



**LIVE ACTIVE LEISURE LTD**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED  
31 MARCH 2022**

# LIVE ACTIVE LEISURE LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr C D Allan Councillor B Brawn Mr I P Collins Mr D A Longmuir Mr D Maclehose Ms L Scott Dr I N Blair Dr D Carey Councillor S Carr Councillor B Leishman	(Appointed 28 February 2022) (Appointed 9 June 2022) (Appointed 9 June 2022)
<b>Secretary</b>	Mrs F Cameron	
<b>Chief Executive Officer</b>	Mr P Cromwell	
<b>Charity number (Scotland)</b>	SC000175	
<b>Company number</b>	SC042641 (Scotland)	
<b>Registered office</b>	Caledonia House Hay Street Perth United Kingdom PH1 5HS	
<b>Auditor</b>	Azets Audit Services 5 Whitefriars Crescent Perth PH2 0PA	

# LIVE ACTIVE LEISURE LIMITED

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# LIVE ACTIVE LEISURE LIMITED

## CHAIRMAN'S REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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In my first year as Company Chairman, I am pleased to present the Annual Report on the operation of Live Active Leisure Limited (LAL) for the Financial Year to 31 March 2022.

Live Active Leisure started the financial year with uncertainty of how the COVID 19 pandemic would unfold, but as the year progressed, restrictions were eased gradually allowing services to resume for the people and communities of Perth and Kinross. In addition to this Perth Leisure Pool re-opened in October 2021 after a 14-month closure as a consequence of the dramatic flooding during the storms of August 2020.

Like most businesses, Live Active Leisure continued to operate with a huge amount of uncertainty during this time, with the Board continuing to commit significant reserves to support staff and underwrite fixed operational costs and expenditure, as the Company navigated its way through this unprecedented period. This financial commitment provided the Board and management team with the ability to effectively respond to the gradual easing of restrictions and allow the return of customers and services. The Company has continued to work closely with our partners at Perth and Kinross Council throughout and I am grateful to the officers and Councillors for their support. During this last financial year LAL continued to support staff through the ability to access the Coronavirus Job Retention Scheme which provided much needed financial support. The Company was also pleased to be able to support the wider community through the use of Dewars Centre and Live Active Atholl by the NHS and PKC as vaccination centres.

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

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

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

Key capital projects which remain in the 'pipeline' include PH20, the essential replacement of Perth Leisure Pool and Dewars Centre. This project remains vital for LAL's longer term sustainability and I would argue is essential to support the health and wellbeing for future generations of Perth & Kinross residents and visitors. We were delighted that this project was given approval as part of Perth and Kinross Council's Capital Plan at the February 2022 Budget meeting. LAL's Board and Senior staff are now working with the Council's teams to deliver this essential investment.

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

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

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

# LIVE ACTIVE LEISURE LIMITED

## CHAIRMAN'S REPORT

**FOR THE YEAR ENDED 31 MARCH 2022**

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

	Units	Current reporting year (2021/22)
Emissions from combustion of gas (Scope 1)	tCO2e	1,583
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO2e	28
Emissions from purchase of electricity (Scope 2)	tCO2e	455
Total Gross Scope 1 and 2 emissions	tCO2e	2,067
Energy consumption used to calculate above emissions	kWh	10,734,789
Intensity Metric	(£) Annual Turnover	10,440,407
Intensity Ratio	tCO2/(£) Annual Turnover	0.000198

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

I close by thanking my fellow Board of Directors - all volunteers - and all of whom commit such time and energy into LAL's continued progress and whose expertise and counsel I value enormously. I particularly want to thank the commitment of our outgoing Chair Mike Robinson. We were also sorry that Councillor Tom McEwan and Councillor John Rebbeck both stepped down during this financial year. In their stead we welcomed Dr Danny Carey, Councillor Steven Carr and Councillor Brian Leishman to the Board.



.....  
**Mr D Maclehorse**

Chairman

Dated: .....14.12.2022

# LIVE ACTIVE LEISURE LIMITED

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

### FOR THE YEAR ENDED 31 MARCH 2022

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The trustees present their report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

#### **Objectives and activities**

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

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

#### **Strategic report**

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

#### **Achievements and performance**

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

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

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

# LIVE ACTIVE LEISURE LIMITED

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **Financial review**

The financial year to 31 March 2022, was challenging for the company as it continued to navigate its way through the impact of the COVID-19 pandemic and all that came with it. Whilst restrictions placed on the company were eased gradually throughout the financial year, customer generated income remained considerably lower than periods prior to covid, only reaching 54% of pre-covid customer generated income by the end of the financial year.

Throughout the financial year Perth and Kinross Council continued to support the company and government grants were sought and received for any the company were eligible for. However, the staff and fixed expenditure costs remained requiring these to be closely monitored and managed effectively.

In addition to the pandemic, the company also had to deal with a significant flood at Perth Leisure Pool, which closed the facility for 14 months, until reopening in October 2021. This event had significant consequences on both service delivery and future insurability.

As we move forward, the company still faces significant financial challenges however, the charitable company remains committed to continually evaluating how services are delivered to ensure it is sustainable for generations to come, through reviewing the business processes, committing to environmental efficiencies and seeking to introduce innovative solutions to ensure the charitable company can continue to make a very real contribution to the quality of life and general wellbeing of our communities whilst trading in a sustainable and efficient way.

Despite the challenges, there are many opportunities for Live Active Leisure to make a positive impact and with venues at the heart of communities in Perth and Kinross, the charity continues to make necessary investment in a range of facilities and services across the area to ensure the needs of the customers are met.

Towards the end of the financial year work began on an exciting project to repurpose areas within Bell's Sports Centre to create a 100+ station gym, as well as three fitness studios.

Moving forward, and given the aging building portfolio, Live Active Leisure continues to attach great importance to progressing the PH2O Project and were delighted when the project was given approval at the Council's budget meeting in February 2022. However, until such times as the project is realised, it is increasingly necessary to make significant investment given the age and usage of key facilities.

### **Reserves policy**

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

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

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

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

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

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

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

# LIVE ACTIVE LEISURE LIMITED

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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

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

The balances on the Reserves at the 31 March 2022 were:

Health & Inclusion Fund	£	148k
The Ballechin Fund	£	2k
Financial Assistance Reserve	£	114k
Lifecycle Maintenance Reserve	£	1,493k
Insurance Reserve	£	2,500k
Asset Management Reserve	£	603k
Specific Project Recovery Reserve	£	775k
Covid Recovery Reserve	£	600k
Depreciation Reserve	£	9,855k
Pension Reserve	£	(7,178)k
General Reserve	£	<u>1,340k</u>
	£	10,252k

### Investment powers

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

### Risk management

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

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

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

# LIVE ACTIVE LEISURE LIMITED

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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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.

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

Mr C D Allan	
Dr I N Blair	
Councillor B Brawn	
Mr I P Collins	
Ms M Colvin	(Resigned 1 July 2021)
Mr D A Longmuir	
Mr D Maclehose	
Councillor T McEwan	(Resigned 9 March 2022)
Councillor J A Rebbeck	(Resigned 9 March 2022)
Mr M T Robinson	(Resigned 28 October 2021)
Ms L Scott	
Dr D Carey	(Appointed 28 February 2022)
Councillor S Carr	(Appointed 9 June 2022)
Councillor B Leishman	(Appointed 9 June 2022)

### 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.

#### *Arrangements for setting pay and remuneration of key management personnel*

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

#### *Appointment of Elected Members*

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

#### *Organisational structure*

The charitable company's Board comprises 10 Directors of which 3 are nominated by Perth & Kinross Council. The Board meets on a bi-monthly basis and oversees the operation and governance of the charitable company. Directors also have individual specific remits for which they provide input and guidance.

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

# LIVE ACTIVE LEISURE LIMITED

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

**FOR THE YEAR ENDED 31 MARCH 2022**

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### *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.

#### *Employee involvement*

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

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

### **Disabled persons**

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

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

### **Policy on Equal Opportunities**

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

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

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

# LIVE ACTIVE LEISURE LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2022

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### Statement of trustees' responsibilities

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

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

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

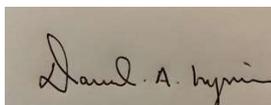
### Auditor

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

### Disclosure of information to auditor

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

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



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**Mr D A Longmuir**

Trustee

Dated: ... 14.12.2022



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**Mr D Maclehose**

Trustee

Dated: ..... 14.12.2022

# LIVE ACTIVE LEISURE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LIVE ACTIVE LEISURE LIMITED

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#### Opinion

We have audited the financial statements of Live Active Leisure Limited (the 'parent charitable company') for the year ended 31 March 2022 which comprise the Group and Parent Charitable Company statement of financial activities, the Group and Parent Charitable Company balance sheet, the Group statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2022 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### Basis for opinion

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

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's and group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

# LIVE ACTIVE LEISURE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LIVE ACTIVE LEISURE LIMITED

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#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the trustees has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Chairman's report or the trustees' report.

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

- the group has not kept adequate and proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the parent charitable company's and group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the parent charitable company and group or to cease operations, or have no realistic alternative but to do so.

# LIVE ACTIVE LEISURE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LIVE ACTIVE LEISURE LIMITED

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#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# LIVE ACTIVE LEISURE LIMITED

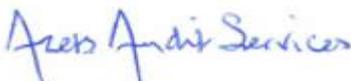
## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LIVE ACTIVE LEISURE LIMITED

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#### Use of our report

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



for and on behalf of Azets Audit Services

16 December 2022

Chartered Accountants  
Statutory Auditor

5 Whitefriars Crescent  
Perth  
PH2 0PA

# LIVE ACTIVE LEISURE LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
<b>Income from:</b>							
Grants and donations	3	419,145	416,997	836,142	2,347,428	379,834	2,727,262
Charitable activities	4	9,580,669	9,482	9,590,151	5,856,881	134	5,857,015
Investment income	5	14,114	-	14,114	37,084	-	37,084
<b>Total income</b>		<b>10,013,928</b>	<b>426,479</b>	<b>10,440,407</b>	<b>8,241,393</b>	<b>379,968</b>	<b>8,621,361</b>
<b>Expenditure on:</b>							
<u>Charitable activities</u>							
Operating activities		10,048,849	288,127	10,336,976	8,646,683	265,991	8,912,674
Grants for sporting & recreational purposes		-	106,524	106,524	-	68,623	68,623
Pension fund costs		1,669,000	-	1,669,000	878,000	-	878,000
<b>Total charitable expenditure</b>		<b>11,717,849</b>	<b>394,651</b>	<b>12,112,500</b>	<b>9,524,683</b>	<b>334,614</b>	<b>9,859,297</b>
Net gains on investments	10	32	-	32	68	-	68
<b>Net outgoing resources before transfers</b>		<b>(1,703,889)</b>	<b>31,828</b>	<b>(1,672,061)</b>	<b>(1,283,222)</b>	<b>45,354</b>	<b>(1,237,868)</b>
Gross transfers between funds		-	-	-	18,000	(18,000)	-
<b>Net outgoing resources</b>		<b>(1,703,889)</b>	<b>31,828</b>	<b>(1,672,061)</b>	<b>(1,265,222)</b>	<b>27,354</b>	<b>(1,237,868)</b>
<b>Other recognised gains and losses</b>							
Actuarial gain/(loss) on defined benefit pension schemes		3,698,000	-	3,698,000	(3,399,000)	-	(3,399,000)
<b>Net movement in funds</b>		<b>1,994,111</b>	<b>31,828</b>	<b>2,025,939</b>	<b>(4,664,222)</b>	<b>27,354</b>	<b>(4,636,868)</b>
Fund balances at 1 April 2021		7,993,743	232,030	8,225,773	12,657,965	204,676	12,862,641
<b>Fund balances at 31 March 2022</b>		<b>9,987,854</b>	<b>263,858</b>	<b>10,251,712</b>	<b>7,993,743</b>	<b>232,030</b>	<b>8,225,773</b>

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

All income and expenditure derive from continuing activities.

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

# LIVE ACTIVE LEISURE LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
<b>Income from:</b>							
Grants and donations	3	419,145	416,997	836,142	2,322,818	379,834	2,702,652
Charitable activities	4	9,487,407	9,482	9,496,889	5,845,667	134	5,845,801
Investment income	5	14,114	-	14,114	37,084	-	37,084
<b>Total income</b>		<b>9,920,666</b>	<b>426,479</b>	<b>10,347,145</b>	<b>8,205,569</b>	<b>379,968</b>	<b>8,585,537</b>
<b>Expenditure on:</b>							
<u>Charitable activities</u>							
Operating activities		10,018,482	288,127	10,306,609	8,562,200	265,991	8,828,191
Grants for sporting & recreational purposes		-	106,524	106,524	-	68,623	68,623
Pension fund costs		1,669,000	-	1,669,000	878,000	-	878,000
<b>Total charitable expenditure</b>		<b>11,687,482</b>	<b>394,651</b>	<b>12,082,133</b>	<b>9,440,200</b>	<b>334,614</b>	<b>9,774,814</b>
Net gains on investments	10	32	-	32	68	-	68
<b>Net outgoing resources before transfers</b>		<b>(1,766,784)</b>	<b>31,828</b>	<b>(1,734,956)</b>	<b>(1,234,563)</b>	<b>45,354</b>	<b>(1,189,209)</b>
Gross transfers between funds		-	-	-	18,000	(18,000)	-
<b>Net outgoing resources</b>		<b>(1,766,784)</b>	<b>31,828</b>	<b>(1,734,956)</b>	<b>(1,216,563)</b>	<b>27,354</b>	<b>(1,189,209)</b>
<b>Other recognised gains and losses</b>							
Actuarial gain/(loss) on defined benefit pension schemes		3,698,000	-	3,698,000	(3,399,000)	-	(3,399,000)
<b>Net movement in funds</b>		<b>1,931,216</b>	<b>31,828</b>	<b>1,963,044</b>	<b>(4,615,563)</b>	<b>27,354</b>	<b>(4,588,209)</b>
Fund balances at 1 April 2021		8,042,403	232,030	8,274,433	12,657,966	204,676	12,862,642
<b>Fund balances at 31 March 2022</b>		<b>9,973,619</b>	<b>263,858</b>	<b>10,237,477</b>	<b>8,042,403</b>	<b>232,030</b>	<b>8,274,433</b>

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

All income and expenditure derive from continuing activities.

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

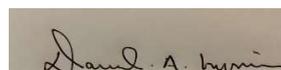
# LIVE ACTIVE LEISURE LIMITED

## CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		9,855,331		10,509,925
Investments	12		321		289
			<u>9,855,652</u>		<u>10,510,214</u>
<b>Current assets</b>					
Stocks	13	29,597		32,797	
Debtors	14	1,098,758		971,199	
Cash at bank and in hand		7,866,031		7,740,091	
		<u>8,994,386</u>		<u>8,744,087</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,420,326)</u>		<u>(1,821,528)</u>	
Net current assets			<u>7,574,060</u>		<u>6,922,559</u>
<b>Total assets less current liabilities</b>			<u>17,429,712</u>		<u>17,432,773</u>
<b>Provisions for liabilities</b>			<u>(7,178,000)</u>		<u>(9,207,000)</u>
<b>Net assets</b>			<u>10,251,712</u>		<u>8,225,773</u>
<b>Income funds</b>					
Restricted funds	18		263,858		232,030
<u>Unrestricted funds</u>					
Designated funds					
General unrestricted funds	19	15,825,977		15,805,670	
		<u>(5,838,123)</u>		<u>(7,811,927)</u>	
			<u>9,987,854</u>		<u>7,993,743</u>
			<u>10,251,712</u>		<u>8,225,773</u>

The financial statements were approved by the Trustees on ... 14.12.2022



Mr D A Longmuir  
Trustee



Mr D Maclehosie  
Trustee

Company Registration No. SC042641 (Scotland)

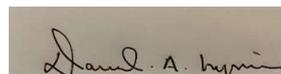
# LIVE ACTIVE LEISURE LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11	9,855,331		10,509,925	
Investments	12		322		290
			<u>9,855,653</u>		<u>10,510,215</u>
<b>Current assets</b>					
Stocks	13	29,597		32,797	
Debtors	14	1,138,496		1,056,946	
Cash at bank and in hand		7,806,861		7,689,923	
			<u>8,974,954</u>		<u>8,779,666</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,415,130)</u>		<u>(1,808,448)</u>	
Net current assets			<u>7,559,824</u>		<u>6,971,218</u>
<b>Total assets less current liabilities</b>			<u>17,415,477</u>		<u>17,481,433</u>
<b>Provisions for liabilities</b>			<u>(7,178,000)</u>		<u>(9,207,000)</u>
<b>Net assets</b>			<u>10,237,477</u>		<u>8,274,433</u>
<b>Income funds</b>					
Restricted funds	18		263,858		232,030
<u>Unrestricted funds</u>					
Designated funds	19	15,825,977		15,805,670	
General unrestricted funds		<u>(5,852,358)</u>		<u>(7,763,267)</u>	
			<u>9,973,619</u>		<u>8,042,403</u>
			<u>10,237,477</u>		<u>8,274,433</u>

The financial statements were approved by the Trustees on ...14.12.2022.....



Mr D A Longmuir  
Trustee



Mr D Maclehosie  
Trustee

Company Registration No. SC042641 (Scotland)

**LIVE ACTIVE LEISURE LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24		136,925		283,065
<b>Investing activities</b>					
Purchase of tangible fixed assets		(25,099)		(927,247)	
Interest received		14,114		37,084	
<b>Net cash used in investing activities</b>			(10,985)		(890,163)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			125,940		(607,098)
Cash and cash equivalents at beginning of year			7,740,091		8,347,189
<b>Cash and cash equivalents at end of year</b>			<u>7,866,031</u>		<u>7,740,091</u>

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### Charity information

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

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

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

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

##### 1.2 Basis of Consolidation

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

As described in Note 23, Live Active Leisure Limited is deemed to be a subsidiary undertaking of its ultimate parent, Perth & Kinross Council. Accordingly, the financial statements of Perth & Kinross Council will incorporate the results of Live Active Leisure Limited and its trading subsidiary.

##### 1.3 Going concern

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

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

##### 1.4 Charitable funds

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

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

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

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

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies (cont)

#### 1.5 Incoming resources

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

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

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

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

##### *Incoming resources from charitable activities*

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

##### *Income from investments*

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

#### 1.6 Resources expended

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

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

#### 1.7 Tangible fixed assets

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

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

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

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

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

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies (cont)

##### 1.8 Fixed asset investments

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

##### 1.9 Stocks

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

##### 1.10 Cash and cash equivalents

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

##### **Basic financial assets**

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

##### **Basic financial liabilities**

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

##### 1.11 Retirement benefits

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

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

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

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

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies (cont)

##### 1.11 Retirement benefits (cont)

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

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

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

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

##### 1.12 Taxation

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

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

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

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

#### 2 Critical accounting estimates and judgements

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

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

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

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 3 Grants and donations

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Donations and gifts	872	8,957	872	8,957
Grant funding	835,270	2,718,305	835,270	2,693,695
	<u>836,142</u>	<u>2,727,262</u>	<u>836,142</u>	<u>2,702,652</u>

### 4 Charitable activities

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Income within charitable activities	4,944,978	1,197,672	4,851,716	1,186,458
Services provided under contract	4,645,173	4,659,343	4,645,173	4,659,343
	<u>9,590,151</u>	<u>5,857,015</u>	<u>9,496,889</u>	<u>5,845,801</u>

Included within 'Income within charitable activities' is insurance income of £2,179,332 (2021 - £240,000).

Analysis by fund				
Unrestricted funds	9,580,669	5,856,881	9,487,407	5,845,667
Restricted funds	9,482	134	9,482	134
	<u>9,590,151</u>	<u>5,857,015</u>	<u>9,496,889</u>	<u>5,845,801</u>

### 5 Investment income

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Investment income	14,114	37,084	14,114	37,084

### 6 Grants payable

Grants amounting to £106,524 (2021 - £68,623) were made for sporting and recreational purposes.

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 7 Support costs

	Support costs	Governance costs	2022	2021
	£	£	£	£
Auditor's remuneration	17,015	-	17,015	14,135
	<u>17,015</u>	<u>-</u>	<u>17,015</u>	<u>14,135</u>
Analysed between Charitable activities	<u>17,015</u>	<u>-</u>	<u>17,015</u>	<u>14,135</u>

### 8 Trustees

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

No charity trustees received payment for professional or other services (2021 - £nil).

The key management personnel of the parent charity comprise the trustees, the Chief Executive Officer, Director of Finance/Deputy Chief Executive Officer and Director of Operational Services. The total employee benefits of the key management personnel of the charitable company were £250,024 (2021 - £243,964). A relevant proportion of these benefits are recharged to the trading subsidiary within the management charge.

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Instruction	33	36
Leisure management	38	38
Operational	171	196
Support	21	24
	<u>263</u>	<u>294</u>

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 9 Employees (continued)

#### Employment costs

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Wages and salaries	4,338,142	4,994,456	4,338,142	4,934,446
Social security costs	317,353	340,344	317,353	336,677
Other pension costs	691,998	761,321	691,998	755,804
	<u>5,347,493</u>	<u>6,096,121</u>	<u>5,347,493</u>	<u>6,026,927</u>

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

	2022 Number	2021 Number
£70,001 - £80,000	<u>1</u>	<u>1</u>

### 10 Net gains on investments

	Total funds	Total funds
	2022 £	2021 £
Revaluation of investments	<u>32</u>	<u>68</u>

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2021	20,412,109	1,091,177	11,950	21,515,236
Additions	25,099	-	-	25,099
At 31 March 2022	20,437,208	1,091,177	11,950	21,540,335
<b>Depreciation and impairment</b>				
At 1 April 2021	10,046,146	959,051	114	11,005,311
Depreciation charged in the year	600,074	79,470	149	679,693
At 31 March 2022	10,646,220	1,038,521	263	11,685,004
<b>Carrying amount</b>				
At 31 March 2022	9,790,988	52,656	11,687	9,855,331
At 31 March 2021	10,365,963	132,126	11,836	10,509,925

Assets under construction at a cost of £36,299 (2021 - £409,965) are included in Freehold land and buildings.

#### 12 Fixed asset investments

	Listed investments	Shares in group	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 April 2021 & 31 March 2022	574	1	575
<b>Impairment</b>			
At 1 April 2021	285	-	285
Revaluation gain	(32)	-	(32)
At 31 March 2022	253	-	253
<b>Carrying amount</b>			
At 31 March 2022	321	1	322
At 31 March 2021	289	1	290

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 12 Fixed asset investments (continued)

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

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

Net assets of Live Active Leisure Trading Limited at 31 March 2022 totalled £14,235 which comprised current assets of £59,561 and liabilities of £45,326. Relevant financial information regarding Live Active Leisure Trading Limited for the year ended 31 March 2022 is as follows:

	2022	2021
	£	£
Turnover	488,651	103,120
Cost of sales	<u>(370,466)</u>	<u>(155,899)</u>
Gross (loss)/profit	118,185	(52,779)
Administrative expenses	(55,291)	(20,491)
Other operating income	-	24,610
Profit/(loss) on ordinary activities before taxation	<u>62,894</u>	<u>(48,660)</u>
Tax on profit on ordinary activities	-	-
Profit/(loss) for the financial period	<u><u>62,894</u></u>	<u><u>(48,660)</u></u>

#### 13 Stocks

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Finished goods and goods for resale	<u>29,597</u>	<u>32,797</u>	<u>29,597</u>	<u>32,797</u>

#### 14 Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	920,380	725,043	919,987	725,043
Amounts owed by subsidiary undertakings	-	-	40,130	191,317
Prepayments and accrued income	<u>178,378</u>	<u>246,156</u>	<u>178,379</u>	<u>140,586</u>
	<u><u>1,098,758</u></u>	<u><u>971,199</u></u>	<u><u>1,138,496</u></u>	<u><u>1,056,946</u></u>

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 15 Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
Amounts falling due within one year:	£	£	£	£
Other taxation and social security	334,669	540,186	332,564	540,516
Trade creditors	290,881	191,059	290,881	190,507
Accruals and deferred income	794,776	1,090,283	791,685	1,077,425
	<u>1,420,326</u>	<u>1,821,528</u>	<u>1,415,130</u>	<u>1,808,448</u>

#### 16 Provisions for liabilities

	Notes	2022	2021
		£	£
Retirement benefit obligations	17	7,178,000	9,207,000
		<u>7,178,000</u>	<u>9,207,000</u>

#### 17 Retirement benefit schemes

##### Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £14k (2021 - £9k).

##### Defined benefit schemes

The charitable company is an admitted body to the Local Government Pension Scheme (LGPS). This is a defined benefit scheme to which all employees are eligible to join. The LGPS is operated through a number of local Pension Funds with Live Active Leisure Limited and its employees contributing to the Tayside Superannuation Fund administered by Dundee City Council. In the year to 31 March 2022, the employer's contribution rate was 17% of earnings by employees. The employer's contribution rate will be 17% for the next financial year.

##### Valuation

The charitable company, acting through the administering authority, has employed the fund's actuaries Barnett Waddingham to value Live Active Leisure Limited's share of the assets and liabilities of Tayside Superannuation Fund as at 31 March 2022. The actuaries have used the following financial assumptions in their calculations:

##### Key assumptions

	2022	2021
	%	%
Discount rate	2.60	2.05
Expected rate of increase of pensions in payment	3.20	2.85
Expected rate of salary increases	<u>4.20</u>	<u>3.85</u>

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 17 Retirement benefit schemes (continued)

##### *Mortality assumptions*

The assumed life expectations on retirement at age 65 are:

	<b>2022</b>	<b>2021</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	18.9	18.9
- Females	22.3	22.2
Retiring in 20 years		
- Males	20.3	20.2
- Females	23.9	23.8

These assumptions are set with reference to market conditions at 31 March 2022.

The estimate of the Employer's past service liability duration is 27 years.

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

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

As future pension increases are expected to be based on Consumer Prices Index (CPI) rather than RPI, a further assumption has been made about CPI which is that it will be 0.30% p.a. below RPI i.e. 3.20% p.a. We believe that this is a reasonable estimate for the future differences in the indices, based on the different calculation methods, recent independent forecasts and the duration of the Employer's liabilities. The difference between RPI and CPI is less than assumed at the previous accounting date. This reflects the movement in market implied RPI inflation that occurred following the UK Statistics Authority's proposal to change how RPI is calculated and subsequent announcements from the Chancellor on the issue.

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

Amounts recognised in the profit and loss account:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Current service cost	2,159,000	1,568,000
Net interest on defined benefit liability/(asset)	182,000	112,000
Other costs and income	14,000	8,000
Total costs	2,355,000	1,688,000

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 17 Retirement benefit schemes (continued)

##### Sensitivity Analysis

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

	£000's	£000's	£000's
Adjustment to discount rate	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	42,797	43,927	45,088
Projected service cost	1,763	1,836	1,913
Adjustment to long term salary increase	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	44,033	43,927	43,822
Projected service cost	1,837	1,836	1,835
Adjustment to pension increases and deferred revaluation	+ 0.1%	0.0%	- 0.1%
Present value of total obligation	44,974	43,927	42,907
Projected service cost	1,912	1,836	1,763
Adjustment to life expectancy assumptions	+ 1 year	None	- 1 year
Present value of total obligation	45,790	43,927	42,143
Projected service cost	1,918	1,836	1,758

Amounts taken to other comprehensive income:

	2022 £	2021 £
Actual return on scheme assets	(1,905,000)	(7,492,000)
Less: calculated interest element	709,000	539,000
Return on scheme assets excluding interest income	(1,196,000)	(6,953,000)
Actuarial changes related to obligations	(2,502,000)	13,948,000
Other gains and losses	-	(3,596,000)
Total (income)/costs	(3,698,000)	3,399,000

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

	2022 £	2021 £
Present value of defined benefit obligations	43,927,000	43,523,000
Fair value of plan assets	(36,749,000)	(34,316,000)
Deficit in scheme	7,178,000	9,207,000

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 17 Retirement benefit schemes (continued)

Movements in the present value of defined benefit obligations:

	<b>2022</b>	<b>2021</b>
	£	£
Defined benefit obligation at 1 April 2021	43,523,000	27,609,000
Current service cost	2,159,000	1,439,000
Past service cost	-	129,000
Benefits paid	(380,000)	(562,000)
Contributions from scheme members	236,000	309,000
Actuarial gains and losses	(2,502,000)	13,948,000
Interest cost	891,000	651,000
	<u>43,927,000</u>	<u>43,523,000</u>
At 31 March 2022	<u>43,927,000</u>	<u>43,523,000</u>

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

Movements in the fair value of plan assets:

	<b>2022</b>	<b>2021</b>
	£	£
Fair value of assets at 1 April 2021	34,316,000	22,679,000
Interest income	709,000	539,000
Return on plan assets (excluding amounts included in net interest)	1,182,000	6,945,000
Benefits paid	(380,000)	(562,000)
Contributions by the employer	686,000	810,000
Contributions by scheme members	236,000	309,000
Other	-	3,596,000
	<u>36,749,000</u>	<u>34,316,000</u>
At 31 March 2022	<u>36,749,000</u>	<u>34,316,000</u>

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

	<b>2022</b>	<b>2021</b>
	£	£
Equity instruments	26,024,000	24,572,000
Property	4,007,000	3,136,000
Gilts	1,730,000	1,357,000
Other bonds	4,387,000	4,479,000
Cash	564,000	723,000
Alternatives	37,000	49,000
	<u>36,749,000</u>	<u>34,316,000</u>

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 17 Retirement benefit schemes (continued)

Projections for the year to 31 March 2023	£000's
Service cost	1,836
Net interest on the defined liability	178
Administration expenses	14
<b>Total loss</b>	<b>2,028</b>
Employer contributions	686

Note - these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2022. These projections are based on the assumptions as at 31 March 2022, as described in this note.

#### 18 Restricted funds

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

	Movement in funds				Movement in funds				Balance at 31 March 2022
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£	£	£	£	£
Financial Assistance Reserve	73,072	157,870	(121,499)	-	109,443	152,000	(147,876)	-	113,567
Health & Inclusion Reserve	127,793	222,098	(213,115)	(18,000)	118,776	274,479	(245,091)	-	148,164
Ballechin Fund	2,127	-	-	-	2,127	-	-	-	2,127
Other Reserve	1,684	-	-	-	1,684	-	(1,684)	-	-
	<u>204,676</u>	<u>379,968</u>	<u>(334,614)</u>	<u>(18,000)</u>	<u>232,030</u>	<u>426,479</u>	<u>(394,651)</u>	<u>-</u>	<u>263,858</u>

#### Purposes of Restricted Funds

##### Financial Assistance Reserve

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

##### Health & Inclusion Reserve

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

##### The Ballechin Fund

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

##### Other Reserve

A grant was received for support of Community Sports Hubs.

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 19 Designated funds

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

	Movement in funds				Movement in funds				Balance at 31 March 2022
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£	£	£	£	
Lifecycle Maintenance	1,189,395	-	-	3,545	1,192,940	300,000	-	-	1,492,940
PH2O Reserve	4,973,750	-	(870,945)	-	4,102,805	400,000	-	(4,502,805)	-
Insurance Reserve	-	-	-	-	-	-	-	2,500,000	2,500,000
Asset Management Reserve	-	-	-	-	-	-	-	602,805	602,805
Specific Project Reserve	18,448	-	(14,903)	(3,545)	-	-	(25,099)	800,000	774,901
Covid Recovery Reserve	-	-	-	-	-	-	-	600,000	600,000
Depreciation Reserve	10,232,997	927,246	(650,318)	-	10,509,925	25,099	(679,693)	-	9,855,331
	<u>16,414,590</u>	<u>927,246</u>	<u>(1,536,166)</u>	<u>-</u>	<u>15,805,670</u>	<u>725,099</u>	<u>(704,792)</u>	<u>-</u>	<u>15,825,977</u>

#### Purposes of designated funds

##### Lifecycle Maintenance Reserve

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

##### PH2O Reserve

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

##### Insurance Reserve

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

##### Asset Management Reserve

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

##### Specific Projects Reserve

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

##### Covid Recovery Reserve

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

##### Depreciation Reserve

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

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 20 Analysis of net assets between funds

<b>Group</b>	<b>Unrestricted 2022 £</b>	<b>Designated 2022 £</b>	<b>Restricted 2022 £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Fund balances at 31 March 2022 are represented by:					
Tangible assets	-	9,855,331	-	9,855,331	10,509,925
Investments	321	-	-	321	289
Current assets	1,339,556	5,970,646	263,858	7,574,060	6,922,559
Provisions and pensions	(7,178,000)	-	-	(7,178,000)	(9,207,000)
	<u>(5,838,123)</u>	<u>15,825,977</u>	<u>263,858</u>	<u>10,251,712</u>	<u>8,225,773</u>

# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 20 Analysis of net assets between funds (continued)

	Unrestricted	Designated	Restricted	Total	Total
	2022	2022	2022	2022	2021
Company	£	£	£	£	£
Fund balances at 31 March 2022 are represented by:					
Tangible assets	-	9,855,331	-	9,855,331	10,509,925
Investments	322	-	-	322	290
Current assets	1,325,320	5,970,646	263,858	7,559,824	6,971,218
Provisions and pensions	(7,178,000)	-	-	(7,178,000)	(9,207,000)
	<u>(5,852,358)</u>	<u>15,825,977</u>	<u>263,858</u>	<u>10,237,477</u>	<u>8,274,433</u>

#### 21 Operating lease commitments

At 31 March 2022 the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	2,614	2,376
Between two and five years	1,386	3,762
	<u>4,000</u>	<u>6,138</u>

#### 22 Capital commitments

At 31 March 2022 the charitable company had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	<u>748,443</u>	<u>6,000</u>
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# LIVE ACTIVE LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 23 Related party transactions

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

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

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

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

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

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

<b>24 Cash (absorbed by)/generated from operations</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Deficit for the year	(1,672,061)	(1,237,868)
Adjustments for:		
Investment income recognised in statement of financial activities	(14,114)	(37,084)
Fair value gains and losses on investments	(32)	(68)
Depreciation and impairment of tangible fixed assets	679,693	612,449
Loss on disposal of fixed assets	-	37,870
Difference between pension charge and cash contributions	1,669,000	878,000
Movements in working capital:		
Decrease in stocks	3,200	3,871
Increase in debtors	(127,559)	(701,336)
(Decrease)/increase in creditors	(401,202)	727,231
<b>Cash generated from operations</b>	<b>136,925</b>	<b>283,065</b>

#### 25 Analysis of changes in net funds

The charitable company had no debt during the year.