

LIVE ACTIVE LEISURE LTD
ANNUAL REPORT

2012/2013

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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 2013.

The Company has enjoyed another successful year meeting and exceeding many of its targets.

As Chairman, I would like to record my appreciation of the effort and dedication of all Company employees and of course my fellow Directors on the Board of Live Active Leisure, all of whom contribute in no small way to successes enjoyed.

The Company has achieved a great deal during the year, and has again demonstrated that it is a most effective and efficient organisation through which a wide and complex range of facilities are developed and managed, and high quality services delivered. Live Active Leisure does so entirely on a 'not for profit' basis that sees the communities and economy of Perth and Kinross being the direct beneficiaries.

The increasingly challenging economic climate is significant for the Company, both in terms of customer spending priorities and also the decreasing contract funding available from public sector client organisations. Typically, the Company has responded positively yet again and has further reduced the proportion of its turnover that results from such contract funding through an increase in both income generation and usage.

Against that backdrop it is important that I recognise the beneficial relationship the Company enjoys with a range of individuals and other organisations, especially noteworthy are Perth & Kinross Council, NHS Tayside, The Gannochy Trust and other Sports and Leisure Trusts.

Despite a year full of challenges and opportunities in varying measures, I have no doubt that the Company has again made considerable progress and demonstrated the tremendous benefits that it delivers through its comprehensive and diverse range of sports, leisure and physical activity services.

The Company's activities continue to 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. This year we have commenced an assessment of the 'social return' value that the Company delivers on any investment it receives from key client organisations and customers. I have absolutely no doubt that this study will demonstrate that Live Active Leisure represents tremendous value for money and returns social benefits well in excess of the level of investment received.

I believe that exciting and challenging times lie ahead for sport, leisure, and physical activity, and the Company has ambitious plans to ensure Perth and Kinross residents enjoy opportunity of the highest order. The Company will seek to embrace such opportunities and meet inevitable challenges.

In celebrating the success of the past year I am mindful of the quality of facilities, services, experience and professionalism available within and to the Company and I am delighted that such a valuable resource remains available in the years ahead, for the benefit of the increasing numbers of customers of Live Active Leisure.

Bill Duncan
Chairman
Live Active Leisure Limited

Dated:

REFERENCE INFORMATION

DIRECTORS

J Angus (Appointed 06.12.12)
G Bannerman
W Duncan – Chairman
K Dunn
J Hunter
M Robinson (Appointed 25.10.12)
L Scarborough – Vice Chairman
P Stewart – Vice Chairman (Resigned 20.06.13)
Councillor J Coburn
Councillor A Jack (Resigned 25.05.12)
Councillor J Kellas (Resigned 25.05.12)
Councillor G Laing (Appointed 23.05.12)
Councillor H Stewart (Appointed 23.05.12)

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 2013.

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 Memorandum and Articles of Association set out the objects for which the Company is established. The principal objects for which the Company is established are to provide and to assist in providing, in the interests of social welfare, recreational facilities and leisure time occupation for members of the public with the object of improving the condition of life of the inhabitants of Perth and Kinross. The objects of the Company also provide powers to erect and operate community sports centres, swimming pools, sports pavilions, changing accommodation, children's playgrounds and any other sports and recreational, community or leisure facilities throughout Perth and Kinross and to co-operate with and assist persons or organisations involved in the provision of such facilities.

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 (Appointed 06.12.12)
G Bannerman
W Duncan
K Dunn
J Hunter
M Robinson (Appointed 25.10.12)
L Scarborough
P Stewart (Resigned 20.06.13)
Councillor J Coburn
Councillor A Jack (Resigned 25.05.12)
Councillor J Kellas (Resigned 25.05.12)
Councillor G Laing (Appointed 23.05.12)
Councillor H Stewart (Appointed 23.05.12)

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
(Company Limited by Guarantee and not having a Share Capital)

DIRECTORS' REPORT (Continued)

LEGAL AND ADMINISTRATIVE INFORMATION

Appointment of Directors

It is the duty of the Company's Board to appoint new Directors.

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 Resolution 3 of the Company's Memorandum and Articles of Association the Company has the power to invest monies under its charge as may from time to time be prescribed by law for trust funds.

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 Joint Consultative Committee and Health and Safety Committee comprising employee and trade union representatives. There also exists an Employee Forum, consisting of nominated representatives from each site or service area within the organisation. The objective of the Forum is to encourage employees to become involved in Company operations by providing a platform for consultation and an opportunity for employees views to be heard.

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

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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 8% of total incoming resources, excluding restricted funds, property funding and pensions reserve, with a minimum of 5%. 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 Facility Vision Reserve and the Property Reserve.

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

The Facility Vision Reserve is designated specifically to contribute to the Company's vision for facilities at the Perth Leisure Pool/Dewars site and Bell's Sport Centre.

The Property 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 2013 were:

Health & Inclusion Fund	The Ballechin Fund	Financial Assistance Reserve	Lifecycle Maintenance Reserve	Facility Vision Reserve	Property Reserve	Pension Reserve	General Reserve
£54K	£9K	£91K	£1,442K	£4,665K	£13,265K	(£4,096K)	£1,322K

The existence of the pension deficit may be indicative of future increases in pension costs and may limit the Company's ability to change pension arrangements in the future due to commitments to current provider.

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.

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(Company Limited by Guarantee and not having a Share Capital)

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 Perth City Facility Vision with its 'spend to save' capacity being of increased importance as a result of the extremely challenging economic climate.

The Company has engaged with external partner organisations as part of the formal funding submission process and has completed the appointment of the Design Team which has enabled progress to be made in design option appraisals and more detailed feasibility studies.

The year has seen the Dewars Centre fully and successfully integrated into the Company and the first of a two phase replacement of the Ice Plant was completed which enables the project to be completed as planned and in doing so meets the requirements of the forthcoming change to regulations resulting in the discontinuation of the use of R22 gas. This project was jointly funded between the Company, Perth and Kinross Council and **sportscotland**.

As a result of some of the Company's acquired activities, it also established Live Active Leisure Trading during the year.

The Company has been considering and preparing for changes in Pension Legislation which will impact during the next year. In recognising the scale and complexity of this impending requirement, the Company has actively participated in various workshops and most appropriately, has been part of a Sporta shared approach to establish the most effective and appropriate solution. Progress towards meeting this requirement is in line with expectation.

At the same time as planning for the Perth City Facility Vision, the Company has continued its programme of essential investment in a range of facilities and services across the Perth and Kinross area including a number of facility enhancements and essential maintenance and replacement projects. The disposal of Elmside House supported the ability to undertake such essential projects. Additionally, the Company has supported a range of 'spend to save' projects to mitigate funding pressures and deliver operational efficiencies going forward.

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 increase its 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

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DIRECTORS' REPORT (Continued)

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, NHS Tayside to support the continued delivery of targeted community priority activities.

The Company also completed contract negotiations with Perth and Kinross Council and has attracted a 2 year contract for services. 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 reduced contract fee in a way that minimises the impact on the services most valued by the communities of Perth and Kinross.

The Company aspires to deliver further appropriate services under contract and through partnership or independently, however it is important to regard this not simply as a transfer of services but rather as an opportunity to transform services positively. The Company therefore remains committed to exploring the potential for delivering other sports and leisure services across the Perth and Kinross area where a business 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, the essential role which dedicated and skilled employees play in the continued success of the Company and that cognisance should be given to the appropriate reward and retention of those who contribute positively to that success. The Company will continue the development of its staffing strategy with a longer-term view which considers the increasing need for service and financial flexibility whilst striving to retain, develop and reward those that help the business succeed.

In line with this, the Company will also continue to promote and deliver development opportunities for its employees to excel in their increasingly varied roles. Development opportunities will focus on core skills whilst also seeking to reflect the opportunities that will flow from the 2014 Commonwealth Games, thus ensuring that skills are developed in a pre-emptive manner to embrace any 'wave' of new sporting interest that may result.

The year has also seen considerable discussion with Perth and Kinross Council in exploring the merit of becoming a Sole Member Organisation with the Council as the Sole Member. These discussions continue as the Company moves forward and will be predicated on acting in the belief of any outcome being in the best interest of the Company. It is thought likely that Directors will formally consider such a proposition during the year ahead subject to the satisfactory completion of ongoing discussions.

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(Company Limited by Guarantee and not having a Share Capital)

DIRECTORS' REPORT (Continued)

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 Annual General 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 2013 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 2013 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:

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

**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 2013
(Incorporating the Income & Expenditure Account)**

	Note	Unrestricted Funds £000	Restricted Funds £000	2013 Total £000	2012 Total £000
Incoming Resources					
From Generated Funds:					
Investment Income	2	80	-	80	69
From Charitable Activities:					
Services to Perth & Kinross Council		3,648	-	3,648	3,767
Operating Activities		6,032	-	6,032	5,211
Grant funding		323	196	519	234
		10,003	196	10,199	9,212
Other incoming resources		187	-	187	-
Total Incoming Resources		10,270	196	10,466	9,281
Resources Expended					
Charitable Activities:					
Operating Activities	3	10,258	115	10,373	9,008
Grants for Sporting & Recreational Purposes	3	40	38	78	70
Governance Costs	4	16	-	16	9
Total Resources Expended		10,314	153	10,467	9,087
Net (Outgoing)/Incoming Resources		(44)	43	(1)	194
Other Recognised Gains and Losses					
Actuarial Gain/(loss) on Defined Benefit Pension Scheme					
	17	1,276	-	1,276	(3,846)
Gain on Value of Investments	8	-	-	-	(1)
		1,276	-	1,276	(3,847)
Net Movement in Funds		1,232	43	1,275	(3,653)
Reconciliation of Funds					
Total funds brought forward		15,366	111	15,477	19,130
Total funds carried forward		16,598	154	16,752	15,477

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 2013
(Incorporating the Income & Expenditure Account)

	Note	Unrestricted Funds £000	Restricted Funds £000	2013 Total £000	2012 Total £000
Incoming Resources					
From Generated Funds:					
Investment Income	2	80	-	80	69
From Charitable Activities:					
Services to Perth & Kinross Council		3,648	-	3,648	3,767
Operating Activities		5,769	-	5,769	5,211
Grant funding		323	196	519	234
		9,740	196	9,936	9,212
Other incoming resources		187	-	187	-
Total Incoming Resources		10,007	196	10,203	9,281
Resources Expended					
Charitable Activities:					
Operating Activities	3	9,997	115	10,112	9,008
Grants for Sporting & Recreational Purposes	3	40	38	78	70
Governance Costs	4	13	-	13	9
Total Resources Expended		10,050	153	10,203	9,087
Net (Outgoing)/Incoming Resources		(43)	43	-	194
Other Recognised Gains and Losses					
Actuarial Gain/(loss) on Defined Benefit Pension Scheme					
	17	1,276	-	1,276	(3,846)
Gain on Value of Investments	8	-	-	-	(1)
		1,276	-	1,276	(3,847)
Net Movement in Funds		1,233	43	1,276	(3,653)
Reconciliation of Funds					
Total funds brought forward		15,366	111	15,477	19,130
Total funds carried forward		16,599	154	16,753	15,477

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 2013

	Notes	2013 £000	2013 £000	2012 £000
Fixed Assets				
Tangible Assets	7		13,265	13,658
Investments	8		-	-
			<u>13,265</u>	<u>13,658</u>
Current Assets				
Stocks		50		31
Debtors	9	422		346
Cash in Hand and at Bank		<u>8,272</u>		<u>7,962</u>
			8,744	<u>8,339</u>
Current Liabilities				
Bank Overdraft		-		90
Creditors (amounts due within 1 year)	10	<u>1,161</u>		<u>1,438</u>
			<u>1,161</u>	<u>1,528</u>
Net Current Assets				
			<u>7,583</u>	<u>6,811</u>
Total Assets Less Current Liabilities				
			20,848	20,469
Pension Liability	17		<u>4,096</u>	<u>4,992</u>
Net Assets Including Pension Liability				
			<u>16,752</u>	<u>15,477</u>
Reserves				
Restricted Reserves	11		154	111
Designated Reserves	12		19,372	19,238
Unrestricted Reserves	13		(2,774)	(3,872)
			<u>16,752</u>	<u>15,477</u>

The financial statements have been prepared in accordance with provisions applicable to medium sized companies and were approved by the Board on 10 October 2013.

..... (Director) Bill Duncan

..... (Director) Linton Scarborough

..... (Date)

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

BALANCE SHEET AS AT 31 MARCH 2013

	Notes	2013 £000	2013 £000	2012 £000
Fixed Assets				
Tangible Assets	7		13,265	13,658
Investments	8		-	-
			<u>13,265</u>	<u>13,658</u>
Current Assets				
Stocks		36		31
Debtors	9	392		346
Cash in Hand and at Bank		<u>8,247</u>		<u>7,962</u>
			8,675	<u>8,339</u>
Current Liabilities				
Bank Overdraft		-		90
Creditors (amounts due within 1 year)	10	<u>1,091</u>		<u>1,438</u>
			<u>1,091</u>	<u>1,528</u>
Net Current Assets				
			<u>7,584</u>	<u>6,811</u>
Total Assets Less Current Liabilities				
			20,849	20,469
Pension Liability	17		<u>4,096</u>	<u>4,992</u>
Net Assets Including Pension Liability				
			<u>16,753</u>	<u>15,477</u>
Reserves				
Restricted Reserves	11		154	111
Designated Reserves	12		19,372	19,238
Unrestricted Reserves	13		<u>(2,773)</u>	<u>(3,872)</u>
			<u>16,753</u>	<u>15,477</u>

The financial statements have been prepared in accordance with provisions applicable to medium sized companies and were approved by the Board on 10 October 2013.

..... (Director) Bill Duncan

..... (Director) Linton Scarborough

..... (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 2013

	Note	2013 £000	2012 £000
Net Cash Inflow from Operating Activities	15	981	972
Return on Investments and Servicing Finance			
Interest Received	2	80	69
		<u>1,061</u>	<u>1,041</u>
Capital Expenditure and Financial Investment			
Capital Expenditure	7	661	18
		<u>400</u>	<u>1,023</u>
Financing			
Increase/(Decrease) in Loan Debt		-	-
(Decrease)/Increase in Cash		<u>400</u>	<u>1,023</u>
Reconciliation of Net Cash Flow to Movement in Net Debt			
(Decrease)/Increase in Cash During the Year		400	1,023
Cash Outflow/(Inflow) from Debt and Lease Financing	16	-	-
		<u>400</u>	<u>1,023</u>
Net Cash in Hand and Bank at Beginning of Year		<u>7,872</u>	<u>6,849</u>
Net Cash in Hand and Bank at End of Year	16	<u>8,272</u>	<u>7,872</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

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 expensed 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 2013.

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 2013

Taxation

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

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 Facility Vision Reserve, the Lifecycle Maintenance Reserve and the Property 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.

2. Investment Income

	2013	2012
	£000	£000
Interest Received		
On General Funds	<u>80</u>	<u>69</u>
	<u>80</u>	<u>69</u>

LIVE ACTIVE LEISURE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2013

3. Resources Expended on Charitable Activities

	2013	2012
	£000	£000
Operating Activities		
Staff Costs	5,520	5,168
Property Costs	2,380	1,907
Depreciation	1,054	1,000
Supplies & Services	836	733
Administration Costs	203	199
Pension Fund Costs	380	1
	10,373	9,008

Support Costs Included Above -

Staff Costs	799	705
Property Costs (Incl Depreciation)	5	7
Supplies and Services	138	89
Services from Perth & Kinross Council	95	95
Other Administration Costs	37	40
	1,074	936

Grants for Sporting & Recreational Purposes

	2013	2012
	£000	£000
Grants to Institutions		
Sports Coaching Initiatives	78	70
	78	70

4. Governance Costs

	2013	2012
	£000	£000
Auditors Remuneration	9	8
Audit of the company's subsidiary	2	-
Internal audit	1	-
All other services	3	-
Pension Fund Report	1	1
	16	9

5. Staff Costs and Numbers

	2013	2012
	£000	£000
Wages & Salaries	4,704	4,368
Social Security Costs	252	236
Pensions	502	522
Other Costs	62	42
	5,520	5,168

LIVE ACTIVE LEISURE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2013

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

	2013	2012
Instruction	32	29
Leisure Management	42	40
Operational	146	137
Support	18	19

The number of employees receiving remuneration in excess of £60,000 is as follows:

	2013	2012
£60,000 - £70,000	1	1
Employers pension contribution for year		£12K

No Directors received any remuneration or expenses in their role as Director (2012 £Nil).

6. Transfer To and From Reserves

	2013	2012
	£000	£000
To/(From) The Ballechin Fund	-	-
To/(From) Financial Assistance Reserve	18	3
To/(From) Health & Inclusion Reserve	25	29
To/(From) Lifecycle Maintenance Reserve	187	325
To/(From) Facility Vision Reserve	340	525
To/(From) Property Reserve	(393)	(982)
To/(From) Pension Reserve	(380)	(1)
To/(From) General Reserve	202	295
Total Funds transfer from Net Incoming Resources for year	(1)	194

LIVE ACTIVE LEISURE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2013

7. Tangible Fixed Assets – Group and Charity

	Land & Buildings £000	Plant & Equipment £000	Total £000
Cost			
At 1 April 2012	25,645	174	25,819
Additions	152	509	661
At 31 March 2013	25,797	683	26,480
Depreciation			
At 1 April 2012	11,987	174	12,161
Charge for the Year	1,001	53	1,054
Disposals	-	-	-
At 31 March 2013	12,988	227	13,215
Net Book Value			
At 31 March 2013	12,809	456	13,265
At 31 March 2012	13,658	0	13,658

The net book value of £13,265K does not include any assets held under finance lease agreements.

8. Investments – Group and Charity

	Listed £000
Total Investments at 1 April 2012	-
Movement in Year	-
Total Investments at 31 March 2013	-

Listed

The Company holds 83 Santander shares which were obtained at no cost. The value of the shareholding at 31 March 2013 was £435 (£471 at 31 March 2012).

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

9. Debtors

	Group		Charity	
	2013 £000	2012 £000	2013 £000	2012 £000
Trade Debtors	317	307	287	307
Prepayments	105	39	105	39
	422	346	392	346

LIVE ACTIVE LEISURE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2013

10. Creditors – Amounts falling due within one year

	Group		Charity	
	2013	2012	2013	2012
	£000	£000	£000	£000
Trade Creditors	316	337	288	337
Accruals	549	751	540	751
Other Taxes and Social Security Costs	296	350	263	350
	1,161	1,438	1,091	1,438

11. Restricted Reserves

	Health & Inclusion Reserve	The Ballechin Fund	Financial Assistance Reserve	Total Other Funds
	£000	£000	£000	£000
Balance as at 1 April 2012	29	9	73	111
Contributions for Year	74	-	122	196
	103	9	195	307
Revenue Expenditure During Year	49	-	104	153
Total Restricted Reserves	54	9	91	154

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.

LIVE ACTIVE LEISURE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2013

12. Designated Reserves

	Facility Vision Reserve £000	Lifecycle Maintenance Reserve £000	Property Reserve £000	Total Designated Reserves £000
Balance as at 1 April 2012	4,325	1,255	13,658	19,238
Contributions for Year	340	187	607	1,134
	4,665	1,442	14,265	20,372
Amortisation for Year	-	-	1,000	1,000
	4,665	1,442	13,265	19,372
Transfers between reserves	-	-	-	-
Total Designated Reserves	4,665	1,442	13,265	19,372

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.

Facility Vision Reserve

The Facility Vision Reserve is funds set aside for the delivery of the Company's Facility Vision projects. It is funded initially by a redesignation from the Lifecycle Maintenance Reserve and then by resources allocated by the Company which in turn support the submission of external funding support applications.

Property Reserve

The Property 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.

LIVE ACTIVE LEISURE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2013

13. Reconciliation of Movement in Reserves

	2013	2012
	£000	£000
Net (Outgoing)/Incoming Resources for Year	(1)	194
Actuarial Gain/(Loss) on Pension Fund	1,276	(3,846)
Gain/(Loss) on Investments	-	(1)
Net Increased/(Reduction) to Reserve	1,275	(3,653)
Opening Reserves	15,477	19,130
Closing Reserves	16,752	15,477
Restricted Reserves	154	111
Designated Reserves	19,372	19,238
Unrestricted Reserves	(2,774)	(3,872)
	16,752	15,477
<u>Unrestricted Reserves</u>		
General Reserve excluding Pension Liability	1,322	1,120
Pension Reserve (Deficit)	(4,096)	(4,992)
Unrestricted Reserve	(2,774)	(3,872)

14. Analysis of Net Assets between Reserves

	Unrestricted	Designated	Restricted	Total	Total
	Reserves	Reserves	Reserves	2013	2012
	£000	£000	£000	£000	£000
Tangible Assets	-	13,265	-	13,265	13,658
Investments	-	-	-	-	-
Stocks	50	-	-	50	31
Debtors	422	-	-	422	346
Cash in Hand and at Bank	1,982	6,107	183	8,272	7,962
Bank Overdraft	-	-	-	-	(90)
Creditors (amounts due within 1 year)	(1,132)	-	(29)	(1,161)	(1,438)
Pension Liability	(4,096)	-	-	(4,096)	(4,992)
	(2,774)	19,372	154	16,752	15,477

15. Reconciliation of Net Incoming Resources to Net Cash

Inflow from Operating Activities	Notes	2013	2012
		£000	£000
Net (Outgoing)/Incoming Resources		(1)	194
Interest Received	2	(80)	(69)
(Increase)/Decrease in Stocks		(19)	(1)
Decrease/(Increase) in Debtors	9	(76)	(168)
Increase/(Decrease) in Creditors	10	(277)	15
Depreciation	7	1,054	1,000
Pension Fund Costs	3	380	1
Net Cash Inflow from Operating Activities		981	972

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2013

16. Analysis of Cash and Cash Equivalents

Long Term Loan Balances (ie Net Debt)	At 1 April 2012 £000	Cash Flows £000	At 31 March 2013 £000
Cash in Hand and at Bank	7,872	400	8,272
Bank Loan	-	-	-
	7,872	400	8,272

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 2013, the employers' contribution rate was 18.5% of earnings by employees. The employers' contribution rate will be 18.5% 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 2013. The actuaries have used the following financial assumptions in their calculations.

Assumptions	2012/13 % p.a.	2011/12 % p.a.	2010/11 % p.a.
RPI Increases	3.4	3.3	3.5
CPI Increases	2.6	2.5	2.7
Salary Increases	4.8	4.8	5.0
Pension Increases	2.6	2.5	2.7
Discount Rate	4.7	4.6	5.5

The discount rate is the annualised yield at the 25 year point on the Merrill Lynch AA rated corporate bond curve which has been chosen to meet the requirements of IAS19 and with consideration of the duration of the Employer's liabilities. This approach has been updated from previous disclosures when the yield on the iBoxx AA rated over 15 year Corporate Bond Index was used as a standard assumption for most Employers in the Fund.

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, specifically the 25 year point on the BoE spot inflation curve. Previously, the 20 year point was used and so this has been updated to reflect that this Employer's liabilities have a longer duration than average.

This measure has historically overestimated future increases in the RPI and so we have made a deduction of 0.25% to get the RPI assumption of 3.4%. 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 ie 2.6%. We believe that this is a reasonable estimate for the future differences in the indices, based on the different calculation methods.

Salary increases are then assumed to be 1.4% above RPI in addition to a promotional scale. This is a slightly lower long-term assumption than last year to reflect the continuing climate of low salary increases.

LIVE ACTIVE LEISURE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2013

Life Expectancy from age 65 years:

	Males	Females
Retiring today	20.6	22.9
Retiring in 20 years	21.9	24.5

The Category of Assets in the Scheme	2013	2012
	%	%
Equities	71	68
Gifts	7	8
Other Bonds	11	11
Property	9	11
Cash	2	2
Total	100	100

The Amounts Recognised in the Pension Fund Profit & Loss Statement are:	2013	2012
	£000	£000
Current Service Cost	803	592
Interest on Obligation	643	566
Expected Return on Scheme Assets	(566)	(634)
Past Service Cost	-	-
Losses (Gains) on Curtailment and Settlement	-	(12)
Total	880	536

Actual Return on Scheme Assets	1,556	35
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Reconciliation of Opening & Closing Balances of the Present Value Of the Defined Benefit Obligation:	2013	2012
	£000	£000
Opening Defined Benefit Obligation	13,993	10,671
Service Cost	803	592
Interest Cost	643	566
Actuarial Losses (Gains)	(286)	2,119
Losses (Gains) on Curtailments	-	12
Estimated Benefits Paid Net of Transfers In	(177)	(133)
Past service cost	-	-
Contributions by Scheme Participants	162	166
Closing Defined Benefit Obligation	15,138	13,993

Reconciliation of Opening & Closing Balances of the Fair Value of Scheme Assets:	2013	2012
	£000	£000
Opening Fair Value of Scheme Assets	9,001	9,526
Expected Return on Scheme Assets	566	634
Actuarial Gains (Losses)	990	(1,727)
Contributions by Employer Including Unfunded	500	535
Contributions by Scheme Participants	162	166
Estimated Benefits paid Net of Transfers In and Including Unfunded	(177)	(133)
Fair Value of Scheme Assets at End of Period	11,042	9,001

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2013

Reconciliation of Opening & Closing Surplus:	2013	2012
	£000	£000
(Deficit) at Beginning of Year	(4,992)	(1,145)
Current Service Cost	(803)	(592)
Employer Contributions	500	535
Past Service Costs	-	-
Other Finance Income	(77)	68
Settlements/Curtailments	-	(12)
Actuarial Gain/(Loss)	1,276	(3,846)
Surplus (Deficit) at End of the Year	(4,096)	(4,992)

Sensitivity Analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption.

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	14,630	15,138	15,666
Projected Service Cost	742	777	812
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present Value of Total Obligation	14,572	15,138	15,710
Projected Service Cost	742	777	812

Amounts for the Current and Previous Periods:	2013	2012	2011	2010	2009
	£000	£000	£000	£000	£000
Defined Benefit Obligation	(15,138)	(13,993)	(10,671)	(12,557)	(7,255)
Scheme Assets	11,042	9,001	9,526	8,301	5,714
(Deficit)	(4,096)	(4,992)	(1,145)	(4,256)	(1,541)
Experience Adjustments on Scheme Liabilities	-	85	-	-	318
Percentage of Liabilities	-	0.6%	-	-	4.4%
Experience Adjustments on Scheme Assets	990	(1,727)	53	1,684	(3,147)
Percentage of Assets	9.0%	(19.2%)	0.6%	20.3%	(55.1%)
Cumulative Actuarial Gains and Losses	(3,954)	(5,230)	(1,384)	(3,297)	(466)

LIVE ACTIVE LEISURE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2013

Net Pension Liability as at:	2013	2012
	£000	£000
Present Value of Funded Obligation	(15,138)	(13,993)
Fair Value of Scheme Assets	11,042	9,001
Net Liability in Balance Sheet	(4,096)	(4,992)

Projections for Year to 31 March 2014:

Service Cost	777
Net Interest on the Defined Liability	181
Administration Expenses	6
Total	964
Employer Contributions	498

Note – These figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2013.

18. Capital Commitments – Group and Charity

The capital commitments as at 31 March 2013 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.

LIVE ACTIVE LEISURE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2013

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:

	2013
	£000
Turnover	429
Cost of Sales	(244)
Gross Profit	185
Administrative expenses	(185)
Net profit/(loss)	-

The aggregate of the assets, liabilities was:

Assets	118
Liabilities	(118)

Funds (representing 1 ordinary share of £1) amounted to £1.