



**LIVE ACTIVE LEISURE LTD**

**ANNUAL REPORT**

**2016/17**

## Live Active Leisure Limited

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## **Live Active Leisure Limited**

### **Chairman's Report for the Year Ended 31 March 2017**

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In my first year as Chairman I am pleased to present the Annual Report on the operation of Live Active Leisure Limited for the Financial Year to 31 March 2017.

This past year marked the 50<sup>th</sup> Anniversary of Live Active Leisure's contribution to health and well-being throughout the whole of the Perth and Kinross area, and it is testament to LAL's long standing success that local people enjoy such high levels of participation in sport and physical activity.

However, this will be no mean feat as we face increasing pressures on budgets and resources, a portfolio of buildings of mixed ages and with varying potential for investment, and a continuing need to provide popular public accessibility.

Yet again, this year has seen Live Active Leisure work creatively to continue to deliver great benefit and opportunity to communities across Perth and Kinross. The challenging economic climate experienced has required us to be mindful of our vision "to be the provider of choice" in Perth and Kinross for everyone to "Live Active lives". In turn we ensure that we continue to deliver extremely diverse, meaningful and relevant activity opportunities to all sections of our community, wherever practicable to do so, enabling the enjoyment and many, many benefits of more active lives.

I wish to recognise the vital and beneficial relationship the charitable 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.

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 charitable company and its partners to be recognised as genuine 'pathfinders' when seeking-out innovative solutions, services and business opportunities that are immensely beneficial.

Live Active Leisure 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.

Live Active Leisure 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 and I commend all who have contributed.

As Chairman, I would like to record my appreciation of the effort and dedication of all 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

**M T Robinson, Chairman  
26 October 2017**

## **Live Active Leisure Limited**

### **Operating and Financial Review for the Year Ended 31 March 2017**

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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 charity 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. Until such times as our venue redevelopment vision is realised, it is increasingly necessary to make significant interim investment given the age and usage of key facilities.

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

Live Active Leisure has continued to deliver positive turnover in admissions against a backdrop of a reducing core contract fee. Despite this challenge, the range of activities delivered by the charitable 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.

The charitable 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.

This commitment saw the transfer of further services from the Council to Live Active Leisure from 1 April 2016, both complementing and integrating with the existing service provision whilst remaining aligned to the company's vision "to be the provider of choice in Perth and Kinross".

Importantly, once again, the charitable company enjoyed the generous support of The Gannochy Trust in relation to delivering a myriad of Sports Related Initiatives. Additionally, the charitable company has also successfully attracted partnership funding from a number of other organisations.

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

Looking forward, the charitable company will 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.

The trustees who are also directors of the charitable company for the purposes of the Companies Act 2006, present their report with the financial statements of the charitable company for the year ended 31 March 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

## Live Active Leisure Limited

### Report of the Trustees for the Year Ended 31 March 2017

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#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

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.

##### Grantmaking

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

#### STRATEGIC REPORT

##### Financial review

###### *Investment powers*

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

###### *Reserves policy*

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 charitable company currently has four designated reserves, the Lifecycle Maintenance Reserve, the PH<sub>2</sub>O Reserve (previously Facility Vision Reserve), the Depreciation Reserve (previously Property Reserve) and the Specific Projects Reserve.

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

The PH<sub>2</sub>O reserve is designated specifically to contribute to the charitable 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 charitable 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 Specific Projects Reserve is designated to fund one-off projects, currently being funds for the Bells Dome Project.

The balances on the Reserves at 31 March 2017 were:

Health & Inclusion Fund	£	62K
The Ballechin Fund	£	9K
Financial Assistance Reserve	£	50K
Lifecycle Maintenance Reserve	£	1,675K
PH <sub>2</sub> O Reserve	£	5,000K
Depreciation Reserve	£	10,940K
Specific Projects Reserve	£	445K
Other Reserve	£	4K
Pension Reserve	£	(9,193)K
General Reserve	£	1,146K

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

## **Live Active Leisure Limited**

### **Report of the Trustees for the Year Ended 31 March 2017**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

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

##### **Recruitment and appointment of new trustees**

###### ***Appointment of Directors***

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

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

Selection is by interview.

###### ***Appointment of Elected Members***

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

###### ***Organisational structure***

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

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

###### ***Induction and training of new trustees***

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

##### **Related parties**

###### ***Co-operation with other organisations***

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

###### ***Employees***

The charitable 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.

###### ***Risk management***

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

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

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

## Live Active Leisure Limited

### Report of the Trustees for the Year Ended 31 March 2017

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#### ***Policy on Equal Opportunities***

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

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

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

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

SC042641 (Scotland)

##### **Registered Charity number**

SC000175

##### **Registered office**

Caledonia House  
Hay Street  
Perth  
PH1 5HS

##### **Trustees**

Councillor H M L Stewart	(resigned 17.5.17)
Councillor G W Laing	
G W Bannerman	
W R L Duncan	
K Dunn	(resigned 27.10.16)
M T Robinson	
D Longmuir	
Mrs L Hudson	
Councillor M Williamson	(resigned 17.5.17)
C D Allan	(appointed 18.5.16)
Ms M Colvin	(appointed 27.10.16)
Councillor W B Robertson	(appointed 17.5.17)
Councillor A Forbes	(appointed 17.5.17)

##### **Company Secretary**

J Moyes

##### **Auditors**

Campbell Dallas  
Chartered Accountants &  
Statutory Auditors  
5 Whitefriars Crescent  
Perth  
Perthshire  
PH2 0PA

## **Live Active Leisure Limited**

### **Report of the Trustees for the Year Ended 31 March 2017**

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#### **REFERENCE AND ADMINISTRATIVE DETAILS**

- **continued**

##### **Solicitors**

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

##### **Bankers**

The Bank of Scotland  
10 – 16 King Edward Street  
Perth  
PH1 5UT

#### **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Live Active Leisure Limited for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 26 October 2017 and signed on the board's behalf by:

M T Robinson - Trustee



## **Report of the Independent Auditors to the Trustees and Members of Live Active Leisure Limited**

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We have audited the financial statements of Live Active Leisure Limited for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Statements of Financial Position, the Group Statement of Cash Flows 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and 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 and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page six, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 auditors 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 the 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 trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Report, the Operating and Financial Review and the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material 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 2017 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Report of the Independent Auditors to the Trustees and Members of  
Live Active Leisure Limited**

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**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees 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 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 trustees' 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

Chartered Accountants &

Statutory Auditors

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

5 Whitefriars Crescent

Perth

Perthshire

PH2 0PA

26 October 2017

The notes form part of these financial statements

**Live Active Leisure Limited**

**Consolidated Statement of Financial Activities (including consolidated income and expenditure account)  
for the Year Ended 31 March 2017**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
<b>Charitable activities</b>	4					
Operating Activities		5,422,414	-	12,977	5,435,391	5,199,670
Services to Perth & Kinross Council		4,793,135	-	-	4,793,135	3,969,255
Grant Funding		11,057	-	203,669	214,726	296,268
Investment income	3	39,760	-	2	39,762	43,999
<b>Total</b>		10,266,366	-	216,648	10,483,014	9,509,192
<b>EXPENDITURE ON</b>						
<b>Charitable activities</b>	5					
Operating Activities		9,662,059	843,166	256,398	10,761,623	9,838,019
Grants for Sporting & Recreational Purposes		-	-	36,896	36,896	61,817
Pension Fund Costs		407,000	-	-	407,000	526,000
<b>Total</b>		10,069,059	843,166	293,294	11,205,519	10,425,836
<b>NET INCOME/(EXPENDITURE)</b>		197,307	(843,166)	(76,646)	(722,505)	(916,644)
<b>Transfers between funds</b>	16	(634,043)	634,043	-	-	-
Actuarial gains/(losses) on defined benefit schemes		(4,422,000)	-	-	(4,422,000)	1,948,000
<b>Net movement in funds</b>		(4,858,736)	(209,123)	(76,646)	(5,144,505)	1,031,356
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		(3,188,091)	18,268,762	202,367	15,283,038	14,251,682
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>(8,046,827)</u>	<u>18,059,639</u>	<u>125,721</u>	<u>10,138,533</u>	<u>15,283,038</u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**Live Active Leisure Limited**

**Statement of Financial Activities (including income and expenditure account)  
for the Year Ended 31 March 2017**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
<b>Donations and legacies</b>	2	67,000	-	-	67,000	77,000
<b>Charitable activities</b>	4					
Operating Activities		5,089,618	-	12,977	5,102,595	4,925,105
Services to Perth & Kinross Council		4,793,135	-	-	4,793,135	3,969,255
Grant Funding		11,057	-	203,669	214,726	296,268
Investment income	3	39,760	-	2	39,762	43,999
<b>Total</b>		10,000,570	-	216,648	10,217,218	9,311,627
<b>EXPENDITURE ON Charitable activities</b>						
Operating Activities	5	9,396,263	843,166	256,398	10,495,827	9,640,454
Grants for Sporting & Recreational Purposes		-	-	36,896	36,896	61,817
Pension Fund Costs		407,000	-	-	407,000	526,000
<b>Total</b>		9,803,263	843,166	293,294	10,939,723	10,228,271
<b>NET INCOME/(EXPENDITURE)</b>		197,307	(843,166)	(76,646)	(722,505)	(916,644)
<b>Transfers between funds</b>	16	(634,043)	634,043	-	-	-
Actuarial gains/(losses) on defined benefit schemes		(4,422,000)	-	-	(4,422,000)	1,948,000
<b>Net movement in funds</b>		(4,858,736)	(209,123)	(76,646)	(5,144,505)	1,031,356
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		(3,188,090)	18,268,762	202,367	15,283,039	14,251,683
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>(8,046,826)</u>	<u>18,059,639</u>	<u>125,721</u>	<u>10,138,534</u>	<u>15,283,039</u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**Live Active Leisure Limited**

**Consolidated Statement of Financial Position  
At 31 March 2017**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	2017 Total funds £	2016 Total Funds £
<b>FIXED ASSETS</b>						
Tangible assets	11	-	10,939,640	-	10,939,640	11,768,762
Investments	12	574	-	-	574	382
		574	10,939,640	-	10,940,214	11,769,144
<b>CURRENT ASSETS</b>						
Stocks	13	50,393	-	-	50,393	43,629
Debtors	14	817,106	-	-	817,106	326,687
Cash at bank and in hand		1,651,391	7,171,734	125,721	8,948,846	8,798,067
		2,518,890	7,171,734	125,721	9,816,345	9,168,383
<b>CREDITORS</b>						
Amounts falling due within one year	15	(1,373,292)	(51,734)	-	(1,425,026)	(1,290,489)
<b>NET CURRENT ASSETS</b>						
		1,145,598	7,120,000	125,721	8,391,319	7,877,894
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>						
		1,146,172	18,059,640	125,721	19,331,533	19,647,038
<b>PENSION LIABILITY</b>						
	17	(9,193,000)	-	-	(9,193,000)	(4,364,000)
<b>NET ASSETS</b>						
		(8,046,828)	18,059,640	125,721	10,138,533	15,283,038
<b>FUNDS</b>						
Unrestricted funds	16				10,012,812	15,080,671
Restricted funds					125,721	202,367
<b>TOTAL FUNDS</b>						
					10,138,533	15,283,038

The financial statements were approved by the Board of Trustees on 26 October 2017 and were signed on its behalf by:

**M T Robinson -Trustee**

**W J Duncan – Trustee**

The notes form part of these financial statements

**Live Active Leisure Limited**

**Statement of Financial Position  
At 31 March 2017**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	11	-	10,939,640	-	10,939,640	11,768,762
Investments	12	575	-	-	575	383
		575	10,939,640	-	10,940,215	11,769,145
<b>CURRENT ASSETS</b>						
Stocks	13	42,512	-	-	42,512	34,704
Debtors	14	842,007	-	-	842,007	352,166
Cash at bank and in hand		1,605,430	7,171,734	125,721	8,902,885	8,731,310
		2,489,949	7,171,734	125,721	9,787,404	9,118,180
<b>CREDITORS</b>						
Amounts falling due within one year	15	(1,344,351)	(51,734)	-	(1,396,085)	(1,240,286)
<b>NET CURRENT ASSETS</b>		<u>1,145,598</u>	<u>7,120,000</u>	<u>125,721</u>	<u>8,391,319</u>	<u>7,877,894</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,146,173	18,059,640	125,721	19,331,534	19,647,039
<b>PENSION LIABILITY</b>	17	(9,193,000)	-	-	(9,193,000)	(4,364,000)
<b>NET ASSETS</b>		<u>(8,046,827)</u>	<u>18,059,640</u>	<u>125,721</u>	<u>10,138,534</u>	<u>15,283,039</u>
<b>FUNDS</b>						
Unrestricted funds	16				10,012,813	15,080,672
Restricted funds					125,721	202,367
<b>TOTAL FUNDS</b>					<u>10,138,534</u>	<u>15,283,039</u>

The financial statements were approved by the Board of Trustees on 26 October 2017 and were signed on its behalf by:

**M T Robinson - Trustee**

**W J Duncan – Trustee**

The notes form part of these financial statements

**Live Active Leisure Limited**

**Consolidated Statement of Cash Flows  
for the Year Ended 31 March 2017**

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	<b>Notes</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	154,937	572,116
Interest paid		(25,365)	(22,780)
Interest element of hire purchase and finance lease rental payments		<u>(4,512)</u>	<u>(4,470)</u>
<b>Net cash provided by/(used in) operating activities</b>		<u>125,060</u>	<u>544,866</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(14,043)	(23,200)
Interest received		<u>39,762</u>	<u>43,999</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>25,719</u>	<u>20,799</u>
<b>Change in cash and cash equivalents in the reporting period</b>		150,779	565,665
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>8,798,067</u>	<u>8,232,402</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>8,948,846</u>	<u>8,798,067</u>

The notes form part of these financial statements

**Live Active Leisure Limited**

**Notes to the Statement of Cash Flows  
for the Year Ended 31 March 2017**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(722,505)	(916,644)
<b>Adjustments for:</b>		
Depreciation charges	597,512	615,058
Loss on disposal of building	245,654	-
Interest received	(39,762)	(43,999)
Interest paid	25,365	22,780
Interest element of hire purchase and finance lease rental payments	4,512	4,470
Impairment/(increase in value) of investments	(192)	284
Increase in stocks	(6,764)	(389)
Decrease/(increase) in debtors	(490,419)	290,237
Increase in creditors	134,536	74,319
Difference between pension charge and cash contributions	<u>407,000</u>	<u>526,000</u>
<b>Net cash provided by/(used in) operating activities</b>	<u>154,937</u>	<u>572,116</u>

The notes form part of these financial statements



**1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**Basis of preparing the financial statements**

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Live Active Leisure Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary Live Active Leisure Trading Limited on a line-by-line basis.

**Income**

All income is recognised in the Statement of Financial Activities when the charitable company has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from grants received in relation to capital expenditure is credited to income and expenditure in the period in which the charitable company becomes entitled to them.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

**Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charitable company. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charitable company's work within the objects of the charitable company.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Unrestricted funds in excess of target may be transferred to any designated reserve at the discretion of the Board. The charity currently has four designated reserves, the PH<sub>2</sub>O Reserve, the Lifecycle Maintenance Reserve, the Depreciation Reserve and the Specific Projects Reserve.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% - 8% on cost
Plant and machinery	- 20% - 33% on cost

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.

**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.

**Debtors**

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

**Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments.

**Creditors and provisions**

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

**Taxation**

The charitable company is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**Pension costs and other post-retirement benefits**

The charitable 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 charitable company.

The charitable company is an admitted body to the Local Government Pension Scheme (LGPS). This is a defined benefit scheme to which all employees are eligible to join. The LGPS is operated through a number of local pension funds with Live Active Leisure Limited and its employees contributing to the Tayside Superannuation Fund administered by Dundee City Council.

The charitable company, acting through the administering authority, has employed the fund's actuaries Barnett Waddingham to value Live Active Leisure Limited's share of the assets and liabilities of Tayside Superannuation Fund as at 31 March 2017.

**2. INCOME FROM DONATIONS**

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Gift Aid from subsidiary	=====	=====	<u>67,000</u>	<u>77,000</u>

**Live Active Leisure Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**3. INVESTMENT INCOME**

	<b>Group</b>		<b>Charity</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deposit account interest	<u>39,762</u>	<u>43,999</u>	<u>39,762</u>	<u>43,999</u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Group</b>		<b>Charity</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating activities	5,435,391	5,199,670	5,102,595	4,925,105
Services to Perth & Kinross Council	4,793,135	3,969,255	4,793,135	3,969,255
Grant funding	<u>214,726</u>	<u>296,268</u>	<u>214,726</u>	<u>296,268</u>
	<u>10,443,252</u>	<u>9,465,193</u>	<u>10,110,456</u>	<u>9,190,628</u>

Income from charitable activities was £10,443,252 (2016 - £9,465,193) of which £10,226,604 (2016 - £9,164,219) was unrestricted and £216,648 was restricted (2016 - £300,974).

**5. EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Group</b>		<b>Charity</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating activities	10,738,547	9,824,746	10,475,264	9,629,581
Grant funding	36,896	61,817	36,896	61,817
Support costs	<u>23,076</u>	<u>13,273</u>	<u>20,563</u>	<u>10,873</u>
	<u>10,798,519</u>	<u>9,899,836</u>	<u>10,532,723</u>	<u>9,702,271</u>

Expenditure on charitable activities was £10,798,519 (2016 - £9,899,836) of which £10,505,225 (2016 - £9,645,278) was unrestricted and £293,294 was restricted (2016 - £254,558).

**6. GRANTS PAYABLE**

	<b>Group</b>		<b>Charity</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grants for Sporting & Recreational Purposes	<u>36,896</u>	<u>61,817</u>	<u>36,896</u>	<u>61,817</u>

**7. SUPPORT COSTS**

	<b>Group</b>		<b>Charity</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Professional fees	<u>23,076</u>	<u>13,273</u>	<u>20,563</u>	<u>10,873</u>

**Live Active Leisure Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**8. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	<b>Group</b>		<b>Charity</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Auditor's remuneration	14,004	13,273	11,491	10,873
Other non-audit services	9,072	-	9,072	-
Deficit on disposal of fixed asset	245,654	-	245,654	-
Depreciation – owned assets	<u>597,511</u>	<u>615,058</u>	<u>597,511</u>	<u>615,058</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

The charity trustees were not paid or received any other benefits from employment with the charity or its subsidiary in the year (2016 - £ nil) nor were they reimbursed expenses during the year (2016 - £ nil).

No charity trustees received payment for professional or other services (2016 - the charity trustee Gordon Bannerman was paid £150).

The key management personnel of the parent charity comprise the trustees, the Chief Executive Officer, Head of Operations and Financial Controller. The total employee benefits of the key management personnel of the charitable company were £197,575 (2016 - £209,240). A relevant proportion of these benefits are recharged to the trading subsidiary within the management charge.

**10. STAFF COSTS**

	<b>Group</b>		<b>Charity</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	5,532,765	4,793,671	5,423,570	4,698,895
Social security costs	359,227	219,509	351,551	215,141
Other pension costs	<u>730,791</u>	<u>605,854</u>	<u>717,886</u>	<u>594,934</u>
	<u>6,622,783</u>	<u>5,619,034</u>	<u>6,493,007</u>	<u>5,508,970</u>

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

	<b>2017</b>	<b>2016</b>
Instruction	45	52
Leisure management	47	41
Operational	149	125
Support	20	22
Directors	<u>10</u>	<u>10</u>
	<u>271</u>	<u>250</u>

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

	<b>2017</b>	<b>2016</b>
£70,001 - £80,000	<u>1</u>	<u>1</u>

**11. TANGIBLE FIXED ASSETS – charity (also comprising that of the group)**

	Freehold property £	Plant and machinery £	Totals £
<b>COST</b>			
At 1 April 2016	19,063,794	739,448	19,803,242
Additions	14,043	-	14,043
Disposals	<u>(526,404)</u>	<u>-</u>	<u>(526,404)</u>
At 31 March 2017	<u>18,551,433</u>	<u>739,448</u>	<u>19,290,881</u>
<b>DEPRECIATION</b>			
At 1 April 2016	7,636,623	397,857	8,034,480
Charge for year	460,875	136,636	597,511
Eliminated on disposal	<u>(280,750)</u>	<u>-</u>	<u>(280,750)</u>
At 31 March 2017	<u>7,816,748</u>	<u>534,493</u>	<u>8,351,241</u>
<b>NET BOOK VALUE</b>			
At 31 March 2017	<u>10,734,685</u>	<u>204,955</u>	<u>10,939,640</u>
At 31 March 2016	<u>11,427,171</u>	<u>341,591</u>	<u>11,768,762</u>

**12. FIXED ASSET INVESTMENTS**

	Shares in group undertaking s £	Listed investments £	Totals £
<b>MARKET VALUE</b>			
At 1 April 2016	1	382	383
Reversal of impairments	<u>-</u>	<u>192</u>	<u>192</u>
At 31 March 2017	<u>1</u>	<u>574</u>	<u>575</u>
<b>NET BOOK VALUE</b>			
At 31 March 2017	<u>1</u>	<u>574</u>	<u>575</u>
At 31 March 2016	<u>1</u>	<u>382</u>	<u>383</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

**Live Active Leisure Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**12. FIXED ASSET INVESTMENTS - continued**

Live Active Leisure Trading Limited

Nature of business: Provision of sport and leisure facilities.

Class of share:	%
Ordinary	holding 100

	2017 £	2016 £
Aggregate capital and reserves	<u>1</u>	<u>1</u>

**13. STOCKS**

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Stocks	<u>50,393</u>	<u>43,629</u>	<u>42,512</u>	<u>34,704</u>

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	727,458	240,160	694,445	188,040
Amounts owed by group undertakings	-	-	57,914	77,599
Prepayments	<u>89,648</u>	<u>86,527</u>	<u>89,648</u>	<u>86,527</u>
	<u>817,106</u>	<u>326,687</u>	<u>842,007</u>	<u>352,166</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	314,699	393,774	305,171	383,451
Social security and other taxes	175,032	129,332	175,032	129,332
VAT	220,637	180,402	209,173	152,709
Other creditors	9,996	9,996	9,996	9,996
Income in advance	106,753	14,197	106,165	10,864
Accrued expenses	<u>597,909</u>	<u>562,788</u>	<u>590,548</u>	<u>553,934</u>
	<u>1,425,026</u>	<u>1,290,489</u>	<u>1,396,085</u>	<u>1,240,286</u>

16. MOVEMENT IN FUNDS

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
<b>Unrestricted funds</b>				
General funds	(3,188,091)	(4,224,693)	(634,043)	(8,046,827)
Lifecycle Maintenance Reserve	1,500,000	-	175,000	1,675,000
PH <sub>2</sub> O Reserve	5,000,000	-	-	5,000,000
Specific Projects Reserve	-	-	445,000	445,000
Depreciation Reserve	<u>11,768,762</u>	<u>(843,166)</u>	<u>14,043</u>	<u>10,939,639</u>
	15,080,671	(5,067,859)	-	10,012,812
<b>Restricted funds</b>				
Financial Assistance	132,287	(82,519)	-	49,768
Health & Inclusion Reserve	60,759	1,566	-	62,325
Ballechin Fund	9,321	-	-	9,321
Other Reserve	<u>-</u>	<u>4,307</u>	<u>-</u>	<u>4,307</u>
	202,367	(76,646)	-	125,721
<b>TOTAL FUNDS</b>	<u><u>15,283,038</u></u>	<u><u>(5,144,505)</u></u>	<u><u>-</u></u>	<u><u>10,138,533</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General funds	10,266,366	(10,069,059)	(4,422,000)	(4,224,693)
Depreciation Reserve	<u>-</u>	<u>(843,166)</u>	<u>-</u>	<u>(843,166)</u>
	10,266,366	(10,912,225)	(4,422,000)	(5,067,859)
<b>Restricted funds</b>				
Financial Assistance	36,201	(118,720)	-	(82,519)
Health & Inclusion Reserve	175,447	(173,881)	-	1,566
Other Reserve	<u>5,000</u>	<u>(693)</u>	<u>-</u>	<u>4,307</u>
	216,648	(293,294)	-	(76,646)
<b>TOTAL FUNDS</b>	<u><u>10,483,014</u></u>	<u><u>(11,205,519)</u></u>	<u><u>(4,422,000)</u></u>	<u><u>(5,144,505)</u></u>

**17. EMPLOYEE BENEFIT OBLIGATIONS**

**DEFINED BENEFIT SCHEME**

The charitable company is an admitted body to the Local Government Pension Scheme (LGPS). This is a defined benefit scheme to which all employees are eligible to join. The LGPS is operated through a number of local Pension Funds with Live Active Leisure Limited and its employees contributing to the Tayside Superannuation Fund administered by Dundee City Council. In the year to 31 March 2017, the employer's contribution rate was 17% of earnings by employees. The employers' contribution rate will be 17% for the next financial year.

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

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Present value of funded obligations	(28,080,000)	(19,192,000)
Fair value of plan assets	<u>18,887,000</u>	<u>14,828,000</u>
	<u>(9,193,000)</u>	<u>(4,364,000)</u>
Deficit	<u>(9,193,000)</u>	<u>(4,364,000)</u>
Liability	<u><u>(9,193,000)</u></u>	<u><u>(4,364,000)</u></u>

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

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Current service cost	949,000	929,000
Net interest from net defined benefit asset/liability	747,000	707,000
Contributions by employer	(705,000)	(597,000)
Administration expenses	<u>6,000</u>	<u>2,000</u>
	<u>997,000</u>	<u>1,041,000</u>
Actual return on plan assets	<u><u>(590,000)</u></u>	<u><u>(515,000)</u></u>



**17. EMPLOYEE BENEFIT OBLIGATIONS**  
- continued

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

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Defined benefit obligation	19,192,000	20,242,000
Current service cost	949,000	929,000
Contributions by scheme participants	245,000	202,000
Interest cost	747,000	707,000
Change in financial assumptions	7,293,000	(2,600,000)
Benefits paid net of transfers in	<u>(346,000)</u>	<u>(288,000)</u>
	<u><u>28,080,000</u></u>	<u><u>19,192,000</u></u>

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

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Fair value of scheme assets	14,828,000	14,456,000
Interest on assets	590,000	515,000
Return on assets less interest	2,871,000	(652,000)
Contributions by employer	705,000	597,000
Contributions by scheme participants	245,000	202,000
Administration expenses	(6,000)	(2,000)
Benefits paid net of transfers in	<u>(346,000)</u>	<u>(288,000)</u>
	<u><u>18,887,000</u></u>	<u><u>14,828,000</u></u>

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

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Change in financial assumptions	(7,293,000)	2,600,000
Return on assets less interest	<u>2,871,000</u>	<u>(652,000)</u>
	<u><u>(4,422,000)</u></u>	<u><u>1,948,000</u></u>

**17. EMPLOYEE BENEFIT OBLIGATIONS**  
- continued

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

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Equities	13,597,000	10,165,000
Gilts	1,252,000	776,000
Other bonds	1,863,000	1,915,000
Property	1,863,000	1,809,000
Cash	312,000	163,000
	<u>18,887,000</u>	<u>14,828,000</u>

The charitable company, acting through the administering authority, has employed the fund's actuaries Barnett Waddingham to value Live Active Leisure Limited's share of the assets and liabilities of Tayside Superannuation Fund as at 31 March 2017. The actuaries have used the following financial assumptions in their calculations:

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages)

	<b>2017</b>	<b>2016</b>
Discount rate	2.8%	3.9%
Future salary increases	3.7%	4.3%
Future pension increases	2.7%	2.5%

These assumptions are set with reference to market conditions at 31 March 2017. The estimate of the duration of the employer's liabilities is 26 years.

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 FRS 102 and with the consideration of the duration of the employer's liabilities. This is consistent with the approach used at the last accounting date.

The Retail Prices Index (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 3.6%. This is consistent with the approach used at the last accounting date.

As future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI, a further assumption is made about CPI which is that it will be 0.9% p.a. below RPI i.e. 2.7% p.a. The actuaries believe that this is a reasonable estimate for future differences in the indices, based on the different calculation methods and recent independent forecasts.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017

**17. EMPLOYEE BENEFIT OBLIGATIONS**  
**- continued**

Salaries are assumed to increase at 1.0% p.a. above CPI in addition to a promotional scale. This has been updated since last year to be in line with the anticipate assumption to be adopted for the 2017 actuarial valuation.

Life Expectancy from age 65 years:

	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
	<b>Males</b>	<b>Females</b>	<b>Males</b>	<b>Females</b>
Retiring today	21.4	23.5	21.3	23.3
Retiring in 20 years	23.7	25.8	23.5	25.6

**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.

	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adjustment to discount rate	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	27,371	28,080	28,808
Projected service cost	1,415	1,454	1,495
Adjustment to long term salary increase	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	28,182	28,080	27,979
Projected service cost	1,455	1,454	1,453
Adjustment to pension increases and deferred revaluation	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	28,706	28,080	27,471
Projected service cost	1,494	1,454	1,415
Adjustment to life expectancy assumptions	+ 1 year	None	- 1 year
Present value of total obligation	29,031	28,080	27,161
Projected service cost	1,500	1,454	1,409

Amounts for the current and previous periods are as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Defined benefit pension plans</b>		
Defined benefit obligation	(28,080,000)	(19,192,000)
Fair value of scheme assets	<u>18,887,000</u>	<u>14,828,000</u>
Deficit	<u>(9,193,000)</u>	<u>(4,364,000)</u>

**Projections for the year to 31 March 2017**

	<b>£</b>
Service cost	1,454
Administration expenses	8
Net interest on the defined liability	<u>247</u>
Total	<u>1,709</u>
Employer contributions	753

Note - these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2017.

**17. EMPLOYEE BENEFIT OBLIGATIONS**  
- continued

**DEFINED CONTRIBUTION SCHEME**

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension charge represents contributions payable by the charitable company and amounted to £6K (2016 - £2K)

**18. CAPITAL COMMITMENTS**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Contracted but not provided for in the financial statements	<u>78,425</u>	<u>37,000</u>

**19. PURPOSES OF RESTRICTED FUNDS**

**Health & Inclusion Reserve**

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

**Financial Assistance Reserve**

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

**The Ballechin Fund**

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

**Other**

A grant was received for support of Community Sports Hubs.

**20. RELATED PARTY TRANSACTIONS**

During the year, the wholly owned subsidiary Live Active Leisure Trading Limited was charged a management fee of £59,394 (2016 - £80,268), Corporate Services recharge of £13,346 (2016 - £nil), made a gift aid donation of £67,000 (2016 - £77,000) and recharged catering and room hire facilities of £18,717 (2016 - £15,818) to its parent company, Live Active Leisure Limited.

At 31 March 2017, £57,914 (2016 - £77,599) was due by Live Active Leisure Trading Limited to Live Active Leisure Limited.

**21. PURPOSES OF DESIGNATED FUNDS**

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

**Lifecycle Maintenance Reserve**

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

**PH<sub>2</sub>O Reserve**

The PH<sub>2</sub>O Reserve is funds set aside for the delivery of the charity's Facility Vision projects. It is funded by resources allocated by the charitable company which in turn support the submission of external funding support applications.

**Depreciation Reserve**

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

**The Specific Projects Reserve**

The Specific Projects Reserve comprises funds set aside for one-off major repairs, currently being for the Bells Dome repair. It is funded by resources allocated by the charity.