

REGISTERED COMPANY NUMBER: SC243577 (Scotland)  
REGISTERED CHARITY NUMBER: SC034227

REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH 2016  
FOR  
LIVE BORDERS



## LIVE BORDERS

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## **LIVE BORDERS**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2016. 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).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and principal activities**

In the period to 31st March 2016, the objectives of the Company were to provide or assist in the provision of facilities and services, primarily for the benefit of the community and visitors to the administrative area of the Scottish Borders.

The principal activities of the Trust are the management of sport & leisure facilities, the delivery of the Active Schools Programme and the delivery of a Sport Development service for the benefit of the communities of the Scottish Borders.

In support of the management of these services the Business Plan provides a series of goals and objectives associated with organisational management; facility management; business development, service improvement; customer service; staff development; partnerships and devolved financial management.

The objectives of Live Borders, from 1 April 2016, are to provide or assist primarily for the benefit of the community and visitors of all ages to the administrative area of the Scottish Borders and any surrounding areas each of the following:

(a) the advancement of:

(i) the arts, heritage, culture and science;

(ii) education through the wide variety of facilities, services, programmes, training courses and cultural, arts, heritage and science events, activities, collections and exhibitions which are provided by or organised through Live Borders;

(iii) community development and rural regeneration; and

(b) the provision of facilities and services areas for recreational, sporting or other leisure time occupation in the interests of social welfare, such facilities being provided to the public at large save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities and services.

## LIVE BORDERS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016

#### ACHIEVEMENT AND PERFORMANCE

##### Charitable activities

During 2015/16 Borders Sport and Leisure invested £5,793k in delivering safe, fun and accessible sport and physical activity facilities alongside services to the communities in the Scottish Borders.

2015/16 was a mixed year of financial performance with positive developments including the launch of a new soft play facility, Tumbliboos, at the Gytes Leisure Centre. We undertook a major refurbishment of Eyemouth Leisure Centre providing upgraded changing village and poolside redecoration. Staff costs were managed within budget which was a positive achievement given an unprecedented high staff absence, particularly in the first quarter. Peebles Swimming pool was closed for 7 weeks as a result of flooding from the River Tweed, with insurance covering all costs, including loss of income.

Indoor class income was a challenge across a number of our sites, specifically at the new studio at Tweedbank which took some time to establish itself as a new venue. Membership lagged behind target for the first three quarters of the year although there was an encouraging rise in the final quarter. A membership review was undertaken to identify challenges with the offering and new packages and support to members will be launched in 2016.

Following the launch of the 2015-2019 strategy, innovation was strong in the first half of the year including the introduction of go-karts at Tweedbank and a number of new programmes, including Parkour, Active8 and cheerleading. Our sports development team run a very successful sports academy and introduced a number of other "camp" activities. A summer programme of "pop up play" took our activities outdoors.

#### Key Performance Indicators

##### Attendances

'000's	2015/16	2014/15	Growth %
Facilities	810	841	-4
Sports Development	160	136	+18
Active Schools	219	211	+4
<b>Total</b>	<b>1,189</b>	<b>1,188</b>	<b>0</b>

##### Income

'000's	2015/16	2014/15	Growth %
Facilities	3,072	2,964	+4
Sports Development	162	150	+8
Active Schools	20	30	-33
<b>Total</b>	<b>3,254</b>	<b>3,144</b>	<b>+3</b>

#### Strategic Objectives

The first year of our four year strategy saw a respectable performance overall. The methodology for capturing participant data did cause a number of inconsistencies compared to the baseline year, pre strategy. The data capture format has now been confirmed and will be reported consistently from now on.

Class participation was a challenge both through the performance on health programmes which were delayed due to staff capacity issues. Other class participation was addressed through a focus on staff training to support delivery of indoor classes.

In 2015/16 1,923 active volunteers supported the work of the Trust while we continue to engage with this valuable voluntary resource.

## **LIVE BORDERS**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016**

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

##### **Facility Development**

Following the community consultation exercise in Eyemouth, a refurbishment project was undertaken in quarter 3 with the installation of new changing village and shower area.

The Trust took over the management of the new 2G pitch at Selkirk in August 2015, the first in a programme of pitch developments by Scottish Borders Council, supported by Sportscotland.

The Gytes Leisure Centre benefited from investment in summer 2015. The gym was relocated to the top floor and the ground floor was developed as a soft play centre, Tumbliboos. Participation numbers exceeded targets in the first 6 months of operation and performance continues to be positive.

Sportscotland funding for the redevelopment of Selkirk Leisure Centre was approved, with work due to commence in summer 2016.

##### **Modernising Systems**

Investment in new technology continued with the development of Gladstone, which also houses our Learn 2 product. We continue to develop in our digital presence, using website and social media to promote our products and engage our customers.

Implementation of new financial management systems were delayed pending decision on the transfer of cultural services, this will be progressed in 2016/17.

##### **Governance**

Board approved, in September 2015, the transfer of cultural services from Scottish Borders Council to form an integrated sport and culture trust. Live Borders, was formed on 1 April 2016.

The Trust's Articles of Association were amended in March 2016 to reflect a change in the membership from the Local Authority, removing the specific position of executive member for sport.

## **LIVE BORDERS**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016**

#### **FINANCIAL REVIEW**

##### **Reserves policy**

The Trust aims to maintain a level of reserves of allow it to meet any non-budgeted contingencies and to meet an increase in demand for its services.

##### **Restricted Reserves**

###### **Capital Grants Reserve**

The Board recognises that capital grants may only be spent for the purpose for which they were given. They are to be recorded as incoming resources when received and depreciated in line with the company's depreciation policy. The balance on this reserve is represented by the written down value of the asset that was purchased with the grant.

###### **Revenue Grants Reserve**

The Board recognises that revenue grants may only be spent for the purpose for which they were given. They are to be recorded as incoming resources when received with the appropriate expenditure recorded under Outgoing resources. Any unspent balance on this reserve will be represented by an appropriate bank balance.

###### **Specific Revenue Reserve**

Where it has been agreed that the surplus from operating a particular facility (e.g. Trifitness) must be reinvested in that facility, then the cumulative surplus will be treated as a restricted reserve.

##### **Designated Reserves**

###### **Plant, Fixtures and Fittings Replacement Reserve**

The Board aims to establish a reserve sufficient to fund the replacement of major plant and fixtures and fittings which will come to the end of their useful life in the years of the Trust's business plan, currently 3 years. In calculating that figure allowance will be made for all related contractual and expected capital grants to be received in that period. This reserve will be represented by cash in the balance sheet at the start of the business plan period.

##### **Unrestricted Reserves**

###### **Pension Reserve**

The board recognises its responsibility to meet any projected net liability established through the triennial valuation of the Borders Sport and Leisure section of the Scottish Borders Council Local Government Pension Scheme. The surplus or deficit on this reserve is represented by an-equivalent asset or liability in the balance sheet.

###### **General Reserve**

The Board considers it prudent to establish a reserve to meet any substantial unplanned events such as a reduction in income caused by a period of prolonged extreme weather, an unforeseen reduction in revenue funding, an unforeseen increase in costs or uninsured losses. Going forward the board believes a target of 5% of sporting income and 2% of culture income to be appropriate.

#### **Financial Results 2015-16**

Total incoming resources were £5,902,426; this was a £233,335 increase on 2014/15. Capital Grant income increased by £132,840, as a result of funding for the Eyemouth Leisure Centre change area refurbishment in November 15 to January 15. Management fee from SBC was reduced by £66,824, and there was an increase in other operating income of £167,319.

In 2015/16 our tenth full year of operation we report a surplus (Net Movement in Funds) of £271,423. This comprises the deficit reported in the Trust's management accounts of £8,838, less £158,062 as a result of grant depreciation adjustments, plus £199,323 of capital grants received and pension adjustment of £239,000.

The Reserves at 31st March 2016 were £2,068,186, comprising of General Fund of £219,689, Pension Surplus of £618,000, Restricted Funds relating to Capital Grants of £1,125,497 and Designated Funds totalling £105,000.

## **LIVE BORDERS**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016**

#### **FUTURE PLANS**

BSLT approved their 2015-2019 strategy in March 2015, setting out our vision of "Improved lives through physical activity, sport and leisure". The Trust aims to do this by being a successful, sustainable business providing quality opportunities that inspire people in the Borders to achieve healthier futures by participating in play, physical activity and sport.

Delivery is supported by our strategic outcomes of:

**Play:** More children participating in active play opportunities with Borders Sport and Leisure

**Active:** more people, in all life stages, participating in regular physical activity with Borders Sport and Leisure

**Sport:** More people participating directly in sport or in the delivery of sport, supported or led by Borders Sport and Leisure

**Business:** Return an annual surplus to invest into the achievement of our mission.

A programme of artificial pitch development has been agreed for the Scottish Borders, led by the Council. The Hawick facility will come into operation in 2016/17, it has been agreed that this will be managed by Live Borders.

Following the transfer of cultural services from Scottish Borders Council on 1 April 2016, the focus will be on ensuring the Trust integrates service delivery and realise the identified benefits of operating within a Trust environment.

Integration of the staff and services will be a focus for the Trust in 2016/17 with activity planned on an organisational review and service transition working groups.

As our knowledge, understanding and experience of running the new services develops, we will seek to further integrate the services and seek efficiencies from working together.

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

##### **Governing document**

Live Borders is a Company limited by guarantee incorporated in 2003 and governed by its Memorandum and Articles of Association. It is registered as a charity, number SCO34227, with the Office of Scotland Charities Regulator.

## **LIVE BORDERS**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016**

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

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

Nominations and applications to be a trustee are requested, from time to time, through public advert and through direct contact with individuals, in accordance with the Articles of Associations. The Board has the power to fill casual vacancies.

The Board of Trustees (of up to 15 members), who meet at least four times a year, administers the Charity. A Chief Executive is appointed by the Trustees to manage the day to day operations on the Charity.

One third of the trustees must stand down at the Annual General Meeting (AGM) but are eligible for re-election. The appointment of Trustees co-opted during the year requires to be confirmed by the AGM. Further trustees can be co-opted by the Board of Directors during the year up to a total of fifteen.

##### **The Annual Election and Retiral of Trustees**

###### **Co-opted**

Any new Trustee who joins the Board during the year will require to have his/ her nomination ratified at the next Annual General Meeting.

###### **Nominated**

Local Authority Nominated Trustees (3) remain during the period as confirmed by the Local Authority.

Confirmation of this period of office should be sought by the Chief Executive Officer following the election of a new local authority. At its AGM of September 2010 the members resolved that the Local Authority's Portfolio Holder for Sport and Culture should hold a standing position on the Board.

The Health Board (1) should be asked by the Trust Chief Executive Officer to intimate/confirm the name of their nominated Trustee on an annual basis. The name of the Employee Trustee (1) should be intimated to the Company Secretary 28 days before the Annual General Meeting.



## **LIVE BORDERS**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016**

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

##### **Governance**

In November 2012 the Board agreed to form four sub-committees with delegated powers that would meet in support of the work of officers. In addition to bi-monthly meetings of the Board the work of the Company is planned and monitored through these four committees. Each committee consists of five trustees and the CEO.

1. The Finance and Property Committee:

To deal with financial planning, financial reporting and control, capital projects, risk management and major property issues.

2. The Quality and Outcomes Committee:

To deal with review of strategic objectives and qualitative aspects of our facilities and services

3. The Partnership and Communities Committee:

To ensure that BSLT is fully engaged at all levels with its key partners in the community.

4. The Chairs Committee:

To deal with Governance matters including Board nominations and performance as well as senior management appointments, performance and remuneration.

Each group meets by arrangement and provides a written report to the subsequent meeting of the Board.

The committees spend time each year reviewing progress and contribute to the forward planning for the Trust. The CEO reports on progress and issues to the Directors on a planned basis. The CEO has delegated powers to make day to day decisions regarding the Trust's operations. The work plan and the budget are agreed between the CEO and the Board of Directors.

##### **Management**

Borders Sport and Leisure Trust was established in September 2003. In March 2011 the Board agreed to integrate Scottish Borders Councils' Sports Development and Active Schools functions into the company as an extension to the existing transfer. The transfer of these functions, their resources and the facilities attached, took place on the 1 July 2011. The current portfolio of 13 facilities include Eyemouth Leisure Centre, Galashiels Swimming Pool, Gytess Leisure Centre, Kelso Swimming Pool, Peebles Swimming Pool, Queens Leisure Centre, Selkirk Leisure Centre, Borders Tennis Centre, Teviotdale Leisure Centre, Tweedbank Outdoor Sport Complex & Bowls Hall, Trifitness, 3G Arena, Peebles High School Sports Centre and Selkirk 2G pitch.

As stated above, on 1st April 2016 Scottish Borders Council transferred cultural services to the Trust and the organisation's name changed to Live Borders.

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

An induction programme will be introduced for all new directors/trustees and offered to all soon after election. In addition directors will receive an induction pack that contains the Memorandum, the Articles of Association, Roles and Responsibilities of being a director, and background information on the Trust. From time to time focussed training sessions will be offered to all directors who will be expected to attend at least one such training session each year.

##### **Related parties**

Live Borders co-operates with Scottish Borders Council (SBC); with NHS (Borders); Further and Higher Education establishments; the Community Planning Forum and with other sport and leisure trusts. Nationally the Trust co-operated and supports the work of the Sport and Recreation Trust Association, SportScotland and the National Governing Bodies for Sport.

## **LIVE BORDERS**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016**

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

##### **Risk management**

The Board continues to monitor progress against the financial objectives at each meeting and to review this against the strategic objectives on a cyclical basis.

The Trustees have a duty to identify and review the risks to which the charity is exposed so Trustees and appropriate officers carry out an annual risk register. This ensures appropriate controls are in place to provide reasonable assurance against fraud and error.

Internal risks are minimised by the implementation of procedures for the authorisation of transactions and projects; this ensures consistent quality of delivery for all operational aspects of the company.

External risks relate largely to the continued funding of the Company. Whilst the Board is encouraged by the stability in use of facilities overall, there remains concern that the management fee from SBC is only committed for one year at a time and this restricts the ability of the Trust to pursue new investment for larger projects.

Work continues on the legal documentation to affect the transfer of Cultural Services. The main documents were signed on 1st April 2016, however work continues on the schedules and supporting leases.

Any variation from planned business that has an associated risk assessment is presented to the Board of Directors.

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

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

SC243577 (Scotland)

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

SC034227

##### **Registered office**

Melrose Road  
Galashiels  
Selkirkshire  
TD1 2DU

## LIVE BORDERS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Trustees

A B Taylor

T J Sellar - resigned 28.3.16

G Capper - resigned 29.9.15

Cllr. V M Davidson - resigned 25.5.15

K Scott

Mrs P A Walls

R J Kerr

D J Kelly

P J Duncan

Councillor K Cockburn

Miss J I Cormack

P Smith

I D Gillespie

R Claridge - appointed 25.4.16

R White - appointed 25.4.16

A H Hutton - appointed 25.4.16

M Cook - appointed 28.9.15

- resigned 25.4.16

Mrs S M G Robertson - appointed 21.6.16

Dr A Riley - appointed 15.8.16

- Councillors K Cockburn, I Gillespie and B White are the Directors nominated by Scottish Borders Council
- Councillors V Davidson and M Cook were co-opted onto the Board as the Council's Executive Member, during 2015/16.
- The nominated director representing NHS Borders has been vacant for the year
- D Kelly is the staff representative on the board
- Trustees Mrs P A Walls, Miss J Cormack and R Kerr are retiring at the next AGM but are eligible for re-election.
- The Board is required to set out annually its requirements for the skills, qualities and experience which it needs from its trustees.

##### Company Secretary

E Jackson

##### Senior Statutory Auditor

Alister Biggar

##### Auditors

JRW

Chartered Accountants &

Statutory Auditor

19 Buccleuch Street

Hawick

Roxburghshire

TD9 0HL

##### Bankers

The Royal Bank of Scotland

35 Bank Street

Galashiels

Selkirkshire

TD1 1EP

## **LIVE BORDERS**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2016**

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

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

The trustees (who are also the directors of Live Borders for the purposes of company law) are responsible for preparing the Report of the Trustees 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 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:

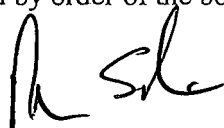
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **AUDITORS**

JRW are deemed to be re-appointed under Section 487 (2) of the Companies Act 2006.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 15th August 2016 and signed on its behalf by:



P Smith - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF LIVE BORDERS**

We have audited the financial statements of Live Borders for the year ended 31st March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the 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. 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, 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 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 charitable company's affairs as at 31st March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

### **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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF  
LIVE BORDERS**

**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 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.

*Alister Biggar*

Alister Biggar (Senior Statutory Auditor)

for and on behalf of JRW

Chartered Accountants &

Statutory Auditor

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

19 Buccleuch Street

Hawick

Roxburghshire

TD9 0HL

2nd September 2016

# LIVE BORDERS

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>	4				
Operation of Leisure Facilities		4,206,369	-	4,206,369	4,140,609
Capital Grants		-	199,323	199,323	66,483
Provision of Sport Services		1,012,109	-	1,012,109	1,037,526
Revenue grants		101,562	23,469	125,031	151,573
Investigation of cultural services		68,283	-	68,283	-
Other trading activities	2	290,211	-	290,211	272,020
Investment income	3	1,100	-	1,100	880
<b>Total</b>		<b>5,679,634</b>	<b>222,792</b>	<b>5,902,426</b>	<b>5,669,091</b>
<b>EXPENDITURE ON</b>					
Raising funds	5	165,329	-	165,329	155,242
<b>Charitable activities</b>	6				
Operation of Leisure Facilities		4,560,841	167,926	4,728,767	4,575,321
Provision of Sport Services		1,041,155	23,469	1,064,624	1,058,931
Investigation of cultural services		68,283	-	68,283	-
<b>Total</b>		<b>5,835,608</b>	<b>191,395</b>	<b>6,027,003</b>	<b>5,789,494</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>(155,974)</b>	<b>31,397</b>	<b>(124,577)</b>	<b>(120,403)</b>
<b>Transfers between funds</b>	21	<b>(58,051)</b>	<b>58,051</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>					
Actuarial gains/losses on defined benefit schemes		396,000	-	396,000	1,028,000
<b>Net movement in funds</b>		<b>181,975</b>	<b>89,448</b>	<b>271,423</b>	<b>907,597</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>760,714</b>	<b>1,036,049</b>	<b>1,796,763</b>	<b>889,166</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>942,689</b>	<b>1,125,497</b>	<b>2,068,186</b>	<b>1,796,763</b>

### CONTINUING OPERATIONS

In the year ended 31st March 2016 there was income and expenditure investigating the new cultural services activity.

The notes form part of these financial statements

**LIVE BORDERS**  
**BALANCE SHEET**  
**AT 31ST MARCH 2016**

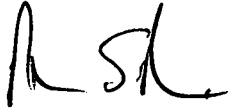
	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	13	1,657,269	1,652,818
<b>CURRENT ASSETS</b>			
Stocks	14	13,747	14,630
Debtors	15	453,093	244,902
Cash at bank and in hand		219,025	596,521
		<u>685,865</u>	<u>856,053</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(697,228)	(861,329)
		<u>(11,363)</u>	<u>(5,276)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			
		<u>(11,363)</u>	<u>(5,276)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,645,906	1,647,542
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(195,720)	(229,779)
<b>PENSION ASSET</b>	22	618,000	379,000
		<u>2,068,186</u>	<u>1,796,763</u>
<b>NET ASSETS</b>			
		<u>2,068,186</u>	<u>1,796,763</u>
<b>FUNDS</b>	21		
Unrestricted funds:			
General fund		219,689	286,714
Pension reserve		618,000	379,000
Designated fund - 3G pitch replacement		40,000	30,000
Designated Funds - Plant, fixtures and fittings replacement reserve		65,000	65,000
		<u>942,689</u>	<u>760,714</u>
Restricted funds		1,125,497	1,036,049
<b>TOTAL FUNDS</b>		<u>2,068,186</u>	<u>1,796,763</u>

The notes form part of these financial statements



LIVE BORDERS  
BALANCE SHEET - CONTINUED  
AT 31ST MARCH 2016

The financial statements were approved by the Board of Trustees on 15th August 2016 and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'P Smith'.

P Smith -Trustee

A handwritten signature in black ink, appearing to be 'P A Walls'.

Mrs P A Walls -Trustee

**LIVE BORDERS**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	(54,781)	502,615
Interest paid		(6,800)	(7,427)
<b>Net cash provided by (used in) operating activities</b>		<u>(61,581)</u>	<u>495,188</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(280,520)	(75,545)
Interest received		1,100	880
<b>Net cash provided by (used in) investing activities</b>		<u>(279,420)</u>	<u>(74,665)</u>
<b>Cash flows from financing activities:</b>			
Loan repayments in year		(36,495)	(48,277)
<b>Net cash provided by (used in) financing activities</b>		<u>(36,495)</u>	<u>(48,277)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(377,496)</u>	<u>372,246</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>596,521</u>	<u>224,275</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>219,025</u></u>	<u><u>596,521</u></u>

The notes form part of these financial statements

# LIVE BORDERS

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

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

	2016 £	2015 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(124,577)	(120,403)
Adjustments for:		
Depreciation charges	276,068	290,847
Interest received	(1,100)	(880)
Interest paid	6,800	7,427
Decrease in stocks	883	497
(Increase)/decrease in debtors	(208,191)	124,681
(Decrease)/increase in creditors	(161,664)	124,446
Difference between pension charge and cash contributions	157,000	76,000
Net cash provided by (used in) operating activities	<u>(54,781)</u>	<u>502,615</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2016

1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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. The financial statements have been prepared under the historical cost convention.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity 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 cost 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.

**Governance costs**

These are the costs associated with the governance arrangements of the Trust which relate to the general running of the organisation as opposed to those costs associated with fundraising or charitable activity. The costs will normally include audit, legal advice for trustees and costs associated with constitutional and statutory requirements e.g. the cost of trustee meetings and preparing statutory accounts.

**Allocation and apportionment of costs**

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

General overheads such as support salaries are not included as part of the cost of generating funds as it is not possible to accurately allocate these.

**Tangible fixed assets**

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

Improvements to property	- in accordance with the property
Equipment	- 3 to 5 years

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST MARCH 2016**

**1. ACCOUNTING POLICIES - continued**

**Taxation**

The trust is recognised as a Charity by the Inland Revenue. Accordingly investment income is exempt from taxation and Income Tax is recoverable on any donations paid under Gift Aid. The Trust receives no similar exemption in respect of Value Added Tax. Income and Expenditure is reported net of VAT, unless it is irrecoverable.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

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

Retirement benefits to employees of the Trust who transferred employment from SBC are provided by Scottish Borders Council Local Government Superannuation Fund. This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. The scheme is administered by SBC in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998 as amended.

The defined benefit scheme assets are measured using fair values. Pension scheme liabilities are measured using the projected unit method and discounted at the rate of return stated in the pension commitments note to the accounts. The net surplus or deficit is recognised in full in the balance sheet. The current service cost and gains and losses on settlement and curtailments are charged to the income and expenditure account if the benefits have been vested or, if they have not vested, over the period until vesting occurs. The interest cost and the expected return on assets are included as other finance income or interest payable. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Other employees are offered a separate money purchase scheme to which the Trust contributes. The contributions to this scheme are accounted for in the period in which they are incurred.

**Company status**

The Trust is a company limited by guarantee. The members of the company are the trustees. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**2. OTHER TRADING ACTIVITIES**

	2016	2015
	£	£
Shop, cafeteria, caravan site, fishing permits etc.	290,211	272,020
	<u>          </u>	<u>          </u>

**3. INVESTMENT INCOME**

	2016	2015
	£	£
Deposit account interest	1,100	880
	<u>          </u>	<u>          </u>

# LIVE BORDERS

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2016

### 4. INCOME FROM CHARITABLE ACTIVITIES

		2016	2015
	Activity	£	£
Management fee - SBC	Operation of Leisure Facilities	1,525,082	1,555,374
Centre income	Operation of Leisure Facilities	2,681,287	2,585,235
Grants	Capital Grants	199,323	66,483
Management fee - SBC	Provision of Sport Services	925,253	961,785
Centre income	Provision of Sport Services	86,856	75,741
Grants	Revenue grants	125,031	151,573
Cultural services start up	Investigation of cultural services	68,283	-
		<u>5,611,115</u>	<u>5,396,191</u>

Grants received, included in the above, are as follows:

	2016	2015
	£	£
Sportscotland	40,000	-
NHS Borders	2,707	14,875
Scottish Borders Council	197,900	135,182
SFA	34,500	20,065
Disability Sport Scotland	16,402	15,727
Borders tennis club	-	2,500
Borders Railway	-	5,000
Scottish Enterprise	23,469	23,207
Big Lottery	-	1,500
Macmillan Cancer Support	9,376	-
	<u>324,354</u>	<u>218,056</u>

### 5. RAISING FUNDS

#### Other trading activities

	2016	2015
	£	£
Purchases	123,108	116,309
Staff costs	33,224	32,888
Heat, light & power	1,800	1,800
Repairs & equipment	663	3,541
Other costs	6,534	704
	<u>165,329</u>	<u>155,242</u>

# LIVE BORDERS

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2016

### 6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£	£
Operation of Leisure Facilities	3,368,173	-	1,360,594	4,728,767
Provision of Sport Services	630,165	214,714	219,745	1,064,624
Investigation of cultural services	1,125	-	67,158	68,283
	<u>3,999,463</u>	<u>214,714</u>	<u>1,647,497</u>	<u>5,861,674</u>

### 7. GRANTS PAYABLE

	2016	2015
	£	£
Provision of Sport Services	<u>214,714</u>	<u>213,617</u>

The total grants paid to institutions during the year was as follows:

	2016	2015
	£	£
SRU	15,000	15,000
ASP Borders	45,001	47,500
Club Sport Berwickshire	17,067	17,964
Club Sport Ettrick & Lauderdale	27,681	29,138
Club Sport Roxburgh Sports	29,401	30,948
Club Sport Tweeddale	16,019	16,863
Scottish Hockey	13,500	13,500
Tennis Borders	4,000	4,000
BEST Management - Swimming	10,000	12,300
Sports Borders	10,545	8,904
Scottish Borders Athletic Development Group	11,000	11,000
Scottish Borders Cycling Development	6,000	6,500
SFA	9,500	-
	<u>214,714</u>	<u>213,617</u>

### 8. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Operation of Leisure Facilities	1,347,294	13,300	1,360,594
Provision of Sport Services	216,965	2,780	219,745
Investigation of cultural services	67,158	-	67,158
	<u>1,631,417</u>	<u>16,080</u>	<u>1,647,497</u>

Support costs, included in the above, are as follows:

**LIVE BORDERS**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST MARCH 2016**

**8. SUPPORT COSTS - continued**

				2016	2015
	Operation of Leisure Facilities	Provision of Sport Services	Investigation of cultural services		
	£	£	£	Total activities £	Total activities £
Support salaries & ancillary costs	686,192	105,637	11,357	803,186	798,976
Social security	40,945	11,220	-	52,165	47,682
Other pension costs	237,398	17,043	-	254,441	236,617
Support services	106,212	41,244	2,458	149,914	143,245
Professional fees	71,204	11,765	18,700	101,669	67,350
Marketing	90,818	18,901	22,995	132,714	132,953
Others	37,756	-	-	37,756	52,776
Admin costs	86,969	11,155	11,648	109,772	109,287
Interest payable and similar charges	(10,200)	-	-	(10,200)	33,427
Trustees' remuneration etc	700	130	-	830	1,962
Support salaries & ancillary costs	4,100	900	-	5,000	5,000
Auditors' remuneration	8,500	1,750	-	10,250	8,400
	<u>1,360,594</u>	<u>219,745</u>	<u>67,158</u>	<u>1,647,497</u>	<u>1,637,675</u>

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

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

	2016	2015
	£	£
Auditors' remuneration	10,250	8,400
Depreciation - owned assets	<u>276,069</u>	<u>290,847</u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st March 2016 nor for the year ended 31st March 2015.

**Trustees' expenses**

	2016	2015
	£	£
Trustees' expenses	<u>830</u>	<u>1,962</u>



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST MARCH 2016**

**11. STAFF COSTS**

	2016	2015
	£	£
Wages and salaries	2,890,061	2,832,944
Social security costs	189,122	185,066
Other pension costs	424,441	273,617
	<u>3,503,624</u>	<u>3,291,627</u>

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

2016	2015
208	204
<u>208</u>	<u>204</u>

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

	2016	2015
	1	-
	<u>1</u>	<u>-</u>

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Operation of Leisure Facilities	4,140,609	-	4,140,609
Capital Grants	-	66,483	66,483
Provision of Sport Services	1,037,526	-	1,037,526
Revenue grants	128,366	23,207	151,573
Other trading activities	272,020	-	272,020
Investment income	880	-	880
<b>Total</b>	<u>5,579,401</u>	<u>89,690</u>	<u>5,669,091</u>
<b>EXPENDITURE ON</b>			
Raising funds	155,242	-	155,242
<b>Charitable activities</b>			
Operation of Leisure Facilities	4,398,752	176,569	4,575,321
Provision of Sport Services	1,058,931	-	1,058,931
<b>Total</b>	<u>5,612,925</u>	<u>176,569</u>	<u>5,789,494</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>(33,524)</u>	<u>(86,879)</u>	<u>(120,403)</u>
<b>Transfers between funds</b>	<u>(14,918)</u>	<u>14,918</u>	<u>-</u>

LIVE BORDERS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST MARCH 2016

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
<b>Other recognised gains/(losses)</b>			
Actuarial gains/losses on defined benefit schemes	1,028,000	-	1,028,000
<b>Net movement in funds</b>	979,558	(71,961)	907,597
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	(218,844)	1,108,010	889,166
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>760,714</u>	<u>1,036,049</u>	<u>1,796,763</u>

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Equipment £	Totals £
<b>COST</b>				
At 1st April 2015	435,410	2,210,233	350,847	2,996,490
Additions	-	273,735	6,785	280,520
At 31st March 2016	<u>435,410</u>	<u>2,483,968</u>	<u>357,632</u>	<u>3,277,010</u>
<b>DEPRECIATION</b>				
At 1st April 2015	25,375	1,008,711	309,586	1,343,672
Charge for year	16,719	232,846	26,504	276,069
At 31st March 2016	<u>42,094</u>	<u>1,241,557</u>	<u>336,090</u>	<u>1,619,741</u>
<b>NET BOOK VALUE</b>				
At 31st March 2016	<u>393,316</u>	<u>1,242,411</u>	<u>21,542</u>	<u>1,657,269</u>
At 31st March 2015	<u>410,035</u>	<u>1,201,522</u>	<u>41,261</u>	<u>1,652,818</u>

Improvements to property represents the costs to the charity of renovation of facilities owned by other parties. Improvements undertaken by Landlords are not reflected in the accounts.

	2016	2015
Capital Commitments - Tenants Improvements	<u>560,000</u>	<u>-</u>

# LIVE BORDERS

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2016

### 14. STOCKS

	2016	2015
	£	£
Stocks	<u>13,747</u>	<u>14,630</u>

### 15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	240,977	106,470
Other debtors & prepayments	<u>212,116</u>	<u>138,432</u>
	<u>453,093</u>	<u>244,902</u>

### 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Other loans (see note 18)	36,392	38,829
Trade creditors	155,142	131,313
Social security and other taxes	48,206	52,007
VAT	82,308	92,435
Other creditors & accruals	293,990	438,619
Income received in advance	<u>81,190</u>	<u>108,126</u>
	<u>697,228</u>	<u>861,329</u>

Income received in advance mainly relates to memberships paid in full for periods after the year end. It also includes entry monies for triathlon events due to take place over Summer 2016.

### 17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Other loans (see note 18)	<u>195,720</u>	<u>229,779</u>

Scottish Borders Council loans towards energy efficiency were fully repaid by 31st March 2016 and were interest free.

An additional loan towards fitting out costs of Trifitness £68,425 at 31st March 2016 is charged with interest at 3% over base.

A bank loan towards the purchase of the head office £163,895 at 31st March 2016 is charged with a fixed rate of interest at 3.89%. Bank borrowings are secured by a legal charge over the Trust's Head Office in Galashiels.

# LIVE BORDERS

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2016

### 18. LOANS

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year on demand:		
Loans	<u>36,392</u>	<u>38,829</u>
Amounts falling between one and two years:		
Loans - 1-2 years	<u>36,600</u>	<u>36,600</u>
Amounts falling due between two and five years:		
Loans - 2-5 years	97,725	109,800
Loans - over 5 years	<u>61,395</u>	<u>83,379</u>
	<u>159,120</u>	<u>193,179</u>

### 19. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Equipment	
	2016 £	2015 £	2016 £	2015 £
Expiring:				
Within one year	-	-	56,116	39,548
Between one and five years	<u>38,550</u>	<u>38,192</u>	-	<u>46,930</u>
	<u>38,550</u>	<u>38,192</u>	<u>56,116</u>	<u>86,478</u>

### 20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Fixed assets	634,452	1,022,817	1,657,269	1,652,818
Current assets	583,185	102,680	685,865	856,053
Current liabilities	(697,228)	-	(697,228)	(861,329)
Long term liabilities	(195,720)	-	(195,720)	(229,779)
Pension asset	618,000	-	618,000	379,000
	<u>942,689</u>	<u>1,125,497</u>	<u>2,068,186</u>	<u>1,796,763</u>

### 21. MOVEMENT IN FUNDS

LIVE BORDERS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST MARCH 2016

21. MOVEMENT IN FUNDS - continued

	At 1.4.15	Net movement in funds	Transfers between funds	At 31.3.16
£	£	£	£	£
<b>Unrestricted funds</b>				
General fund	286,714	1,026	(68,051)	219,689
Pension reserve	379,000	239,000	-	618,000
Designated fund - 3G pitch replacement	30,000	-	10,000	40,000
Designated fund - Plant, fixtures & fittings replacement reserve	65,000	-	-	65,000
	<u>760,714</u>	<u>240,026</u>	<u>(58,051)</u>	<u>942,689</u>
<b>Restricted funds</b>				
TLC - Upgrade facilities	84,351	(6,544)	-	77,807
Peebles swimming pool refurbishment	146,517	(25,117)	-	121,400
Gala swimming pool	30,565	(18,333)	-	12,232
Kelso swimming pool	346,797	(46,226)	-	300,571
Eyemouth leisure centre	60,908	129,794	-	190,702
Tweedbank sports hub	302,297	8,608	-	310,905
Tri-Fitness	14,918	-	58,051	72,969
Other restricted funds	49,696	(10,785)	-	38,911
	<u>1,036,049</u>	<u>31,397</u>	<u>58,051</u>	<u>1,125,497</u>
<b>TOTAL FUNDS</b>	<u>1,796,763</u>	<u>271,423</u>	<u>-</u>	<u>2,068,186</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 fund	5,679,634	(5,678,608)	-	1,026
Pension reserve	-	(157,000)	396,000	239,000
	<u>5,679,634</u>	<u>(5,835,608)</u>	<u>396,000</u>	<u>240,026</u>
<b>Restricted funds</b>				
TLC - upgrade facilities	10,671	(17,215)	-	(6,544)
Peebles swimming pool refurbishment	-	(25,117)	-	(25,117)
Gala swimming pool	-	(18,333)	-	(18,333)
Kelso swimming pool	-	(46,226)	-	(46,226)
Eyemouth leisure centre	139,509	(9,715)	-	129,794
Tweedbank sports hub	49,143	(40,535)	-	8,608
Other restricted funds	23,469	(34,254)	-	(10,785)
	<u>222,792</u>	<u>(191,395)</u>	<u>-</u>	<u>31,397</u>
<b>TOTAL FUNDS</b>	<u>5,902,426</u>	<u>(6,027,003)</u>	<u>396,000</u>	<u>271,423</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST MARCH 2016**

**21. MOVEMENT IN FUNDS - continued**

The Designated Funds represent funds towards the replacement of the 3G pitch replacement and other plant, fixtures and fittings at the sites.

The Restricted Funds detailed above relate to grants received in respect of capital projects at the sites. The Other Restricted Funds consist of relatively small capital project funding received and contributions towards certain sports development programmes.

**22. EMPLOYEE BENEFIT OBLIGATIONS**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Present value of funded obligations	(6,722,000)	(6,745,000)
Fair value of plan assets	7,340,000	7,124,000
	<u>618,000</u>	<u>379,000</u>
Surplus	<u>618,000</u>	<u>379,000</u>
Net asset	<u><u>618,000</u></u>	<u><u>379,000</u></u>

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

	Defined benefit pension plans	
	2016	2015
	£	£
Current service cost	380,000	232,000
Net interest from net defined benefit asset/liability	(17,000)	26,000
Past service cost	-	8,000
Administration costs	4,000	5,000
	<u>367,000</u>	<u>271,000</u>
Actual return on plan assets	<u><u>82,000</u></u>	<u><u>896,000</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST MARCH 2016**

**22. EMPLOYEE BENEFIT OBLIGATIONS**  
**- continued**

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

	Defined benefit pension plans	
	2016	2015
	£	£
Opening defined benefit obligation	(6,745,000)	(7,306,000)
Current service cost	(380,000)	(232,000)
Past service cost	-	(8,000)
Contributions by scheme participants	(78,000)	(74,000)
Interest cost	(235,000)	(341,000)
Benefits paid net of transfers in	150,000	56,000
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	-	263,000
Actuarial (gains)/losses from changes in financial assumptions	566,000	(687,000)
Experience (gains)/losses on beneficial obligation	-	1,584,000
	<u>(6,722,000)</u>	<u>(6,745,000)</u>

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

	Defined benefit pension plans	
	2016	2015
	£	£
Opening fair value of scheme assets	7,124,000	6,733,000
Contributions by employer	210,000	195,000
Contributions by scheme participants	78,000	74,000
Other actuarial gains/(losses)	-	(718,000)
Interest-on-assets	252,000	315,000
Benefits paid net of transfers in	(150,000)	(56,000)
Administration expenses	(4,000)	(5,000)
Return on plan assets less interest	(170,000)	586,000
	<u>7,340,000</u>	<u>7,124,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST MARCH 2016**

**22. EMPLOYEE BENEFIT OBLIGATIONS****- continued**

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

	Defined benefit pension plans	
	2016	2015
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	-	263,000
Actuarial (gains)/losses from changes in financial assumptions	566,000	(687,000)
Experience (gains)/losses on beneficial obligation	-	1,584,000
Actuarial gains/(losses)	-	(718,000)
Return on plan assets less interest	(170,000)	586,000
	<u>396,000</u>	<u>1,028,000</u>

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

	Defined benefit pension plans	
	2016	2015
	£	£
Equities	4,832,000	4,713,000
Gilts	132,000	120,000
Other Bonds	655,000	650,000
Property	451,000	383,000
Cash	19,000	45,000
Multi Asset Fund	1,251,000	1,213,000
	<u>7,340,000</u>	<u>7,124,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2016	2015
Discount rate	3.8%	3.5%
Future salary increases	2%	2%
Future pension increases	2.5%	2.6%
CPI increases	2.5%	2.6%
RPI increases	3.4%	3.4%

Amounts for the current and previous period are as follows:

	2016	2015
	£	£
<b>Defined benefit pension plans</b>		
Opening defined benefit obligation	(6,722,000)	(6,745,000)
Opening fair value of scheme assets	7,340,000	7,124,000
Surplus	618,000	379,000



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31ST MARCH 2016**

**22. EMPLOYEE BENEFIT OBLIGATIONS**  
**- continued**

Projected pension expense for the year ended 31st March 2017:

	£,000
Service cost	337
Net interest	(28)
Administration expenses	4
	<hr/>
Total	313
	<hr/>
Employers contributions	240
	<hr/>

The following shows the impact of a change in the discount rates on the total obligation and the projected service cost along with a +/- 1 year age rating to the mortality assumption:

	£,000	£,000	£,000
Adjustment to discount rate	+ 0.1%	0.0%	-0.1%
Present value of total obligations	6,574	6,722	6,873
Projected service cost	329	337	345
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	6,747	6,722	6,697
Projected service cost	337	337	337
Adjustment to pension increases and deferred revaluation	+0.1%	0.00%	-0.1%
Present value of total obligation	6,850	6,722	6,598
Projected service cost	345	337	329
Adjustment to life expectancy rating assumption	+ 1 Year	None	- 1 Year
Present value of total obligations	6,914	6,722	6,535
Projected service cost	346	337	329

**23. RELATED PARTY DISCLOSURES**

Borders Sport and Leisure Trust is contracted to provide recreation and leisure services by Scottish Borders Council (SBC). In the year ended 31st March 2016, SBC paid a management fee of £2,450,335 (2015, £2,517,159) and leased the facilities occupied by the company for a peppercorn rent.

SBC has advanced interest free loans to the company, which were repaid in full during the year (2015, £2,229 outstanding). SBC has made a contribution to the capital cost of the tenants improvements of £159,323 (2015, £57,919). These amounts are shown as grants received in the restricted fund.

**24. POST BALANCE SHEET EVENTS**

On 1st April 2016 Scottish Borders Council transferred cultural services to the Trust and the organisation's name changed to Live Borders.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST MARCH 2016

25. FIRST YEAR ADOPTION

**Transitional relief**

The financial statements for the year ended 31st March 2016 have been prepared under FRS 102. There were no applicable transitional reliefs.

# LIVE BORDERS

## RECONCILIATION OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>INCOME AND ENDOWMENTS FROM</b>				
Charitable activities		5,396,191	-	5,396,191
Other trading activities		272,020	-	272,020
Investment income		62,880	(62,000)	880
<b>Total</b>		5,731,091	(62,000)	5,669,091
<b>EXPENDITURE ON</b>				
Raising funds		192,242	(37,000)	155,242
Charitable activities		5,550,890	83,362	5,634,252
OBSOLETE Governance costs		15,362	(15,362)	-
<b>Total</b>		5,758,494	31,000	5,789,494
<b>NET INCOME/(EXPENDITURE)</b>		<u>(27,403)</u>	<u>(93,000)</u>	<u>(120,403)</u>

LIVE BORDERS

RECONCILIATION OF FUNDS  
AT 1ST APRIL 2014  
(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		1,868,120	-	1,868,120
		<u>1,868,120</u>	<u>-</u>	<u>1,868,120</u>
<b>CURRENT ASSETS</b>				
Stocks		15,127	-	15,127
Debtors		369,583	-	369,583
Cash at bank and in hand		224,275	-	224,275
		<u>608,985</u>	<u>-</u>	<u>608,985</u>
<b>CREDITORS</b>				
Amounts falling due within one year		(745,524)	-	(745,524)
		<u>(136,539)</u>	<u>-</u>	<u>(136,539)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>				
		<u>(136,539)</u>	<u>-</u>	<u>(136,539)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,731,581	-	1,731,581
<b>CREDITORS</b>				
Amounts falling due after more than one year		(269,415)	-	(269,415)
<b>PENSION ASSET</b>		(573,000)	-	(573,000)
		<u>889,166</u>	<u>-</u>	<u>889,166</u>
<b>FUNDS</b>				
Unrestricted funds		(218,844)	-	(218,844)
Restricted funds		1,108,010	-	1,108,010
<b>TOTAL FUNDS</b>		<u>889,166</u>	<u>-</u>	<u>889,166</u>

LIVE BORDERS

RECONCILIATION OF FUNDS  
AT 31ST MARCH 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		1,652,818	-	1,652,818
<b>CURRENT ASSETS</b>				
Stocks		14,630	-	14,630
Debtors		244,902	-	244,902
Cash at bank and in hand		596,521	-	596,521
		<u>856,053</u>	<u>-</u>	<u>856,053</u>
<b>CREDITORS</b>				
Amounts falling due within one year		(861,329)	-	(861,329)
		<u>(5,276)</u>	<u>-</u>	<u>(5,276)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>				
		<u>(5,276)</u>	<u>-</u>	<u>(5,276)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,647,542	-	1,647,542
<b>CREDITORS</b>				
Amounts falling due after more than one year		(229,779)	-	(229,779)
<b>PENSION ASSET</b>		379,000	-	379,000
		<u>1,796,763</u>	<u>-</u>	<u>1,796,763</u>
<b>NET ASSETS</b>				
		<u>1,796,763</u>	<u>-</u>	<u>1,796,763</u>
<b>FUNDS</b>				
Unrestricted funds		760,714	-	760,714
Restricted funds		1,036,049	-	1,036,049
<b>TOTAL FUNDS</b>		<u>1,796,763</u>	<u>-</u>	<u>1,796,763</u>