the generous support of The Gannochy Trust in relation to delivering a myriad of Sports Related Initiatives. Additionally, the Company has also successfully attracted partnership funding from, amongst others, Scottish Enterprise and NHS Tayside.

The challenging period of austerity further supports the importance and delivery of a longer-term contract as it would enable the Company to most effectively plan for and manage the contract fee in a way that minimises the impact on the services most valued by the communities of Perth and Kinross. It is important to note that the Council is undertaking a review of commissioning arrangements and the Company will consider any resultant impact.

The Company remains committed to exploring the potential for delivering other sports and leisure services across the Perth and Kinross area where a business and service case can be presented and the achievement of 'added value' can be expected. The 'not for profit' construct of Live Active Leisure is considered to make this an approach that can most effectively serve both partner and community needs.

The Company recognises the employees as its principal asset and welcomes the essential role which dedicated and skilled employees play in its continued success. As a reflection of this, the Company has established an employer brand, 'Our People', with 5 strategic areas that will allow us to help all team members reach their potential and achieve their goals. We continue the promotion of Health & Wellbeing amongst Our People and achieved the Scottish Healthy Working Lives Silver Award in February 2015.

LIVE ACTIVE LEISURE LIMITED
(Company Limited by Guarantee and not having a Share Capital)

DIRECTORS' REPORT (Continued)

Looking forward to the Company's 50th year there is much success to build on. The Company is in a good position to continue to make a very real contribution to the quality of life and general wellbeing of our communities whilst also trading in a sustainable and efficient way.

DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial year, that give a true and fair view of the state of affairs of the Company and of the incoming resources and application of resources, including the income and expenditure, of the Company for the year.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of 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 Company will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditor

In so far as the Directors are aware:

- There is no relevant audit information of which the charitable Company's auditor is unaware; and
- The Directors 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.

AUDITOR

A resolution to re-appoint Campbell Dallas LLP as auditor for the ensuing year will be proposed at the Accounts Signing-Off Meeting.

By order of the Directors:

Bill Duncan (Chairman)

Date:

INDEPENDENT AUDITOR REPORT TO THE MEMBERS OF LIVE ACTIVE LEISURE LIMITED

We have audited the financial statements of Live Active Leisure Limited for the year ended 31 March 2015 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's directors, as a body, in accordance with section 44(1)(c) of the Charities & Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 10, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

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 2015 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent income and expenditure, for the year then ended;

**INDEPENDENT AUDITOR REPORT
TO THE MEMBERS OF LIVE ACTIVE LEISURE LIMITED**

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

NEIL MORRISON (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF CAMPBELL DALLAS LLP
STATUTORY AUDITOR
CAMPBELL DALLAS LLP IS ELIGIBLE TO ACT AS AN AUDITOR IN TERMS OF SECTION
1212 OF THE COMPANIES ACT 2006
4 ATHOLL CRESCENT
PERTH
PH1 5NG

Dated:

LIVE ACTIVE LEISURE LIMITED
(Company Limited by Guarantee and not having a Share Capital)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 MARCH 2015
(Incorporating the Income & Expenditure Account)

	Note	Unrestricted Funds £000	Restricted Funds £000	2015 Total £000	2014 Total £000
Incoming Resources					
From Generated Funds:					
Investment Income	2	50	-	50	54
From Charitable Activities:					
Services to Perth & Kinross Council		4,084	-	4,084	3,562
Operating Activities		5,128	-	5,128	5,619
Grant funding		49	236	285	517
		<u>9,261</u>	<u>236</u>	<u>9,497</u>	<u>9,698</u>
Other incoming resources		-	-	-	1
Total Incoming Resources		9,311	236	9,547	9,753
Resources Expended					
Charitable Activities:					
Operating Activities	3	10,467	190	10,657	10,633
Grants for Sporting & Recreational Purposes	3	45	52	97	79
Governance Costs	4	12	-	12	10
Total Resources Expended		10,524	242	10,766	10,722
Net (Outgoing)/Incoming Resources		(1,213)	(6)	(1,219)	(969)
Other Recognised Gains and Losses					
Actuarial Gain/(loss) on Defined Benefit Pension Scheme	17	(2,976)	-	(2,976)	(3,252)
Gain on Value of Investments	17	5,604	-	5,604	312
		<u>2,628</u>	<u>-</u>	<u>2,628</u>	<u>(2,940)</u>
Net Movement in Funds		1,415	(6)	1,409	(3,909)
Reconciliation of Funds					
Total funds brought forward		<u>12,681</u>	<u>162</u>	<u>12,843</u>	<u>16,752</u>
Total funds carried forward		<u>14,096</u>	<u>156</u>	<u>14,252</u>	<u>12,843</u>

All incoming resources and resources expended derive from continuing activities

LIVE ACTIVE LEISURE LIMITED
(Company Limited by Guarantee and not having a Share Capital)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2015
(Incorporating the Income & Expenditure Account)

	Note	Unrestricted Funds £000	Restricted Funds £000	2015 Total £000	2014 Total £000
Incoming Resources					
From Generated Funds:					
Investment Income	2	50	-	50	54
From Charitable Activities:					
Services to Perth & Kinross Council		4,084	-	4,084	3,562
Operating Activities		4,903	-	4,903	5,381
Grant funding		49	236	285	517
		9,036	236	9,272	9,460
Other incoming resources		-	-	-	1
Total Incoming Resources		9,086	236	9,322	9,515
Resources Expended					
Charitable Activities:					
Operating Activities	3	10,244	190	10,434	10,398
Grants for Sporting & Recreational Purposes	3	45	52	97	79
Governance Costs	4	10	-	10	7
Total Resources Expended		10,299	242	10,541	10,484
Net (Outgoing)/Incoming Resources		(1,213)	(6)	(1,219)	(969)
Other Recognised Gains and Losses					
Actuarial Gain/(loss) on Defined Benefit Pension Scheme					
	17	(2,976)	-	(2,976)	(3,252)
Gain on Value of Investments	17	5,604	-	5,604	312
		2,628	-	2,628	(2,940)
Net Movement in Funds		1,415	(6)	1,409	(3,909)
Reconciliation of Funds					
Total funds brought forward		12,682	162	12,844	16,753
Total funds carried forward		14,097	156	14,253	12,844

All incoming resources and resources expended derive from continuing activities.

LIVE ACTIVE LEISURE LIMITED
(Company Limited by Guarantee and not having a Share Capital)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015

	Notes	2015 £000	2015 £000	2014 £000
Fixed Assets				
Tangible Assets	7		12,361	12,959
Investments	8		<u>1</u>	<u>1</u>
			12,362	12,960
Current Assets				
Stocks		43		40
Debtors	9	617		330
Cash in Hand and at Bank		<u>8,232</u>		<u>7,989</u>
			8,892	8,359
Current Liabilities				
Bank Overdraft		-		
Creditors (amounts due within 1 year)	10	<u>1,216</u>		<u>940</u>
			1,216	940
Net Current Assets				
			<u>7,676</u>	<u>7,419</u>
Total Assets Less Current Liabilities				
			20,038	20,379
Pension Liability	17		<u>5,786</u>	<u>7,536</u>
Net Assets Including Pension Liability			<u>14,252</u>	<u>12,843</u>
Reserves				
Restricted Reserves	11		156	162
Designated Reserves	12		18,671	19,268
Unrestricted Reserves	13		(4,575)	(6,587)
			<u>14,252</u>	<u>12,843</u>

The financial statements have been prepared in accordance with provisions applicable to medium sized companies and were approved by the Board on 30 October 2015.

..... (Director) Bill Duncan

..... (Director)

..... (Date)

LIVE ACTIVE LEISURE LIMITED
(Company Limited by Guarantee and not having a Share Capital)

BALANCE SHEET AS AT 31 MARCH 2015

	Notes	2015 £000	2015 £000	2014 £000
Fixed Assets				
Tangible Assets	7		12,361	12,959
Investments	8		1	1
			<u>12,362</u>	<u>12,960</u>
Current Assets				
Stocks		34		28
Debtors	9	664		332
Cash in Hand and at Bank		<u>8,143</u>		<u>7,947</u>
				<u>8,307</u>
Current Liabilities				
Bank Overdraft		-	8,841	
Creditors (amounts due within 1 year)	10	<u>1,165</u>		<u>887</u>
			<u>1,165</u>	<u>887</u>
Net Current Assets				
			<u>7,676</u>	<u>7,420</u>
Total Assets Less Current Liabilities				
			20,038	20,380
Pension Liability	17		<u>5,786</u>	<u>7,536</u>
Net Assets Including Pension Liability				
			<u>14,252</u>	<u>12,844</u>
Reserves				
Restricted Reserves	11		156	162
Designated Reserves	12		18,671	19,268
Unrestricted Reserves	13		<u>(4,575)</u>	<u>(6,586)</u>
			<u>14,252</u>	<u>12,844</u>

The financial statements have been prepared in accordance with provisions applicable to medium sized companies and were approved by the Board on 30 October 2015.

..... (Director) Bill Duncan

..... (Director)

..... (Date)

LIVE ACTIVE LEISURE LIMITED
(Company Limited by Guarantee and not having a Share Capital)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £000	2014 £000
Net Cash (Outflow)/Inflow from Operating Activities	15	210	(97)
Return on Investments and Servicing Finance			
Interest Received	2	50	54
		<u>260</u>	<u>(43)</u>
Capital Expenditure and Financial Investment			
Capital Expenditure	7	17	240
		<u>243</u>	<u>(283)</u>
Financing			
Increase/(Decrease) in Loan Debt		-	-
(Decrease)/Increase in Cash		<u>243</u>	<u>(283)</u>
Reconciliation of Net Cash Flow to Movement in Net Debt			
(Decrease)/Increase in Cash During the Year		243	(283)
Cash Outflow/(Inflow) from Debt and Lease Financing	16	-	-
		<u>243</u>	<u>(283)</u>
Net Cash in Hand and Bank at Beginning of Year		<u>7,989</u>	<u>8,272</u>
Net Cash in Hand and Bank at End of Year	16	<u>8,232</u>	<u>7,989</u>

LIVE ACTIVE LEISURE LIMITED
(Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention with the exception of investments which are stated at market value. The financial statements are also in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), applicable accounting standards and the Companies Act 2006.

Fixed Assets

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 provided at the following annual rates in order to write off each asset over its estimated useful life, less estimated residual value.

Heritable Buildings	2 – 8% on cost
Plant & Machinery	20 – 33% on cost
Fixtures & Fittings	20% on cost

Stock

Stock is valued at the lower of cost and net realisable value. Cost comprises actual purchase prices of goods for resale, uniforms and consumables.

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the term of the lease.

Grants

Grants received in relation to capital expenditure are credited to income and expenditure in the period in which the company becomes entitled to them.

Incoming Resources

All incoming resources are included in the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Pension Contributions

The Company operates a pension scheme for certain employees. The cost of pension contributions is charged against revenue in order to recognise the expected cost of providing pensions on a systematic and rational basis over the employees' expected working lives with the Company.

The 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.

The Company, acting through the administering authority, have 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 2015.

Taxation

The Company is a registered charity and is subject neither to Corporation Tax nor Income Tax.

LIVE ACTIVE LEISURE LIMITED
(Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2015

Fund Accounting

Funds held by the charity are classified as follows:

Unrestricted general reserves – these are funds which can be used in accordance with the charitable objectives at the discretion of the Board.

Designated reserves – these are funds set aside by the Board out of unrestricted reserves for the purposes of projects.

Restricted reserves – these funds are created for a defined purpose and may only be used in accordance with the defined purpose.

Unrestricted general reserves in excess of target may be transferred to any designated reserve at the discretion of the Board. The Company currently has three designated reserves, the PH₂O Reserve, the Lifecycle Maintenance Reserve and the Depreciation Reserve.

Resources Expended

All expenditure is accounted for on an accruals basis. Where costs cannot be directly attributed to particular cost headings they have been allocated to activities on a basis consistent with the use of the resources. Resources expended include attributable VAT which cannot be recovered.

Grants Payable are accounted for on an accruals basis.

Charitable activities include expenditure associated with the provision of leisure services, sports development community programme of health and fitness and include both the direct costs and support costs.

Support costs include central functions and have been allocated direct to the charitable activities of the company.

Governance costs are those costs incurred in connection with compliance with constitutional and statutory requirements.

Consolidation

The consolidated accounts, which have been prepared under the historical cost convention and in accordance with applicable UK accounting standards, incorporate the accounts of Live Active Leisure Limited and its subsidiary undertaking Live Active Leisure Trading Limited made up to 31 March 2015.

2. Investment Income

	2015	2014
	£000	£000
Interest Received		
On General Funds	50	54
	50	54

LIVE ACTIVE LEISURE LIMITED
(Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2015

3. Resources Expended on Charitable Activities

	2015	2014
	£000	£000
Operating Activities		
Staff Costs	5,797	5,755
Property Costs	2,260	2,564
Depreciation	615	547
Supplies & Services	927	1,072
Administration Costs	180	195
Pension Fund Costs	878	500
	10,657	10,633
Support Costs Included Above -		
Staff Costs	916	888
Property Costs (Incl Depreciation)	5	4
Supplies and Services	143	133
Services from Perth & Kinross Council	95	95
Other Administration Costs	26	33
	1,185	1,153

Grants for Sporting & Recreational Purposes

	2015	2014
	£000	£000
Grants to Institutions		
Sports Coaching Initiatives	97	79
	97	79

4. Governance Costs

	2015	2014
	£000	£000
Auditors Remuneration	9	6
Audit of the company's subsidiary	2	2
Internal audit	1	1
Pension Fund Report	-	1
	12	10

5. Staff Costs and Numbers

	2015	2014
	£000	£000
Wages & Salaries	4,895	4,851
Social Security Costs	245	254
Pensions	617	585
Other Costs	39	65
	5,797	5,755

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2015

The average monthly number of full time equivalent employees during the year were as follows:

	2015	2014
Instruction	40	40
Leisure Management	39	44
Operational	135	142
Support	21	21

The number of employees receiving remuneration in excess of £70,000 is as follows:

	2015	2014
£70,000 - £80,000	1	1
Employers pension contribution for year	£13K	£13K

No Directors received any remuneration or expenses in their role as Director (2014 £Nil).

6. Transfer To and From Reserves	2015	2014
	£000	£000
To/(From) The Ballechin Fund	-	-
To/(From) Financial Assistance Reserve	4	15
To/(From) Health & Inclusion Reserve	(10)	(7)
To/(From) Lifecycle Maintenance Reserve	-	(132)
To/(From) PH ₂ O Reserve	-	335
To/(From) Depreciation Reserve	(597)	(307)
To/(From) Pension Reserve	(878)	(500)
To/(From) General Reserve	262	(373)
Total Funds transfer from Net Incoming Resources for year	(1,219)	(969)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2015

7. Tangible Fixed Assets – Group and Charity

	Land & Buildings	Plant & Equipment	Total
	£000	£000	£000
Cost			
At 1 April 2014	19,024	857	19,881
Additions	17	-	17
Disposals	-	-	-
At 31 March 2015	19,041	857	19,898
Depreciation			
At 1 April 2014	6,680	242	6,922
Charge for the Year	478	137	615
Disposals	-	-	-
At 31 March 2015	7,158	379	7,537
Net Book Value			
At 31 March 2015	11,883	478	12,361
At 31 March 2014	12,344	615	12,959

The net book value of £12,361K does not include any assets held under finance lease agreements.

8. Investments – Group and Charity

	Listed £000
Total Investments at 1 April 2014	-
Movement in Year	1
Total Investments at 31 March 2015	1

Listed

The Company holds 95 Santander shares which were obtained at no cost. The value of the shareholding at 31 March 2015 was £667 (£616 at 31 March 2014).

Investments held by the Charity also include an additional £1 investment in the Subsidiary Company at cost (see note 20).

9. Debtors

	Group		Charity	
	2015 £000	2014 £000	2015 £000	2014 £000
Trade Debtors	524	236	571	239
Prepayments	93	94	93	93
	617	330	664	332

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2015

10. Creditors – Amounts falling due within one year

	Group		Charity	
	2015	2014	2015	2014
	£000	£000	£000	£000
Trade Creditors	355	213	337	192
Accruals	553	427	541	415
Other Taxes and Social Security Costs	308	300	287	280
	1,216	940	1,165	887

11. Restricted Reserves

	Health & Inclusion Reserve	The Ballechin Fund	Financial Assistance Reserve	Total Other Funds
	£000	£000	£000	£000
Balance as at 1 April 2014	47	9	106	162
Contributions for Year	104	-	132	236
	151	9	238	398
Revenue Expenditure During Year	114	-	128	242
Total Restricted Reserves	37	9	110	156

Health & Inclusion Reserve

The Health & Inclusion Reserve is a restricted reserve in so far as the Company receives grants from NHS Tayside for health improvement and inclusion remits and initiatives for the purpose of supporting programme and service development for this agenda. Grant aid from Air Quality Funding and Paths for All is also reserved to support the Stride for Life project.

Financial Assistance Reserve

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

The Ballechin Fund

A legacy of £30k was received on 10 March 2008 from Miss EM 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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2015

12. Designated Reserves

	PH₂O Reserve £000	Lifecycle Maintenance Reserve £000	Depreciation Reserve £000	Total Designated Reserves £000
Balance as at 1 April 2014	5,000	1,310	12,958	19,268
Contributions for Year	-	-	18	18
	5,000	1,310	12,976	19,286
Amortisation for Year	-	-	615	615
	5,000	1,310	12,361	18,671
Transfers between reserves	-	-	-	
Total Designated Reserves	5,000	1,310	12,361	18,671

The designated reserves are funds set aside by the Board out of unrestricted reserves for the purposes of projects:

Lifecycle Maintenance Reserve

The Major Refurbishment Reserve has been renamed as the Lifecycle Maintenance Reserve and is funds set aside for major repairs and significant 'spend to save' initiatives. It is funded by resources allocated by the Company.

PH₂O Reserve

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

Depreciation Reserve

The Depreciation Reserve has been funded by grants received from external bodies and funds allocated by the 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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2015

13. Reconciliation of Movement in Reserves

	2015	2014
	£000	£000
Net (Outgoing)/Incoming Resources for Year	(1,219)	(969)
Actuarial Gain/(Loss) on Pension Fund	(2,976)	(3,252)
Gain/(Loss) on Investments	5,604	312
Net Increased/(Reduction) to Reserve	1,409	(3,909)
Opening Reserves	12,043	16,752
Closing Reserves	14,252	12,843
Restricted Reserves	156	162
Designated Reserves	18,671	19,268
Unrestricted Reserves	(4,578)	(6,587)
	14,249	12,843
<u>Unrestricted Reserves</u>		
General Reserve excluding Pension Liability	1,211	949
Pension Reserve (Deficit)	(5,786)	(7,536)
Unrestricted Reserve	(4,575)	(6,587)

14. Analysis of Net Assets between Reserves

	Unrestricted Reserves £000	Designated Reserves £000	Restricted Reserves £000	Total 2015 £000	Total 2014 £000
Tangible Assets	-	12,361	-	12,361	12,959
Investments	1	-	-	1	1
Stocks	43	-	-	43	40
Debtors	617	-	-	617	330
Cash in Hand and at Bank	1,749	6,310	173	8,232	7,989
Creditors (amounts due within 1 year)	(1,199)	-	(17)	(1,216)	(940)
Pension Liability	(5,786)	-	-	(5,786)	(7,536)
	(4,575)	18,671	156	14,252	12,843

15. Reconciliation of Net Incoming Resources to Net Cash

Inflow from Operating Activities	Notes	2015	2014
		£000	£000
Net (Outgoing)/Incoming Resources		(1,219)	(969)
Interest Received	2	(50)	(54)
(Increase)/Decrease in Stocks		(3)	10
Decrease/(Increase) in Debtors	9	(287)	92
Increase/(Decrease) in Creditors	10	276	(221)
Depreciation	7	615	546
Pension Fund Costs	3	878	500
Net Cash Inflow from Operating Activities		210	(96)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2015

16. Analysis of Cash and Cash Equivalents

Long Term Loan Balances (ie Net Debt)	At 1 April 2014 £000	Cash Flows £000	At 31 March 2015 £000
Cash in Hand and at Bank	7,989	(243)	8,232
Bank Loan	-	-	
	7,989	(243)	8,232

17. Pension Commitments

The 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 2015, the employers' contribution rate was 18% of earnings by employees. The employers' contribution rate will be 17% for the next financial year.

The Company, acting through the administering authority, have 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 2015. The actuaries have used the following financial assumptions in their calculations.

Assumptions	2014/15 % p.a.	2013/14 % p.a.	2012/13 % p.a.
RPI Increases	3.4	3.7	3.4
CPI Increases	2.6	2.9	2.6
Salary Increases	4.4	5.1	4.8
Pension Increases	2.6	2.9	2.6
Discount Rate	3.5	4.6	4.7

The discount rate is the annualised yield at the 25 year point on the Merrill Lynch AA rated corporate bond yield curve which has been chosen to meet the requirements of IAS19 and with consideration of the duration of the Employer's liabilities. This is consistent with the approach used at the last accounting date.

The RPI increase assumption is set based on the difference between conventional gilt yields and index-linked gilt yields at the accounting date using data published by the Bank of England (BoE), specifically the 25 year point on the BoE market implied inflation curve. The RPI assumption is therefore 3.4% p.a. This is consistent with the approach used at the last accounting date.

As future pension increases are expected to be based on CPI rather than RPI, we have made a further assumption about CPI which is that it will be 0.8% below RPI i.e. 2.6%. We believe that this is a reasonable estimate for the future differences in the indices, based on the different calculation methods.

Salaries are then assumed to increase at 1.8% p.a. above CPI in addition to a promotional scale. However, we have allowed for a short-term overlay from 31 March 2016 for salaries to rise in line with CPI.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2015

Life Expectancy from age 65 years:	2015	2015	2014	2014
	Males	Females	Males	Females
Retiring today	21.2	23.2	21.0	23.3
Retiring in 20 years	23.4	25.5	23.2	25.6

The Category of Assets in the Scheme	2015	2015	2014	2014
	£000's	%	£000's	%
Equities	10,237	71	9,454	76
Gilts	792	5	1,120	9
Bonds	1,827	13	496	4
Property	1,441	10	1,120	9
Cash	159	1	249	2
Total	14,456	100	12,439	100

The Amounts Recognised in the Profit & Loss Statement are:	2015	2014
	£000	£000
Service Cost	1,154	888
Net Interest on the Defined Liability	333	179
Administration Expenses	5	6
Total	1,492	1,073

Reconciliation of Opening & Closing Balances of the Present Value Of the Defined Benefit Obligation:	2015	2014
	£000	£000
Opening Defined Benefit Obligation	19,975	15,138
Current Service Cost	1,154	888
Interest Cost	920	711
Change in Financial Assumptions	3,219	2,751
Change in Demographic Assumptions	(681)	501
Experience (gain) on Defined Benefit Obligation	(4,381)	-
Estimated Benefits Paid Net of Transfers In	(162)	(199)
Contributions by Scheme Participants	198	185
Closing Defined Benefit Obligation	20,242	19,975

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2015

Reconciliation of Opening & Closing Balances of the Fair Value of Scheme Assets:	2015 £000	2014 £000
Opening Fair Value of Scheme Assets	12,439	11,042
Expected Return on Scheme Assets	-	-
Interest on Assets	587	532
Return on Assets less Interest	1,223	312
Administration Expenses	(5)	(6)
Other Actuarial Gains/(Losses)	(438)	-
Contributions by Employer Including Unfunded	614	573
Contributions by Scheme Participants	198	185
Estimated Benefits Paid Plus Unfunded Net of Transfers In	(162)	(199)
Closing Fair Value of Scheme Assets	14,456	12,439

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	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	19,735	20,242	20,763
Projected Service Cost	836	859	883
Adjustment to Long Term Salary Increase	+0.1%	0.0%	-0.1%
Present Rate of Total Obligation	20,341	20,242	20,144
Projected Service Cost	859	859	859
Adjustment to Pension Increases and Deferred Revaluation	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	20,668	20,242	19,828
Projected Service Cost	883	859	836
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present Value of Total Obligation	19,504	20,242	20,986
Projected Service Cost	828	859	890

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2015

Net Pension Liability as at:	2015	2014
	£000	£000
Present Value of Funded Obligation	(20,242)	(19,975)
Fair Value of Scheme Assets	14,456	12,439
Net Liability in Balance Sheet	(5,786)	(7,536)

Projections for Year to 31 March 2016:

Service Cost	859
Net Interest on the Defined Liability	192
Administration Expenses	5
Total	1,056
Employer Contributions	576

Note – These figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2015.

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company and amounted to £2K (2013:£nil).

18. Capital Commitments – Group and Charity

The capital commitments as at 31 March 2015 amount to £197K for contract commitments.

19. Ultimate Controlling Party

The Company was under the ultimate control of its Directors throughout the whole of the current year.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2015

20. Subsidiary Company

The Charity owns the whole of the issued share capital of Live Active Leisure Trading Limited, a company registered in Scotland. The Subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the SOFA. The total net profit is gifted to the charity.

A summary of the results of the subsidiary is shown below:

	2015	2014
	£000	£000
Turnover	412	411
Cost of Sales	(225)	(244)
Gross Profit	187	167
Administrative expenses	(187)	(167)
Net profit/(loss)	-	-

The aggregate of the assets, liabilities was:

Assets	119	107
Liabilities	(119)	(107)
Funds (representing 1 ordinary share of £1) amounted to £1	-	-