



SOUTH LANARKSHIRE  
**Leisure & Culture**

**ANNUAL GENERAL MEETING  
13 NOVEMBER 2024  
AGENDA**

**Location: Hamilton Town House, 2pm**

**Agenda  
Item**

1. Sederunt
2. Apologies
3. Declarations of Interest
4. Minutes of Previous Meeting
5. Matters Arising
6. Chair's Report
7. Chief Executive's Report and Presentation of Annual Strategic Report
8. Performance, Finance and Audit Committee Update
9. Financial Report
  - ◆ External Audit Findings Report
  - ◆ SLLC Annual Accounts 2023/24 and Letter of Representation
  - ◆ SLL Trading Ltd. Annual Accounts 2023/24 and Letter of Representation
10. AOCB

**Date of Next Meeting – TBC**



South Lanarkshire Leisure and Culture SCIO is Scottish Charitable Incorporated Organisation (Scottish charity number SC023549) responsible for the operation, management and delivery of leisure and cultural activities on behalf of South Lanarkshire Council.

Minutes of AGM of the Board of Directors of South Lanarkshire Leisure and Culture SCIO held at Hamilton Townhouse on Wednesday 4 October 2023.

## 1. Sederunt

### Chair:

Dr Avril Osborne

### Board Members:

Cllr John Anderson, Dr Angela Beggan, Neil Brown, Craig Cunningham, Cllr Maureen Devlin, Lisa Maule, Alan Morrison, Stephen Smellie

### In Attendance:

Kay Morrison (Chief Executive)

Nick Lansdell (Head of Strategy and Governance (Board Secretary))

David Booth (Executive Director of Community and Enterprise Resources)

David Carter (Head of Operations and Estates)

Martin Cryans (Head of Business Development)

Ross McKie (Head of Corporate Services)

Nick Bennett (Azets Audit Services)

## 2. Apologies

Cllr Andrea Cowan, Robert Craig, Chris Goudie, Cllr Ross Lambie, Cllr Mo Razzaq

## 3. Declarations of Interest

Craig Cunningham declared his employment with the Health and Social Care Partnership who provide funding to SLLC and that he was part of the Appeal Panel relating to the Tribunal Case.

Lisa Maule declared her position as a Non-Executive Director for the trading subsidiary at Fife Cultural Trust (OnFife).

The Chair advised the Board that Agenda Item 10 – Committees in the issued agenda pack would be deferred to a later Board meeting.

## 4. Minutes of Previous Meeting

As this is the first AGM of the SCIO, there are no previous minutes.

## 5. Matters Arising

As this is the first AGM of the SCIO, there were no matters arising.

## 6. Chair's Report

The Chair presented her report for 2022/23.

**The Board:** noted the report.

## 7. Chief Executive's Report and Presentation of Annual Strategic Report

The Chief Executive presented her report and the Annual Strategic Report for 2022/23.

**The Board:** noted the report.

## **8. Audit Committee – External Audit Update**

The Chair of the Audit Committee provided a verbal update on business discussed in relation to the AGM at the Audit Committee meeting on Monday 2 October 2023.

**The Board:** Noted the update.

## **9. Financial Report**

The Board was presented with the Annual Accounts 2022/23 for South Lanarkshire Leisure and Culture Ltd and SLL Trading Ltd, the Azets Audit Findings report for period ended 2 April 2023 and Letters of Representation.

**Recommendations:** The Board is asked to approve the following recommendations:

- (1) That the 2022/23 Annual Report and Accounts are approved, signed by the Chair on behalf of the Board and thereafter submitted to the regulatory authorities OSCR and Companies House;
- (2) That the 2022/23 Annual Accounts for SLL Trading Ltd are approved, signed by the Chair on behalf of the Board and thereafter submitted to Companies House as the relevant regulatory authority;
- (3) That the Audit Management Report prepared by Azets Audit Services is noted, and
- (4) That the Management Letters requested by Azets Audit Services are approved for signature by the Chair on behalf of the Board.

### **South Lanarkshire Leisure and Culture Annual Accounts 2022/23**

- ◆ The accounts were prepared for the period from 1 April 2022 to 2 April 2023 but the comparatives are for the year to 31 March 2022 as SLLC converted to a SCIO on 3 April 2023.
- ◆ The Consolidated General Reserve now stands at £806k (£959k as at 31 March 2022). This figure was restated from £628k due to an audit adjustment posted in 2022/23 relating to previous year over accrued expenditure.
- ◆ SLLC's share of the Strathclyde Pension Fund continues in an asset position. An asset of £9.175m in 2021/22 is now shown as an asset of £2.018m due to asset ceiling value which had to be recognized for the first time this year.
- ◆ Restricted Fund balances as at 2 April 2023 amount to £0.877m. These relate to projects and initiatives funded by external organisations and partners.
- ◆ The balance on the Repairs and Renewals Fund as at 2 April 2023 amounts to £0.235m and is required to fund the investment plan previously approved by the Board. This amounted to a £0.012m reduction in the fund during the year.
- ◆ SLLC have provided a letter of comfort to the Auditor to enable SLLC to meet the going concern assumption.
- ◆ Azets have indicated that an unqualified opinion will be issued following Board approval of the accounts.

### **SLL Trading Ltd. Annual Accounts 2022/23**

- ◆ The company made a profit of £22k in the financial year ended 31 March 2023 and this will be donated to the parent company by utilising the gift aid scheme.
- ◆ Retained reserves are £40k, £18k of which is available for future use by the company after the intended gift aid donation outlined above.
- ◆ Azets have indicated that an unqualified opinion will be issued following Board approval of the accounts.

### **Azets Audit Findings Report**

- ◆ SLLC's External Auditor guided the Board through Azets Audit Findings report covering the charity up to 2 April 2023 and the subsidiary up to 31 March 2023.
- ◆ SLLC SCIO will still operate as a charity, with accounts presented in the same way, however submission to Companies House will no longer be required.

**The Board:** approved the recommendations.

## 10. Changes to Charity Law

The Head of Governance and Strategy provided the Board with a short presentation on changes to Charity Law.

- ◆ The Scottish Parliament has approved the Charities (Regulation and Administration)(Scotland) Bill which will:
  - ◆ Increase transparency and accountability in charities
  - ◆ make improvements to OSCR's powers
  - ◆ bring Scottish charity legislation up to date and more consistent with certain key aspects of charity regulation in England, Wales and Northern Ireland
- ◆ Detailed guidance is expected from OSCR in due course which will be reviewed to ensure SLLC are compliant with any new requirements.
- ◆ A copy of the presentaiton will be issued to the Board.

## 11. AOCB

### Savings

- ◆ The Board was provided with a verbal update on progress regarding savings required for financial year 2024/25 and timescales for completion.

### Stakeholder Event – 13 October 2023

- ◆ Invites have been issued for the Inaugural Stakeholder Event which is set to bring the SLLC Annual Report to life through a mixture of presentations from staff and short films showcasing first-hand stories from those whose lives are positively impacted by SLLC services.
- ◆ Board support at the event would be greatly appreciated.

### Date of Next Meeting

The date of the next AGM is to be confirmed.

A Board Q&A Session is scheduled for 3pm on Wednesday 25 October 2023 at Hamilton Townhouse.

The next Board meeting is scheduled for 10am on Wednesday 15 November 2023 at Hamilton Townhouse.

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Chair



**Healthier, happier, more connected lives.**

South Lanarkshire  
Leisure and Culture

# Annual

**Strategic Report**

2023-2024



SOUTH LANARKSHIRE  
Leisure & Culture





# Message from the Chair

On this, the second Annual Strategic Report it has been my privilege to present, it is impossible to say anything other than that 2023/2024 has been a year of challenge.

The Board has faced difficult decisions in the wake of significant financial constraints. These have been occasioned by the levels of funding that South Lanarkshire Council has been in a position to provide, along with increased levels of inflation and the cost of living crisis. These will be familiar to the readers of our Annual Strategic Report.

I must reference all the decisions to rationalise services and to increase charges that we have had to take. As important, though, it is worth recording the many ways in which we have been able to sustain services, and by working in partnership with the Council, we have jointly mitigated service reductions wherever possible by modifying provision. Throughout, we have held to the key objectives in our 2022 to 2027 Strategy. It is worth emphasising that those objectives are as valid now as when they were agreed, in particular our focus on the health and wellbeing of our community.

I would also like to put on record the positive and focussed way in which the Council and the Board have worked together to ensure our partnership arrangements are robust.

Crucially, the Board and its team of executive leaders have maintained vision and a sense of positivity - that we can and will move to a position of sustained service offer, and that we will continue to have high quality in all aspects of our leisure and culture delivery in the years ahead.

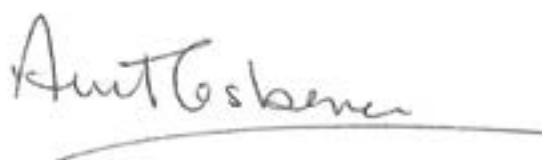
Changes introduced have been robust in ensuring that not one member of staff lost employment, and staff leaders and Unions have worked together to maintain open and focussed communication with our staff. The Board is indebted to the whole staff group for their maturity in addressing the inevitable changes that followed the savings that we were required to make.

The Board itself, comprising both independent and local authority Trustees, has pulled together and shown commitment and focus at all our meetings and my personal thanks go to them.

The work of SLLC could not progress without a robust leadership team and the Board is indebted to Kay Morrison, our Chief Executive, and her Leadership Team, for their resilience, focus and commitment to the services we provide on behalf of the Council.

As a SCIO (Scottish Charitable Incorporated Organisation), an organisation of charitable status, we attract resources beyond those the Council can provide and this brings additional opportunities to enhance service offers for the community. This remains a key focus in our planning and delivery.

Finally, as Chair, I feel confident in speaking on behalf of the Board that we are proud to present this report as a positive statement of our progress in difficult circumstances and with enthusiasm for the year ahead.



**Dr Avril Osborne**  
**Chair of the Board**







# Message from the Chief Executive

South Lanarkshire Leisure and Culture saw significant challenges in 2023 with the exceptional circumstances of the previous year continuing in terms of limited availability of funding, high levels of inflation and a cost of living crisis.

Since Covid-19 we have rebuilt through governance, strategy, values, vision, mission and structure and created a strong base from which to move forward. We continue to build on that momentum, progressing towards a more sustainable model, strengthening our partnerships and raising the profile of all our services and the positive impact they have for our communities.

We have worked through the difficult circumstances of the past year as 'one team' with everyone doing their bit to support service delivery despite limited resources, and we even managed a few smiles along the way.

We also welcomed our new Leadership Team into a modernised structure aligned with the core functions of the business, providing support and leadership as we planned for the year ahead.

As always, our commitment, and that of all the staff at SLLC, has seen our ability to continue to deliver outstanding results in the face of adversity win through once again. Our ability to adapt quickly and maintain a high level of customer service demonstrates the resilience of the teams and the organisation and the determination to continue to deliver for our communities.

The success of what we provide to the community is evidenced by over 8.7m attendances across all our services, with an overall 94% customer satisfaction rate from surveyed attendees. Examples of the hugely positive impact we make on the health and wellbeing of South Lanarkshire residents and local communities are included throughout our annual report.

The success of the past year is testament to the dedication, passion and positivity of everyone in the organisation, working together through tough times to deliver for our communities. It is also due to the great partnerships built with South Lanarkshire Council, the Health and Social Care Partnership, local community groups, sportscotland, Creative Scotland and many more. We all continue to work together to deliver on national and local priorities, secure funding and deliver programmes that target those most in need across our communities.

This year's report highlights just some of the ways in which this has been achieved and is framed around our four strategic objectives of Health and Wellbeing, Connected and Engaged, Equality and Inclusion and Organisational Sustainability.



**Kay Morrison**  
Chief Executive



# Introduction to South Lanarkshire Leisure and Culture

South Lanarkshire Leisure and Culture SCIO is a not-for-profit Scottish charity responsible for the operation, management and development of indoor and outdoor sport and leisure facilities, community halls, arts venues, country parks, libraries and a museum and associated initiatives and events throughout South Lanarkshire.

We work in close partnership with our main funder, South Lanarkshire Council, to ensure the highest possible service is offered to residents and visitors to the area.

The business delivers services in the following main areas:

- Sport and Physical Activity (leisure centres, swimming pools, Development Services, ice rink and Active Schools)
- Cultural Services (community halls, venues, school lets and Arts Development)
- Libraries and Museums Service
- Outdoor Recreation (outdoor pitches, Outdoor Learning and Adventure, water sports centre, country parks and golf)

Key to delivering on our **Vision** and **Mission** are the **Values** that we hold:

**V**ision:  
Healthier, happier, more connected lives.



**M**ission:  
Improve health and wellbeing by offering **attractive, affordable** activities delivered with **warmth, friendliness** and **individual pride**.

**V**alues:

- **Do the right thing** Even when no one's looking.
- **Be a great team** Work together. Share ideas. Share mistakes. Share successes.
- **Own it** Be accountable for outcomes good and bad. Don't pass the buck.
- **Be positive** Be hospitable. Make people feel good.

## Main facilities

### Entertainment

- East Kilbride Arts Centre
- East Kilbride Village Theatre
- Town House, Hamilton
- Lanark Memorial Hall
- Rutherglen Town Hall

### Libraries

- East Kilbride Central Library
- Hamilton Town House Library
- Lanark Library
- Rutherglen Library

### Halls and centres

- Carluke Lifestyles
- Fairhill Lifestyles
- Stonehouse Lifestyles
- Whitehill Neighbourhood Centre
- Fernhill Community Centre

### Museum

- Low Parks Museum



### Outdoor activities

- Biggar Golf Course
- Calderglen Country Park
- Chatelherault Country Park
- Hamilton Palace Sports Ground
- Hollandbush Golf Course
- James Hamilton Heritage Park
- Langlands Golf Course
- Larkhall Golf Course
- Strathclyde Park Golf Course
- Torrance House Golf Course

### Sport and leisure

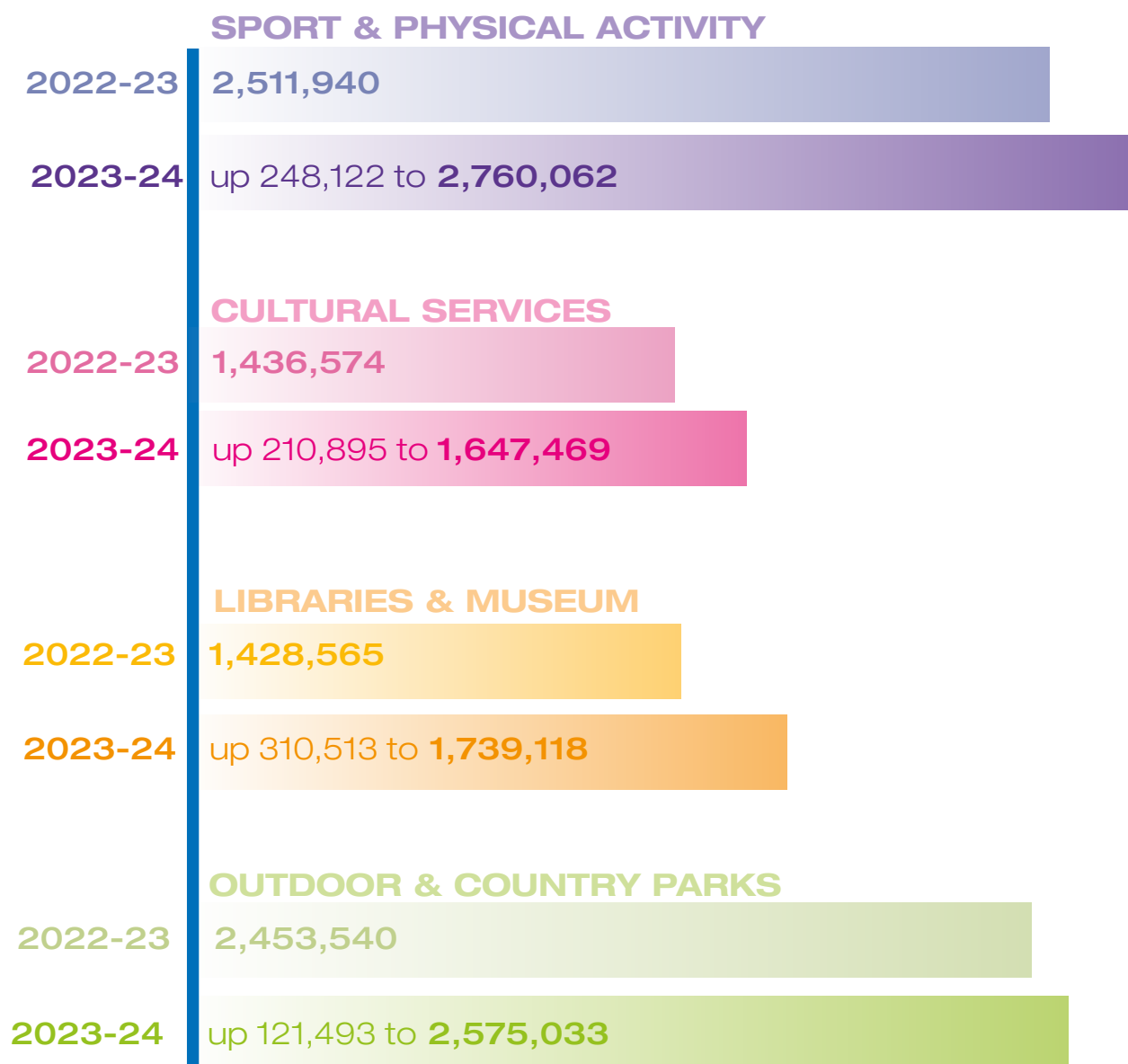
- Blantyre Leisure Centre
- Carluke Leisure Centre
- Dollan Aqua Centre
- East Kilbride Ice Rink
- Hamilton Water Palace
- John Wright Sports Centre
- Larkhall Leisure Centre
- Eastfield Lifestyle
- Lanark Lifestyles

A full list of our facilities is available at [www.slleisureandculture.co.uk](http://www.slleisureandculture.co.uk)

# Customer satisfaction

Over **8.7m visits** to our centres and venues this year.

Up almost 900,000 on last year reflected **across all our services!**



## Wedding at Rutherglen Town Hall

'The entire experience was wonderful due to the efforts of the staff... every part of the day was first class'



## Afternoon tea at Low Parks Museum

'Couldn't rate it highly enough, staff were attentive, couldn't be more helpful, nothing a problem. Great value and a lovely way to relax, will definitely be back'

## What our customers said about our services...\*

**98%** said our staff were excellent

**94%** said our overall service (value for money, cleanliness, and quality of equipment) was very good

**87%** said their visit had a positive impact on their health and wellbeing saying they felt:

- healthier
- better
- happier
- satisfied
- energised
- achieved their goal

### Swimming lessons

'...children loved every minute of their lessons and it's given them so much confidence to get into the water now and swim on their own'

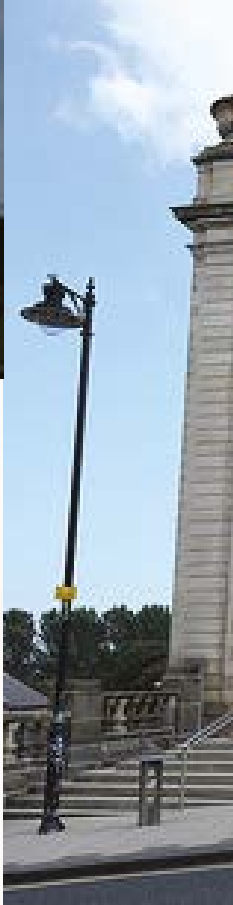
**83%** said our website and booking processes were easy to navigate

**85%** thought it was easy to interact with our social media pages

## Mud Madness Chatelherault Country Park

'Event was fantastic again; this is the third time we have entered as a family. It was brilliant'

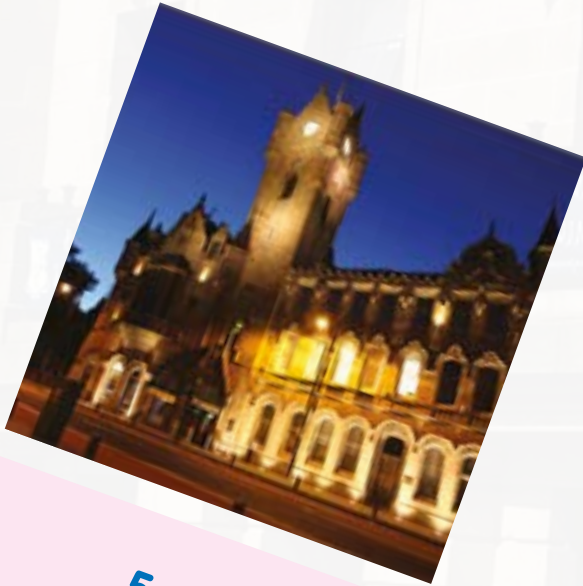
\*We invited our service users to participate in a series of short surveys, throughout the year, with approximately 1500 customers responding.



## External recognition

The quality of service we provide is one of our greatest responsibilities. External verification of the standards of both our facilities and the service we deliver is further evidenced through VisitScotland awards.

VisitScotland is Scotland's national tourist board. Working closely with private businesses, public agencies and local authorities, VisitScotland works to ensure that visitors experience the very best of Scotland and that the country makes the most of its outstanding tourism assets and realises its potential. VisitScotland provides quality assurance to visitors and quality advice to industry partners to help the industry meet - and strive to exceed - visitors' expectations.



**5 star**

Town House, Hamilton  
Rutherglen Town Hall



**4 star**

Chatelherault Country Park  
Low Parks Museum  
Lanark Memorial Hall

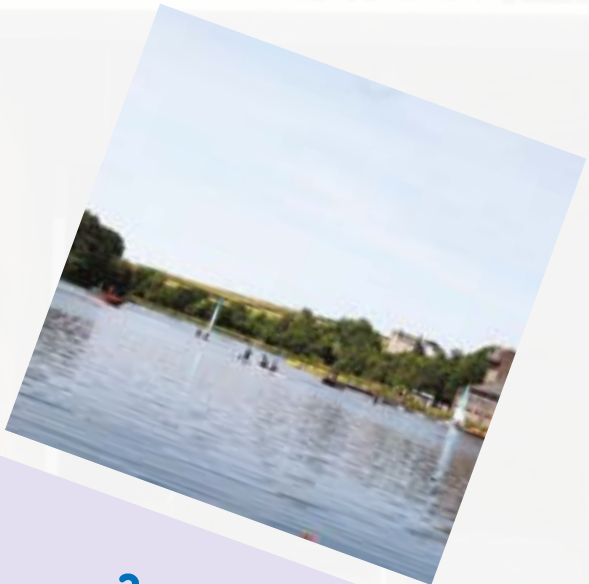




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LANARK MEMORIAL HALL



**3 star**

Calderglen Country Park  
James Hamilton Heritage Park



Additionally, The VisitScotland Information Partner (VIP) programme applies to the Town House, Hamilton, Rutherglen Town Hall and Lanark Memorial Hall.



# SLLC Strategy 2022-2027

In line with our Vision, Mission and Values, the South Lanarkshire Leisure and Culture Strategy 2022-2027 was published in June 2022, outlining our strategic objectives.

The creation of the strategy was the result of extensive consultation with our staff, partners and stakeholders who provided input via a range of surveys and workshops.

During the development of the strategy we also worked closely with our Council partners and in particular we made use of the evidence provided by the Council including social, economic and health related data.

## Objectives

### Health and Wellbeing

Help the people of South Lanarkshire to live healthier, happier lives with a focus on physical and mental wellbeing

### Connected and Engaged

Enable people to connect with each other and with their community through the services we provide

### Equality and Inclusion

Provide accessible wellbeing and learning services through targeted interventions

### Organisational Sustainability

Develop a business model that allows sustainable provision of quality services in priority areas

### Cross Cutting Themes

- Reduce inequality
- Recover, progress and improve
- Work towards a sustainable future

These objectives sit alongside the cross-cutting themes of 'reduce inequality', 'recover, progress and improve' and 'work towards a sustainable future' identified by the Council Plan and Community Plan.





2023-2024

Annual Strategic Report

# Our objective: Health and Wellbeing

**We will: Help the people of South Lanarkshire to live healthier, happier lives with a focus on physical and mental wellbeing**

## Pathways to health

Our health programmes support conditions such as mental health, diabetes, weight management and social isolation to name a few. Our physical activity and social prescribing referrals programme, delivered by our Health Team, has seen an increase in the number of referrals from partners such as GP's and physiotherapists.

**Over 6,000 referrals** translated to **over 100,000 uses** of our services for popular activities including swimming, gym sessions and specialist classes for the conditions outlined above.

To provide additional support, this year also saw the implementation of an automated email system, improving our engagement with those referred and with the aim of encouraging behaviour changes and improvements in their journey to better health and wellbeing in partnership with NHS Lanarkshire.



## Mental health and the arts

Art can help improve mental health by reducing stress, encouraging creative thinking, increasing brain plasticity, and providing opportunities for self-expression. Funding was acquired by Arts Development from the Scottish Mental Health Arts Festival to deliver arts workshops in our local communities as part of the annual event. The workshops were open to anyone and everyone who felt their mental health could benefit by participating in the sessions. We ran creative painting sessions in the Town House, Hamilton and Lanark Memorial Hall, along with drama therapy sessions in the Town House, dance workshops in East Kilbride Arts Centre and a photography workshop at Cuningar Loop, Rutherglen. Feedback was extremely positive with participants enjoying the opportunity to express themselves, be creative and try something new.



## Suicide Prevention Week

Suicide Prevention Week took place in September. Supporting the key messages around suicide prevention, mental health and wellbeing, we staged various events throughout the month including a football tournament at John Cumming Stadium in Carluke which **over 120 people attended.**

Most of those attending were male - a target group in terms of suicide prevention. Signposts to suicide prevention, mental health and wellbeing resources, as well as links to local and national services, were available on the day.

## The joy of reading...

Library Services hosted an extensive programme of reading and literacy events with the aim of inspiring people to discover the joy and benefits of reading and to foster a culture of creativity, curiosity and collaboration through books and libraries. Events were aimed at all ages and reading tastes, with highlights including criminologist Professor David Wilson's visit to Carluke Lifestyles in November 2023, The Robin Jenkins Memorial Lecture at Hamilton Town House Library, delivered by Michael Russell in February 2024, and bestselling authors Alexander McCall Smith and Kate Mosse entertaining readers at Biggar Library.

The hugely successful Bookbug programme alongside Meet the Books school visits and library book groups all contributed to **220,000 plus adults and children participating in over 3,000 events** held in libraries to promote reading as an activity which encourages wellbeing.



# Our objective: Connected and Engaged

**We will: Enable people to connect with each other and with their community through the services we provide**

## Events

SLLC delivered **over 500 events** this year, across all areas of our business, including various versions of the ever popular pantomime...oh yes we did! November and December saw our inhouse production of Cinderella, developed in partnership with New College Lanarkshire, perform at both the Town House, Hamilton and Rutherglen Town Hall. Inside Out's professional production of Sleeping Senga took place at East Kilbride Village Theatre and Lanark Memorial Hall, and our collaboration with Studio 32 showcased Aladdin at East Kilbride Arts Centre.

**Collectively these pantos enjoyed combined audiences of almost 23,000 theatre goers.** Over and above this, community pantos throughout our venues **played to another 7,000 theatre goers.**



## Active days

SLLC continues to offer opportunities for all members of the community to connect. During our 18th annual Young at Heart Festival, the John Wright Sports Centre delivered an 'Act Your Age' event, the first of its kind, which saw older participants engage in a variety of taster arts and culture and physical activity sessions and sports workshops.

Some comments received -

**'Absolutely fantastic event, great staff, need more of these events - one a month'**

**'What a great opportunity to try new things out!'**

**'Never thought I would enjoy drumming as much'**

The success of this event resulted in the continued development of the John Wright Sports Centre programme offering Active Days and Culture Days every week.



## What our young residents think

In early 2024 we wanted to find out what our young residents think about sport and leisure so with the help of South Lanarkshire Young People's Sports Panel we asked them! The purpose of our survey, with the snappy title *'South Lanarkshire Young People's Sport and Physical Activity Survey'*, was to engage with local children, teenagers and young adults and gather their views and thoughts relating to the provision, benefits and potential barriers to participating in sport and physical activity. Findings will shape the creation of a two year action plan with the aim of increasing young people's engagement with our programmes and profiling the benefits of regular sport and physical activity.

Of the 1,087 responses received, some of the notable findings were:

- 72% enjoy the current provision of extra-curricular activities offered
- Over 85% said they participate in sport to develop their interpersonal skills
- 79% said they're aware of opportunities to play sport within their local community
- Over 70% said they would consider volunteering in school or community sport
- 83% said they're aware of their local SLLC facilities and services they provide
- Outdoor spaces and swimming pools were the two most popular answers when asked which type of facilities they are likely to use



## Digital connectivity

Investment allowed our IT team to progress procurement of improved hardware projects such as on-site Wi-Fi, tablets and an SLLC app, transforming the way customers interact with our products. We are also seeing the beginning of digital transformation in the form of phone line upgrades ensuring we meet national digital transition targets. Our digital connectivity and capabilities continue to improve with upgrades to our system to enhance our libraries, museums and leisure business systems, as well as our overall customer experience.

# Our objective: Equality and Inclusion

**We will: Provide accessible wellbeing and learning services through targeted interventions**

## Anyone for tennis...

In partnership with Rutherglen Tennis Club, we delivered a multi-session programme of tennis events for young people in the Cambuslang and Rutherglen area. Funding was successfully secured from Cambuslang and Rutherglen Sports Council, Clyde Gateway and Rutherglen Tennis Club. Activities were delivered within both school and club settings, with the programme including primary school PE sessions and extracurricular club sessions. Additionally, competitions and events, high school Sports Leadership sessions and Tennis Leaders' courses, as well as free community sessions took place.

A programme highlight was the leadership taster sessions. Overseen by experienced club coaches, the young sports leaders gained knowledge and understanding in the delivery of tennis training to primary pupils. All leaders then had the opportunity to complete a Tennis Leaders' qualification, a formal award allowing them to support coaches in delivering tennis to young people. The newly qualified leaders subsequently put their skills to good use supporting tennis competitions and events.

And the benefits kept coming. Keen for more infants to take up tennis, Rutherglen Tennis Club ran sessions allowing P2 pupils to participate in free of charge tennis lessons. With tennis often regarded as a costly sport, this programme has helped break down some barriers, offered high quality lessons and made tennis more accessible.



## Welcome all...and all welcome

This year, the village of Forth became the new home for six children from two relocated Syrian refugee families. With significant language and literacy barriers, communication with the families has been a challenge. Our Active Schools team first came across the two oldest boys during a Sidekicks session where they sat with an iPad using Google translate trying to piece together what was being said to them. Following this the two attended clubs and activities within their school as well as P7 transition festivals. Through these interactions it became clear how much enjoyment they got from sport and physical activity and how much this broke down language barriers for them.

After conversations with their school, our Active Schools team connected with South Lanarkshire Council's refugee resettlement team and with their assistance helped the boys, and another little brother in P4, to attend Biggar Rugby Club activities. The rugby club welcomed the young boys with free memberships, playing kit including tops, tracksuits, gumshields and boots and assistance transporting the boys to and from weekly training sessions.

As a sign of their continued integration into Forth village life, local families regularly engage with and support the boys in playing rugby.



## Lending Voices

The 'Lending Voices' initiative by our libraries provides community members with support and access to portable podcasting kits.

We supported an ASN class at Lanark Grammar in the creation of a 'breaking news' podcast, 'live' from the Battle of Bannockburn. The script was collaboratively written by the group and was brought to life by the pupils with support from their teacher and classroom assistants.



### **Karen Bennett: Principal teacher of Pupil Support at Lanark Grammar School**

'I have nothing but admiration for Lending Voices! Iain and Dave did a fantastic job working with young people who are a part of our ASN department, and my students were really involved in the podcast recording process. The workshop had so many wonderful advantages; our young people learned how to set up the technology and how to create a podcast, complete with sound effects. They improved their listening, vocabulary, and comprehension skills by writing a podcast recording. Seeing one of our students, who faces major literacy challenges, get enthused about recording was just wonderful!

Additionally, we have utilised the podcast as a teaching tool in class, and this has helped to solidify the learning objectives and can be used and shared with other pupils, teachers and parents.

Having this in South Lanarkshire is such an amazing learning tool and it greatly benefits our young people!



# Our objective: Organisational Sustainability

**We will: Develop a business model that allows sustainable provision of quality services in priority areas**

## National Treasure: South Lanarkshire's Sir Harry Lauder Collection

In the 2021-2022 Annual Strategic Report, we celebrated the fantastic achievement of South Lanarkshire's Sir Harry Lauder Collection becoming the 51st collection to be recognised as of national significance to Scotland, awarded by Museums Galleries Scotland on behalf of the Scottish Government. The award recognises the importance of the Sir Harry Lauder Collection in relation to Scottish history, culture and identity, and opened up additional avenues of external funding to help improve how people can experience and engage with this important collection.

Following the award, the Museum Development team secured funding to deliver an exhibition and programme of events to showcase this nationally significant collection and introduce Sir Harry to new audiences, young and old.

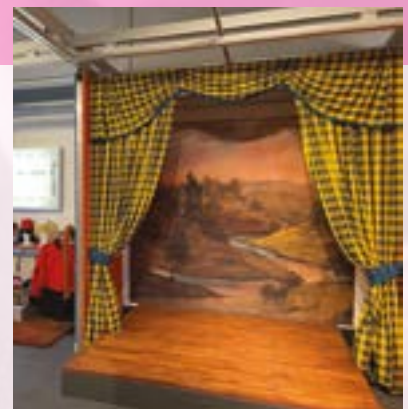
Sir Harry Lauder (1870-1950) is world renowned and one of Scotland's most successful entertainers. He was a talented singer, actor and comedian and an inspiration to Scottish performers who came after him.

Sell-out tours, celebrated pantomime appearances, and record-breaking song sheet and recording sales helped him become the highest paid entertainer in Music Hall history.

Lanarkshire held great significance for Harry. As a boy he worked in Hamilton coalmines; he married Hamilton woman Annie Vallance; and it was here he built his reputation as a comic-singer, performing to local audiences. Though he toured all over the world, Sir Harry returned to Lanarkshire to settle at Lauder Ha', his home in Strathaven from 1934 until his death in 1950.

Supporting the exhibition, a programme of events, activities, performances, talks and tours helped examine different aspects of the collection, and of Sir Harry's success story from Lanarkshire coalminer to the most highly paid entertainer in the world.

In partnership with Ambassador Theatre Group, The Harry Lauder Experience brought his songs and immense fame to our youngest visitors and gave our senior secondary pupils the rare chance of a creative industries taster day with the illustrious National Theatre.





'What a superb exhibition'

'Moving, informative and it made me laugh and chuckle so many times'



The legacy of Sir Harry's iconic comedy characters and songs, and his immense influence on perceived Scottish culture, gave us the inspiration for our challenge to the Hair and Make-up Artistry students of South Lanarkshire College. Inspired by Sir Harry and our exhibition, students created new characters for today as captured by fellow college students of Photography.

We are delighted that a condensed version of the exhibition remains in the museum to enable further engagement with this fantastic collection. Additionally, a small touring display has been developed to introduce the collection and Sir Harry's story to the wider community, starting with venues identified by members of the Lanarkshire Heritage Forum.

Throughout, we have built good relationships with other Lauder experts and enthusiasts which will be beneficial for future projects and partnership working. We have enhanced the collection with a fantastic selection of objects offered to the museum since gaining recognised status and the exhibition itself has resulted in further offers of donation.

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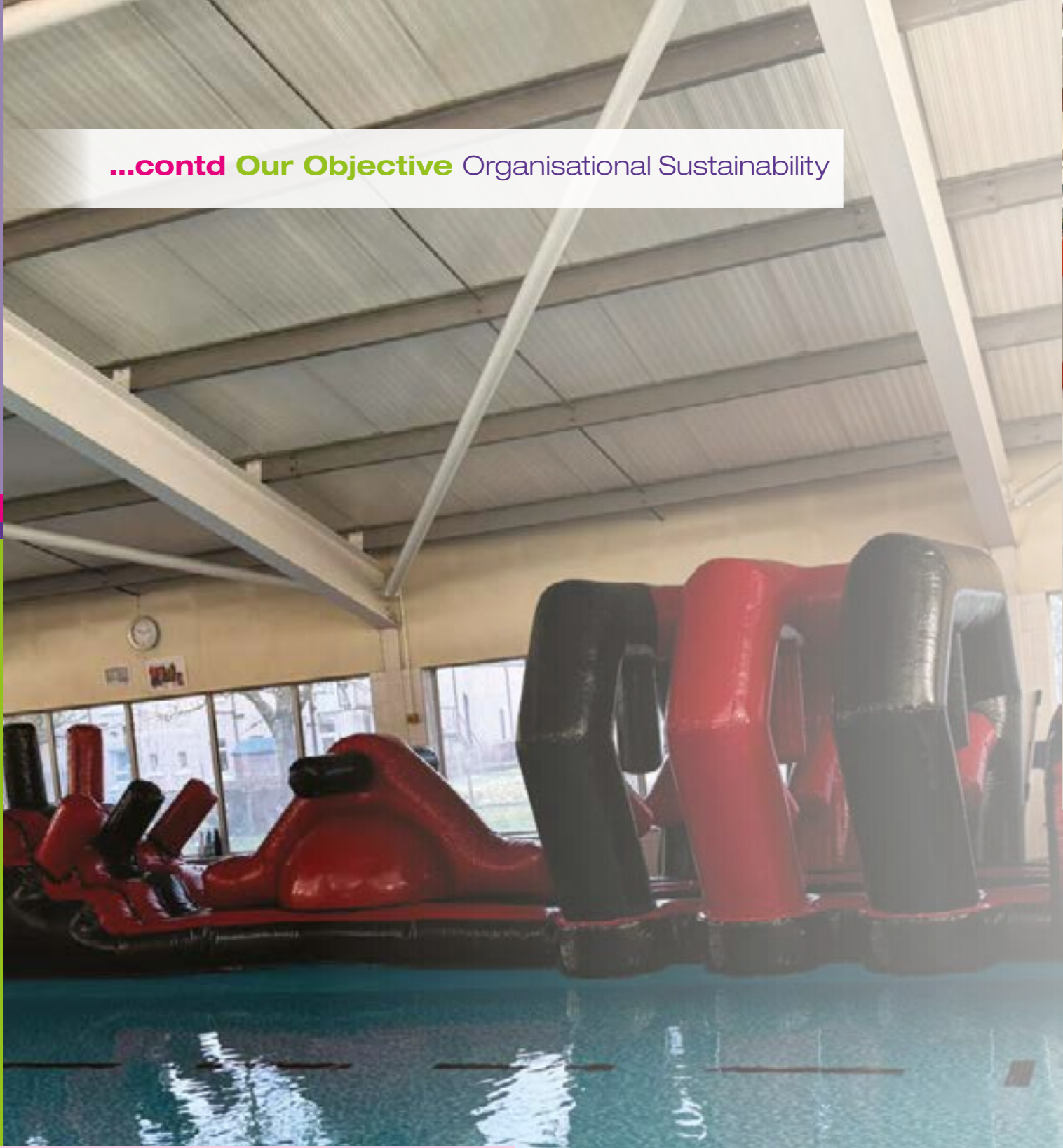
'Most interesting and educational'



'Loved it. Perfect venue'



We were delighted to welcome Iona Shepherd, who specialises in heritage and collections photography, to the museum to photograph the assembled stage costumes and accessories prior to them being returned to store. The images will enhance the online museum collection and be used for future online development and publications.



### **Inflatable fun**

The much loved Friday night pool inflatable sessions returned to Coalburn Leisure Complex this year following the purchase of a new assault course inflatable and associated equipment.

This purchase, in partnership with local community group Coal-Play, followed a successful funding application to the Dalquahandy Windfarm Fund and demonstrates the strong community partnerships at play in South Lanarkshire.



## Investing in our equipment...

November 2023 saw significant financial investment in our health and fitness provision when we took delivery of new gym-based cardiovascular equipment as well as indoor group fitness class bikes.

The acquisition of **over 130 individual items of fitness equipment, distributed across twelve gyms,** will make a tangible difference to the user experience. In addition, it gives our health and fitness teams quality resources with which to guide, assist and enhance our customers health and wellbeing experience.



## ...contd **Our Objective** Organisational Sustainability



### ...and investing in our staff

Keen to invest in the professional development of our staff, 11 employees were identified to complete a National Pool Lifeguard Trainer Assessor qualification. To date, nine of them have completed the three elements of the course - a three-day trainer assessor course, the delivery of a lifeguard training course and the completing of a lifeguard assessment. The remaining two employees are on track to complete all three sections by the November 2024 deadline.

As well as enhancing the training and assessing function across our nine swimming pools, this investment in our staff has ensured a planned approach to our lifeguard training courses, resulting in increased income and a sustainable number of new employees coming through the recruitment pathway.



# Our online portfolio

We are delighted to report our online presence has continued to grow, **increasing our current audience base to 1,483,211.**

Our presence on these platforms enables us to raise brand awareness, showcase instant information on our services and build a strong online community. We are committed to continuing to grow in this area delivering fresh content to ensure we are meeting our audiences' expectations.

We raised the profile of our library service by launching library-specific online platforms in April 2023, connecting the communities of South Lanarkshire to their local libraries and celebrating what they have to offer.

## Six main Facebook accounts

# 72,900 followers

Children's activities in South Lanarkshire

Cultural activities in South Lanarkshire

Leisure in South Lanarkshire

Libraries South Lanarkshire

Low Parks Museum

South Lanarkshire Leisure and Culture

## Three YouTube channels

# 1,875 subscribers

South Lanarkshire Leisure and Culture

SLLC Libraries Children's Team

SLLC Online Arts Classes and Courses

## Five X accounts

# 16,204 followers

@ActiveSchoolsSL

@blantyreleisure

@LibrariesSL

@SLLeisureCulture

@SportnHealthSL

## Two Instagram accounts

# 2,014 followers

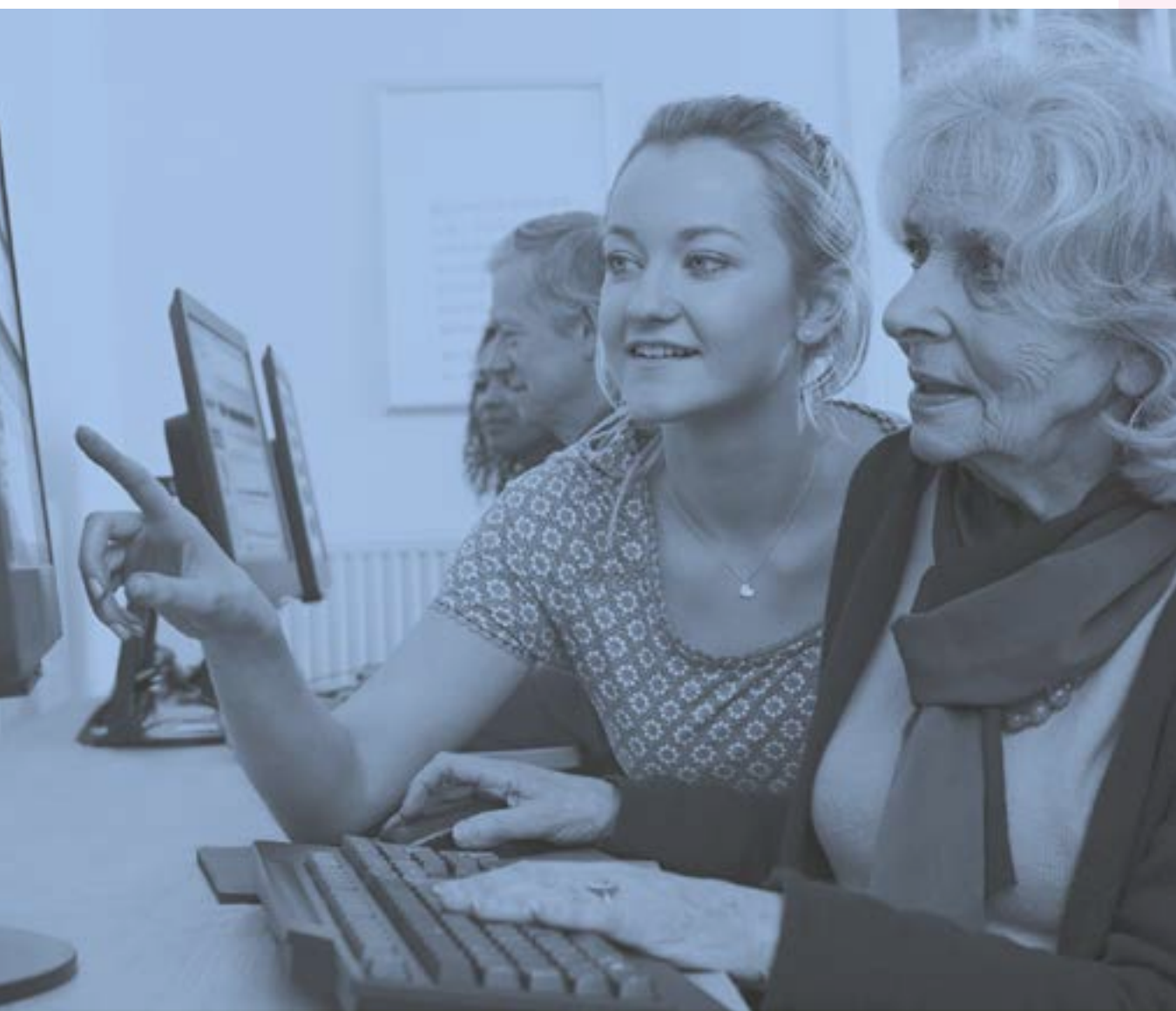
Libraries South Lanarkshire

SLLeisureCulture

## One website

[www.slleisureandculture.co.uk](http://www.slleisureandculture.co.uk)

During 2023-2024 our website visitors increased from  
**917,167 visitors to 1,390,218**



## Working for SLLC

**In line with our Vision, we are working to ensure we have a healthier, happier and more connected workforce.**

### Healthier

SLLC supports managers and employees by having policies and processes in place to help our employees live happier and healthier lives.

We provide early intervention and prevention initiatives to address health and wellbeing matters at their root cause, as well as advice and providing signposts via a monthly Healthy Working Lives communication on specific health topics.

In 2023, new wellbeing resources were made available to employees through the Employee Assistance Programme (EAP). These resources, provided by PAM Wellbeing, offer free and confidential counselling and support for personal or work-related problems that can affect an employee's home life, work life and general wellbeing.

Access to PAM Wellbeing's health and wellbeing portal and app has also been made available, empowering and enabling users to take responsibility for their wellbeing and provide support to hybrid and remote workers.





## Happier

Around 20% of people in the UK are neurodivergent with Tourette's Syndrome, attention deficit hyperactivity disorder (ADHD), dyslexia and autism being just some examples of neurodivergent conditions. Inclusivity is an ongoing task for any employer - providing awareness, education and support to staff. Individual tailored adjustments can be put in place along with assistance for managers and employees to implement supportive workplace measures.

One member of staff, Jacqui Young, has dyslexia, a neurodivergent condition. Jacqui's story is below.



'My career in Human Resources followed redeployment from lifeguard duties at the Dollan Aqua Centre in 2008. As a lifeguard I could easily mask my dyslexia, however, when redeployed into HR I was completely out of my comfort zone.

I was 30 years old before being diagnosed with dyslexia, having created coping mechanisms throughout my educational years without realising I was doing so. Receiving my diagnosis raised concerns I would be treated differently to my colleagues. I felt ashamed and embarrassed to reach out for support.

It's not just about my ability to read and write, as I also have visual stress in my eyes linked to dyslexia. Documents on screen or on paper can appear warped, there can be slight movement of words and I can see shapes appear between the word spaces. To help, I was prescribed specialist glasses that have purple tinted lenses. Wearing these made me feel vulnerable and that I was highlighting that I have something wrong with me. However, I can say with confidence now that having these glasses has been life changing for me.

Software packages help with my day-to-day tasks, helping me to relax as it supports my writing. Instead of feeling ashamed, I now recognise my strengths and weaknesses and have the confidence to ask for help when I need it.

The support of colleagues is very important for those with a neurodivergent condition and my colleagues have been an amazing support to me. They have helped me embrace

my dyslexia and given me the strength to talk about it. With their support, I have gained my CIPD qualification in HR Practice and am confident in moving forward and progressing in my role.

Dyslexia does not stop you from having a successful career and I am testament to that.

Be honest, be confident and be proud.'

## ...contd Working for SLLC

### More connected

Flexible learning options ensure staff can learn at their own pace, in their own style and with support when necessary. Options include e-learning, in person, peer support and practical learning. **Over 800 staff completed 706 different e-learning modules, resulting in the completion of 12,000 training courses.**

Staff continue to use Learn on Line for legislative compliance, continual personal development and workplace updates for both work and personal learning. **Almost 500 staff completed 156 different courses, of which 83 were in-person training,** including First Aid at Work, the Institute of Occupational Safety and Health's IOSH Managing Safely certificate and autism awareness training. The remaining courses were delivered via MS Teams, including KUT Oracle Fusion Cloud training and REHIS elementary food hygiene.



### Health and Safety

The Health and Safety team are currently transitioning systems and processes onto a digitised platform, with the aim of speeding up access to relevant health and safety documentation and with greater accountability.

This transition will have the added benefits of reducing paper usage and printing costs. It will contribute to reducing our carbon footprint and creating a more streamlined service, and in turn promote a more positive health and safety compliance culture within the business.

SLLC completed **36 internal audits** of facilities with a further **28 landlord audits** conducted by South Lanarkshire Council (including Fire Risk Assessment audits) throughout the course of the year.

Our ongoing commitment to health and safety training has seen us run two IOSH four-day courses this year, and one refresher course, to ensure we remain compliant in both our health and safety policy obligations and in law.



### Gender Pay Gap



SLLC reported on our Gender Pay Gap based on data as at 5 April 2023. We had 1,412 full pay relevant employees (556 males and 856 female) who were included in our findings. The company has a mean gender pay gap of 4.2%, which we are pleased to note is over 9% less than the national average of 13.9% as stated on the website of the Office for National Statistics. We have a 1.0% median pay gap, compared to the official UK government figure of 14.9%.

## Opportunities

This year, candidates were given the opportunity to undertake the mandatory National Pool Lifeguard Qualification (NPLQ) training course required for lifeguard posts, with funding support from SLLC. Six successful applicants have since been deployed across our pools.

We also took a new approach for staff affected by financial savings as we sought to find them suitable alternative employment, with supported re-training within the organisation. One affected employee was Melvin Dickson, who shares his redeployment journey below.

'I have worked with SLLC since 1995, initially as a General Attendant and latterly as a Senior Leisure Attendant at Hamilton Water Palace Café. I enjoyed working in these roles and took pride in them.

When told I was to be redeployed due to restructuring and savings I was shocked and concerned for my future. Although given assurances that a reasonable offer of alternative employment would be made, the process had the potential to be stressful due to the uncertainty about what I would be offered.

I was given regular updates by managers and HR regarding ongoing vacancies, none of which initially were matches for me. I was then advised of a position in the Halls Booking Team which, with training, was considered a reasonable redeployment.

I was anxious and uncertain, which is natural, but decided to step outside of my comfort zone and agreed to give it a go.

The new role was fully explained and a 12-week transition period and training plan agreed. With a lot of help from supportive new colleagues I successfully completed the training period and I am now proud to say I am part of the halls bookings section. It was a real team effort - from HR to management to colleagues playing a part - as well as my own desire to succeed.

I have learned new skills, and brushed up on old ones, and with support and training I am happy in my new role and all my fears about being redeployed have disappeared.

My advice to anyone affected by redeployment is to go in with an open mind - people are there to help you all the way. Be determined that you can do anything and take all the help offered to you as it really makes a difference.

Good luck, you can do it!'



# Financial Review

On 3 April 2023, SLLC converted to a Scottish Charitable Incorporated Organisation (SCIO) and is now known as South Lanarkshire Leisure and Culture SCIO. All assets and liabilities of the Limited Company were transferred to the SCIO on this date and existing funding arrangements with South Lanarkshire Council remained in place. The financial statements have been prepared for the period 3 April 2023 to 31 March 2024 but the comparatives are for the period 1 April 2022 to 2 April 2023, as SLLC converted to a Scottish Charitable Incorporated Organisation (SCIO) on 3 April 2023. As highlighted as part of the 2022/2023 accounts, the charitable company decided to increase the reporting period by two days which was different to that of the comparatives, as allowed by Companies Act. Reporting periods for the organisation going forward will now align to the 12 month period to 31 March.

The principal funder for the year 2023/24 was South Lanarkshire Council (SLC). The service fee we receive allows the Company to set its annual revenue budget to achieve a break-even position. There have been a number of pressures during the year including pay increases, inflation, and income pressures as SLLC tackled post covid recovery and these pressures were actively managed.

During the period, the organisation continued to undergo significant transformational change and despite a challenging year financially, the organisation was able to retain £524k in unrestricted general reserves. The net movement in this reserve shown in the 2023/24 Statement Of Financial Activities was (£282k).

## SLL Trading Limited

The Company's wholly owned subsidiary, SLL Trading Limited, generated turnover of £1,197k (2022/23: £1,162k) and a profit before taxation of £30k (2022/23: £22k). The subsidiary company has gifted its profits from 2023/24 in full to the parent company through the gift aid scheme. The principal activity of the trading company is the provision of vending and catering services within the leisure and cultural facilities operated by South Lanarkshire Leisure and Culture SCIO.

## Reserves Policy

The Board monitors the reserves position of the Company on a regular basis. As at 31 March 2024, the General Fund excluding pension reserve amounts to £524k (2022/23: £806k). The Repairs and Renewals Fund is used mainly to fund the replacement of health and fitness equipment and other asset improvements across the Company's facilities. As at 31 March 2024, the Repairs and Renewals Fund amounts to £333k (2022/23: £235k). Free Reserves (including designated funds) at 31 March 2024 amount to £466k (2023: (£496k)). Free reserves have been calculated as unrestricted funds excluding the pension reserve, adjusted for fixed assets and related long term creditors. As at 31 March 2024, total Restricted Funds held amount to £882k (2023: £877k). This relates to balances held on projects and initiatives for which grant funding is received from external bodies and organisations. The Group Balance Sheet shows a net asset position of £259k (2023: net asset position of £2,518k). This is attributable to a net (liability) asset of the pension fund of (£1,480k) (2023: had a restated net asset position of £600k). This decrease in asset value follows further changes in financial assumptions made by the pension fund actuaries.

## Investment Powers and Policy

The Board is permitted through the Constitution to invest and deal with funds not immediately required in such investments as may be thought fit. Surplus cash this year was deposited with the Bank of Scotland. For comparison purposes, the performance of the account is benchmarked against the SONIA (Sterling Overnight Index Average) which is the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors. During 2023/2024 the average interest rate achieved was 4.57%. (2022/23: 0.07%) against a benchmark rate of 4.97% (2022/23: 2.26%).

## Disclosure of information to the auditor

In so far as the charitable trustees are aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the charitable 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 Auditor is aware of that information.

### Five Year Financial Performance

Group Results	19/20	20/21	Restated	Restated	
	000s	000s	21/22	22/23	23/24
			000s	000s	000s
<b>Unrestricted General Funds</b>					
Expenditure	35,651	29,350	32,541	40,112	41,571
Income	35,607	29,562	33,137	39,947	41,387
<b>Surplus/(Deficit)</b>	<b>(44)</b>	<b>212</b>	<b>596</b>	<b>(165)</b>	<b>(184)</b>
<b>General Reserve</b>	<b>40</b>	<b>321</b>	<b>959</b>	<b>806</b>	<b>524</b>
<b>Repairs and Renewals Fund</b>	<b>358</b>	<b>289</b>	<b>247</b>	<b>235</b>	<b>333</b>
<b>Restricted Funds</b>					
Expenditure	1,441	1,484	1,472	1,703	1,673
Income	1,471	1,101	1,606	1,591	1,678
<b>Restricted Fund Balances</b>	<b>516</b>	<b>899</b>	<b>765</b>	<b>877</b>	<b>882</b>

## Governance

South Lanarkshire Leisure and Culture SCIO is a Scottish Charitable Incorporated Organisation (SCIO) and an Arm's Length External Organisation of South Lanarkshire Council, our principal funder.

Since the establishment of South Lanarkshire Leisure and Culture, new governance models have emerged. South Lanarkshire Council and the former South Lanarkshire Leisure and Culture Limited worked together to consider which governance model would deliver the best outcome for both organisations. As a result the proposal to move to a SCIO was agreed by both South Lanarkshire Council and the South Lanarkshire Leisure and Culture Limited Board.

The agreed date for transfer to the new SCIO was 3 April 2023. SLL Trading has become a subsidiary of the SCIO.

### **Trustees:**

**Dr Avril Osborne (Chair)**  
**Councillor Maureen Devlin (Vice Chair)**  
**Alan Morrison**  
**Councillor John Anderson**  
**Dr Angela Beggan**  
**Neil Brown**  
**Councillor Andrea Cowan**  
**Craig Cunningham**  
**Chris Goudie**  
**Councillor Ross Lambie**  
**Lisa Maule**  
**Councillor Mo Razzaq**  
**Stephen Smellie**  
**Robert Craig**

**Chief Executive: Kay Morrison**

**Company Secretary: Nick Lansdell**

External Auditors: **Azets Audit Services**

Internal Auditors: **South Lanarkshire Council**

Legal Advisers: **Shepherd and Wedderburn LLP**

Bankers: **Royal Bank of Scotland**

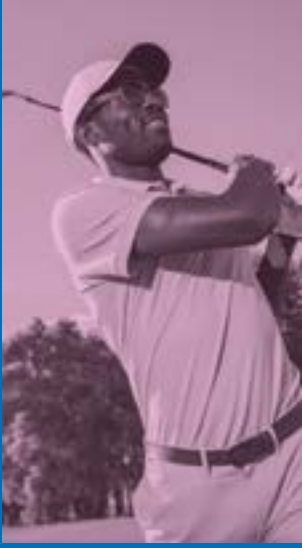
Charity Number: SC032549

Registered Office: Floor 5,  
Council Offices, Almada Street,  
Hamilton, ML3 0EW



2023-2024

Annual Strategic Report



Annual Strategic Report for the period ended 31 March 2024.

Further copies of this report are available in PDF format on our website or by e-mailing:  
[customer.services@southlanarkshireleisure.co.uk](mailto:customer.services@southlanarkshireleisure.co.uk)

or alternatively by contacting us at:

South Lanarkshire Leisure and Culture SCIO

Floor 5, Council Offices, Almada Street, Hamilton ML3 0EW

If you need this information in a different format or language,  
please contact us to discuss how we can best meet your needs.

Telephone: 01698 476262

Text phone: 18001 01698 476262

or email: [customer.services@southlanarkshireleisure.co.uk](mailto:customer.services@southlanarkshireleisure.co.uk)



SOUTH LANARKSHIRE  
Leisure & Culture

[www.slleisureandculture.co.uk](http://www.slleisureandculture.co.uk)

South Lanarkshire Leisure and Culture SCIO is a recognised Scottish Charity, NO.SC032549

SLLC: 4050A (FIN)



2023-2024

South Lanarkshire



**PERFORMANCE, FINANCE AND AUDIT COMMITTEE UPDATE  
FOR AGM**

**Agenda Item**

**8**

**28 OCTOBER 2024**

1. Key issues considered:
  - ◆ Annual Accounts 2023/24 for South Lanarkshire Leisure and Culture Ltd.
  - ◆ Annual Accounts 2023/24 for SLL Trading Ltd.
  - ◆ Azets Findings report for period ended 31 March 2024.
2. Key issues to highlight:
  - ◆ Azets have indicated that an unqualified opinion will be issued following Board approval of the accounts for both South Lanarkshire Leisure and Culture SCIO and SLL Trading Ltd.
  - ◆ Azets provided clarification to the Committee regarding the material adjustment of the pension asset as a result of application of the asset ceiling reported by Hymas Robertson as at 31 March 2024.
3. Any decisions/approvals taken to highlight:
  - ◆ The Committee was presented with both sets of accounts and the Azets Findings report for noting ahead of Board approval at the AGM on 13 November 2024.
4. Any risks identified to highlight:
  - ◆ None.



# Audit findings report

South Lanarkshire Leisure and  
Culture SCIO and subsidiary

Period ended 31 March 2024



## Strictly Private & Confidential

The Board of Directors  
South Lanarkshire Leisure and Culture SCIO  
Floor 5  
Council Offices  
Almada Street  
Hamilton  
ML3 0EW

Our ref: SACH/NNOC/SOULLC01  
24 October 2024

Dear Directors

### **South Lanarkshire Leisure and Culture SCIO Audit Findings Report for the period ended 31 March 2024**

This Audit Findings Report highlights the significant findings arising from the audit for the benefit of those charged with governance. We appreciate that you may be aware of some of the matters contained in this report, however as required by International Standard on Auditing (UK) 260 we are communicating them to you formally.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) (ISAs UK), which is directed towards forming and expressing an opinion on the financial statements. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, including those in respect of the preparation of financial statements.

There is more detail in respect of the responsibilities of the auditor and those charged with governance within our engagement letter. Our standard terms and conditions can be found at <https://www.azets.co.uk/terms-of-business>.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. We do not accept any responsibility for any loss occasioned to any third party acting or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by your team during our audit. If we can be of any further assistance, please contact Sally Cheeney or Nneamaka Ochuba.

Yours Sincerely

## **Azets Audit Services**

We are an accounting, tax, audit, advisory and business services group that delivers a personal experience both digitally and at your door.

**Accounting | Tax | Audit | Advisory | Technology**

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VAT Registration No. 219 0608 22. Registered office: 2nd Floor, Regis House, 45 King William St, London EC4R 9AN. Registered to carry on audit work in the UK under Firm Number C004632199 and regulated for a range of investment business activities by the Institute of Chartered Accountants in England & Wales. The term 'Board Director' is used to refer to a statutory director and principal of the company as registered at Companies House. Any other designations that include the term 'Partner' or 'Director' are not registered statutory directors or principals of the registered company.



## Contents

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1.	Executive summary	1
2.	Significant and other risks of material misstatement	2
3.	Going concern	5
4.	Audit communication	6
5.	Internal controls	7
6.	Independence and ethics	15

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# 1. Executive summary

## Audit overview

This table summarises the key findings from the statutory audit of South Lanarkshire Leisure and Culture SCIO and its subsidiary for the period ended 31 March 2024 for those charged with governance.

<b>Audit opinion</b>	<p>We do not propose any modifications to our audit opinion which is unqualified.</p> <p>We have no matters to report regarding the adoption of the going concern basis or inadequate disclosures relating to material uncertainties.</p> <p>Our audit work is substantially complete and there are currently no matters which would require modification of our audit report.</p>
<b>Key findings on audit risks and other matters</b>	<p>We have reported our audit findings on pages 2-4 and audit adjustments on page 11.</p> <p>The impact on the group's net income is a reduction of £76,931,000 in the current period and £1,508,000 in the prior period. This was as a result of applying the asset ceiling to the pension asset reported by Hymans Robertson as at 31 March 2024.</p> <p>A prior year adjustment which decreased the group's 2023 net income by £1,508,000 and decreased the general funds by £1,508,000. This was as a result of clarified guidance received on application of the asset ceiling to the pension asset reported by Hymans Robertson as at 31 March 2023.</p> <p>We are pleased to report that the audit progressed well from our perspective and in accordance with the agreed timetable.</p>
<b>Audit adjustments</b>	<p>We are required to communicate all potential adjustments, other than those considered to be clearly trivial, to management and to request that management corrects them. Details of the audit adjustments and potential adjustments are included on page 11-13.</p> <p>The aggregate impact of unadjusted misstatements on the Statement of Financial Activities, were they to be processed, would result in a combined increase in group net expenditure for the current year of approximately £92,307, which is immaterial to the financial statements.</p>
<b>Accounting systems and internal controls</b>	<p>We have applied our risk-based methodology to your audit. This approach requires us to document, evaluate and assess your business processes and internal controls relating to the financial reporting process.</p> <p>Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we have reported these to you on page 7-10.</p>

## 2. Significant risk areas

Significant risks are risks that require special audit consideration and include identified risks of material misstatement that:

- our risk assessment procedures have identified as being close to the upper range of the spectrum of inherent risk due to their nature and a combination of the likelihood and potential magnitude of misstatement; or
- are required to be treated as significant risks due to requirements of ISAs (UK), for example in relation to management override of internal controls.

### Significant risks at the financial statement level

The below table summarises conclusions in relation to significant risks of material misstatement identified at the financial statement level. These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Key risk area	Audit Approach	Conclusions
<p><b>Management override of controls (SLLC and SLL Trading)</b></p> <p>Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk</p> <p>Risk of material misstatement: <b>High</b></p>	<p>Procedures performed to mitigate risks of material misstatement in this area included:</p> <ul style="list-style-type: none"> <li>• Review of accounting estimates, judgements and decisions made by management;</li> <li>• Testing of journal entries; and</li> <li>• Review of any unusual significant transactions.</li> </ul>	<p>We have not identified any indications of management override in the year. We did not identify any areas of bias in key judgements made by management and judgements were consistent with prior years.</p>
<p><b>Going concern (SLLC and SLL Trading)</b></p> <p>We must review the Board's assessment of the going concern status of both entities.</p> <p>Risk of material misstatement: <b>Low</b></p>	<ul style="list-style-type: none"> <li>• Reviewed the Board's assessment of going concern;</li> <li>• Reviewed accounting estimates, judgements and decisions made by management;</li> <li>• Reviewed post year end management accounts;</li> <li>• Reviewed the annual budget with a particular focus on the results for the 12 months from the signing date of the financial statements;</li> <li>• Held a detailed discussion with management in respect of going concern; and</li> </ul>	<p>We have gained satisfactory assurance in respect of the mitigation of this risk and that the disclosure within the financial statements is adequate.</p>

- Obtained a letter of representation that confirmed that the trustees have concluded that the Group is a going concern.

## Significant risks at the assertion level for classes of transaction, account balances and disclosures

The below table summarises conclusions in relation to significant risks of material misstatement at the assertion level for classes of transaction, account balances and disclosures.

Key risk area	Audit Approach	Conclusions
<p><b>Fraud in income recognition (SLLC and SLL Trading)</b></p> <p>Material misstatement due to fraudulent financial reporting relating to revenue recognition is a presumed risk in ISA 240 (The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements).</p> <p>In respect of the management service fee from South Lanarkshire Council, we do not consider the revenue recognition risk to be significant due to a lack of incentive and opportunity to manipulate this revenue stream. However, the risk of fraud in relation to revenue recognition is present in all other revenue streams.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"> <li>• <b>Income (Completeness): High</b></li> <li>• <b>Income (Occurrence): High</b></li> <li>• <b>Income (Cut off): High</b></li> </ul>	<p>Procedures performed to mitigate risks of material misstatement in this area included</p> <ul style="list-style-type: none"> <li>• Reviewing and testing of income recognition policies;</li> <li>• Detailed substantive testing on material revenue streams;</li> <li>• Cut off testing; and</li> <li>• Substantive analytical procedures.</li> </ul>	<p>While we did not suspect incidences of material fraud and error we evaluated each type of income transaction and documented our conclusions.</p> <p>We have gained reasonable assurance on the completeness and occurrence of income, and we are satisfied that income is fairly stated in the financial statements. To inform our conclusion we carried out testing to confirm that the group's policy for income recognition is appropriate and has been applied consistently throughout the year.</p>
<p><b>Expenditure (SLLC only)</b></p> <p>Given the charity is spending the public's monies and grant funds it is important that we ensure that any purchases are appropriately incurred and subject to the appropriate control procedures.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"> <li>• <b>Expenditure (Completeness): Medium</b></li> <li>• <b>Expenditure (Occurrence): Medium</b></li> </ul>	<p>We evaluated each material expenditure stream, including the controls over expenditure accounting.</p> <p>We conducted substantive testing on expenditure streams to confirm revenue has been recognised appropriately and in line with the charitable objectives of the company.</p>	<p>We did not find any instances of misappropriation of the public's monies or inadequate controls.</p>

**Allocation of funds (SLLC only)**

There is a risk that transactions are not correctly allocated between unrestricted and restricted funds meaning that the period-end split of funds is incorrect.

We have evaluated a sample of revenue and expenditure items to ensure that each transaction tested has been allocated to the correct fund.

We have gained satisfactory assurance in respect of the allocation of transactions between funds.

**Inherent risk of material misstatement:**

- **Funds (Valuation): Medium**
- **Funds (Presentation and disclosure): Medium**

**Defined benefit pension scheme – this is a key accounting estimate (SLLC only)**

The Charity is a member of a defined benefit pension scheme: the Strathclyde Pension Fund. Each year Hymans Robertson provides a year-end accounting valuation of the Strathclyde Pension Fund. The Charity needs to account for the pension movement in the financial statements and ensure the disclosure is appropriate. The Charity need to ensure that the actuarial assumptions used are appropriate.

We have reviewed the controls in place to ensure that the data provided from the pension fund to the actuary is complete and accurate. We have reviewed the reasonableness of the assumptions used in the calculation against other local government pension fund actuaries and other observable data. We have also agreed the disclosures in the financial statements to information provided by the actuary.

We did not identify any actuarial estimates or assumptions which gave us cause for concern.

**Inherent risk of material misstatement:**

- **Wages & Salaries (Valuation): Medium**

**Valuation and accuracy of stock (SLL Trading Limited only)**

There is a risk that the stock balance at the year end is materially misstated. Given the estimation uncertainty involved in a provision, this is a key accounting estimate.

We agreed the stock listing to the financial statements and tested a sample of items within this for physical existence and count accuracy.

We did not identify any material errors in our testing.

**Inherent risk of material misstatement:**

- **Stock (Valuation): Medium**
- **Stock (Accuracy): Medium**

We reviewed the stock provision at the balance sheet date and reviewed the assumptions inherent in this. In addition we scrutinised the items included in the stock listing for indications of impairment.



### 3. Going concern

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

#### Management's assessment of going concern

South Lanarkshire Leisure and Culture SCIO has prepared its financial statements on the going concern basis. Management believe that the financial statements should be prepared on the going concern basis because the entity has sufficient funds to meet short term and long term liabilities.

Management's assessment covers a period of at least 12 months from expected date of approval of the accounts.

#### Audit work performed

ISA 570 (revised) specifies mandatory procedures that we are required to carry out on going concern.

We have performed audit work as explained in section 2 above.

#### Disclosures

We have reviewed the disclosures set out in note 1 to the financial statements.

#### Conclusion

We concur with management's assessment that it is appropriate to continue to adopt the going concern basis and there are no material uncertainties relating to going concern which should be disclosed in the financial statements.

## 4. Audit communication

### Materiality

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to those charged with governance and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

Under ISA (UK) 260 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA (UK) 260 defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

An omission or misstatement is regarded as material if it would reasonably influence the users of the financial statements. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile of the business and the needs of the users.

### Accounting policies

The accounting policies used in preparing the financial statements are unchanged from the prior year or set out details of changes.

### Presentation and disclosures

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the entity. We identified a number of reclassification adjustments and some minor presentational issues in the Group, and these have all been amended by management.

Overall, we found the disclosed accounting policies, significant accounting estimates and the overall disclosures and presentation to be appropriate.

### Fraud and suspected fraud

We have previously discussed the risk of fraud with management. We have not been made aware of any incidents in the period nor have any incidents come to our attention as a result of our audit testing.

Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose. In the event that the trustees wish to obtain enhanced assurance with regard

to the effectiveness of internal control in preventing and detecting fraud we should be happy to provide additional services.

### Written representations

We will present the final letter of representation to the Board to sign at the same time as the financial statements are approved.

### Related parties

We are not aware of any related party transactions which have not been disclosed.

### Non-compliance with laws and regulations

As part of our standard audit testing, we have reviewed the laws and regulations impacting the group. There are no indications from this work of any significant incidences of non-compliance or material breaches of laws and regulations stopping the group from continuing as a going concern or that would necessitate a provision or contingent liability.

There are also many other laws and regulations relating to health and safety as well and industry specific requirements. We are not aware of any significant incidences of non-compliance.

### Confirmations from third parties

All requested third party confirmations in respect of bank and legal confirmations have been received.

## 5. Internal controls

### Control environment

The purpose of an audit is to express an opinion on the financial statements. As part of our work we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we have reported these to you below and overleaf. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to you and that have not been reported elsewhere within this memorandum.

Area	Assessment	Comment
Control and process environment	<b>Strong</b>	We consider the control environment within the entity to be satisfactory.
Quality of supporting schedules	<b>Satisfactory</b>	The supporting schedules received during the course of the fieldwork were sufficient for our audit purposes.
Responses to audit queries	<b>Satisfactory</b>	Management's responses to our audit queries were appropriate and received on a timely basis.

Key: **Significant deficiency** in internal control, **Other deficiency** in internal control, **Other observations** from the audit

### Current year recommendations:

Area	Observation	Implication	Recommendation	Comment 31/03/2024
South Lanarkshire Leisure and Culture – Payroll Authorisation	There is no monthly authorisation for payroll reports.	Potential errors may not be identified resulting in a potential misstatement.	Include monthly review and authorisation of payroll summaries.	SLC process the payroll directly on the Oracle system from the base info held on system input by SLLC HR staff so no further authorisation is required. This would just be an additional step in the process.
South Lanarkshire Leisure and Culture – Sales completeness Testing	When testing sales completeness from the reports provided by the finance team it has become clear that it is difficult to trace the monthly sales to the nominal ledger. We have found quite a few small errors which has resulted in a larger extrapolated error.	If we cannot trace the sales from the sales report to the nominal ledger exactly and easily then it can result in an inaccurate income figure on the accounts. We must be able to prove reliably that each sale is accurately recorded in the nominal ledger.	We recommend improving the posting of the sales so that these can be easily traced to the nominal ledger. We would also recommend potentially having monthly reconciliations so this can help SLLC keep track of the sales and the accuracy of their figures.	Agreed. Processes will be fully reviewed/updated. The intention is to go to tender for a new FOH system in 24/25 thus this will be the opportunity to implement an improved process.

South Lanarkshire Leisure and Culture – Fixed asset register	The fixed asset register provided during our audit is more a summary of the total position as opposed to a line by line listing of individual assets, their cost and depreciation.	This makes it more difficult to test specific fixed assets held by the charity. Also, it could cause errors in depreciation rates, addition dates etc.	We would recommend maintaining a full fixed asset register for all assets held by the charity to keep it as accurate as possible.	The fixed asset register has never been maintained in the format outlined and this has never been raised before. There is currently no intention to do so.
SLL Trading - Stock Listing Ageing	Stock listing does not show how long stock items have been in stock.	Slow-moving and ageing stock cannot be identified by management from the stock listing.	Ageing should be included on the stock listing or purchase dates in order to identify where stock may be slow-moving which will identify if stock may be required to include a provision.	The system is not a full stock system so does not have the capabilities mentioned. This may be something we can consider again once the new system is implemented, likely 2025.
SLL Trading – Opening trial balance	An opening balance is unable to be run.	This means if there is any issues/changes made when moving into a new financial year/period this cannot be picked up until the month end making any issues harder to identify and reconcile. Resulting in a control weakness.	Contact system/change system to an accounting system which allows Trial balances/reports to be ran on selected dates.	The system does not have the capabilities and is not something we can influence.
SLL Trading - Purchase Invoices Addressed To SLLC	Purchase Invoices in some cases are addressed to SLLC rather than SLL Trading.	This could result in purchases being incorrectly included in the SLLC or vice versa which could lead to a misstatement in the accounts.	Ensure invoices are addressed to the relevant company to clearly show what company the purchase relates to.	This is a supplier problem and should be addressed by the implementation of the e-procurement system as the end of 2024.
SLL Trading - Stock Sheets	Stock listings are separate with no overall stock listing.	Errors when hard-typing can occur easily when adding stock sheets, through mistyping or omission, to obtain the final stock value which could result in misstatements of stock.	There should be an overall stock listing including all stock listings which is calculated automatically rather than manually calculated.	The system is not a full stock system so does not have the capabilities mentioned. This may be something we can consider again once the new system is implemented, likely 2025.
SLL Trading - Income source documentation not agreeing to the ledger	During our testing, income could not be agreed from source documentation to the ledger.	While there was no material error, there is a risk that income could be materially misstated without a clean, traceable audit trail.	Azets recommend that the process for recognising income in the ledger is revised, so that income posted and source documentation match.	Agreed. Processes will be fully reviewed/updated. The intention is to go to tender for a new FOH system in 24/25 thus this will be the opportunity to implement an improved process.
SLL Trading - SLLC	The overhead allocation from the parent company	There is a risk of error because of the lack of	We recommend that the process if formalised, with a purchase invoice being	There is a debtors account issued from Trust to Trade

overhead allocation	had no formal documentation, just excel workings.	formal process surrounding this.	raised and processed as normal for this material expense.	once the accounts are finalised so not raised yet for 23/24. Formalisation is not felt necessary as it is the same set of Directors on both sides of the transaction.
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## Follow up on prior year audit control recommendations

As part of our audit process, we have specifically followed up on control weaknesses and recommendations raised in last year's report:

Area	Observation	Implication	Recommendation	Management response
South Lanarkshire Leisure and Culture – invoices not posted on the invoice date	Purchase invoices are not being posted onto the purchase ledger on the invoice date.	By posting purchase invoices on a different date from the invoice date, this could cause a potential cut off issue. This would therefore cause a risk that expenditure misstated and not allocated to the correct period.	It is recommended that responsible staff ensure the correct invoice date is entered on to the system to prevent potential cut off issues.	Accepted Invoices are coded, authorised and sent to payables for posting by the individual facilities. Centrally advice and guidance are provided around turnaround expectations for the completion of these steps however ensuring compliance with this instruction proves problematic. We agree to undertake the reissuing of this guidance on an annual basis.  The same issue was identified in the current year. Point remains relevant.
Journals	As per our journals testing, we conduct a number of tests using the journals listing as provided by SLLC. We were unable to complete this in full as the system does not run journal reports showing the date of posting or the user posting a journal	We are unable to effectively test the journals as we cannot determine the time and date of posting or who posted them. This could result in postings being made outside normal working hours and unauthorised postings being made.	The system should be updated to allow for an audit trail to be kept behind these journal entries to ensure dates, times and users are included in the data	The same issue was identified in the current year. Point remains relevant.
South Lanarkshire Leisure and Culture – Accruals policy	Accruals are being recognised based on internal estimates.	This has resulted in a material error, accruals and expenditure were materially overstated.	1. The policy of retaining over accruals for 5 years should be reviewed.  2. On a monthly basis, the accruals listing should be	This year the accruals policy was changed and not done on estimates etc. We did not find this problem at the

	<p>When the invoices are subsequently received, the variance between the accrual estimation and the actual amount invoiced is not corrected.</p> <p>Instead, SLLC retains the over accrual as a liability for 5 years and then releases the accrual (Dr expenditure, Cr accruals), in the 5th year.</p>		<p>reviewed for any items where future expenditure is not probable.</p> <p>3. at the financial year end, finance should review older accruals balances for reasonableness.</p>	<p>year end for accruals. Matter has been remedied.</p>
South Lanarkshire Leisure and Culture – proof of existence of employees	<p>There was no documentation in the personnel file for multiple employees to verify existence.</p>	<p>The implication of this is that fictional employees could be included in the payroll.</p>	<p>We would recommend that all employee's personnel files have a official document to prove their existence (such as a tax form or copy of passport).</p>	<p>Matter remedied in the year. No longer an issue.</p>
South Lanarkshire Leisure and Culture - Fixed assets disposals policy	<p>The disposals policy is to remove assets from the fixed asset register after 10 years. This contradicts the depreciation policy which assumes fixed assets have a useful life of 5 years.</p>	<p>1. If assets have a useful life of 10 years, but are being depreciated of 5 years, there is a risk that the client is not evenly recognising the costs over the period in which the economic benefits are being consumed.</p> <p>2. Due to the fixed disposals policy, assets no longer in use may remain in fixed assets after they have been disposed.</p>	<p>1. It is recommended that the depreciation policy is reviewed annually.</p> <p>2. It is recommended that fixed assets are disposed from the fixed asset register when the assets are no longer in use.</p>	<p>Matter remedied in the year. No longer an issue.</p>
SLL Trading – stock count	<p>Errors identified during the stock count were not updated in the final stock sheets or financial statements.</p>	<p>This resulted in an immaterial error which had to be posted as a potential adjustment.</p>	<p>Any errors identified during the stock count should be corrected after the stock count to ensure the financial statements are accurate.</p>	<p>Matter remedied in the year. No longer an issue.</p>
SLL Trading – Income received in advance	<p>During testing, we found that cash payments could not be traced to supporting documentation that related to income received in advance. Customers were only issued with a receipt if they paid by card.</p>	<p>We can only agree the amounts on the schedule to the amounts entered in the ledger. We cannot trace any cash payments made per the clients schedule to supporting documentation meaning there is a lack of audit evidence.</p>	<p>It is recommended that receipts are provided to customers for both cash and card payments so that the amounts per the client can be agreed to supporting documentation and to the ledger.</p>	<p>Matter remedied in the year for sales completeness testing. No longer an issue.</p>

# Corrected misstatements

## South Lanarkshire Leisure and Culture

<b>SCHEDULE OF PROPOSED ADJUSTMENTS</b>						
Journals			Balance Sheet		Statement of Financial Activities	
			Increase	Decrease	Decrease	Increase
<b>Net movement in funds per trial balance</b>						<b>74,664,000</b>
1	Dr	Actuarial Gains / (Losses) on DB Pension Scheme - OCI			76,931,000	
	Cr	Pension Asset/(Liability)		76,931,000		
<b>M.740</b>	<b>Being:</b>	adjustment of pension asset to asset ceiling level per Hymans Robertson				
<b>Total</b>			-	76,931,000	76,931,000	-
<b>Net effect</b>			-	76,931,000		76,931,000
<b>Adjusted Net Movement in Funds</b>					-	2,267,000

<b>SCHEDULE OF PRIOR YEAR PROPOSED ADJUSTMENTS</b>						
Journals			Balance Sheet		Statement of Financial Activities	
			Increase	Decrease	Decrease	Increase
<b>Profit per prior year signed accounts</b>					-	7,126,000
1	Dr	Actuarial Gains / (Losses) on DB Pension Scheme - OCI			1,508,000	
	Cr	Pension Asset/(Liability)		1,508,000		
<b>M.740</b>	<b>Being:</b>	adjustment of pension asset to asset ceiling level per Hymans Robertson				
<b>Total</b>			-	1,508,000	1,508,000	-
<b>Net effect</b>			-	1,508,000		1,508,000
<b>Adjusted Profit</b>					-	8,634,000

## SLL Trading Limited

None identified.

# Uncorrected misstatements

## South Lanarkshire Leisure and Culture

SCHEDULE OF UNCORRECTED MISTATEMENTS				Balance Sheet		Income Statement	
				Increase	Decrease	Decrease	Increase
<b>Journals</b>							
1	Dr	Accrued income	40,707				
	Cr	Incoming resources					40,707
<b>H.200</b>	<b>Being:</b> extrapolated error identified from cut off testing - pre year end income posted to the ledger after the year end.						
2	Dr	Trade debtors	31,220				
	Dr	Amounts due by South Lanarkshire Council	39,026				
	Cr	Amounts owed to South Lanarkshire Council		39,026			
	Cr	Trade creditors		31,220			
<b>H.501</b>	<b>Being:</b> Reclassification of credit balances within trade creditors						
3	Dr	Sales				15,766	
	Cr	Cost of sales					15,766
<b>H.201</b>	<b>Being:</b> extrapolated error from sales report to nominal ledger						
4	Dr	Deferred income	31,729				
	Cr	Sales					31,729
<b>J.204</b>	<b>Being:</b> extrapolated error of deferred income						
5	Dr	Bad debts				39,128	
	Cr	Due from SLC		39,128			
<b>D.100</b>	<b>Being:</b> potential irrecoverable aged debtors from SLC						
6	Dr	Wages and Salaries					35,597
	Cr	Accruals	35,597				
<b>J.203</b>	<b>Being:</b> Being understatement of wages & salaries accrual						
7	Dr	Other creditors	21,133				
	Cr	Expenditure					21,133
<b>J.101</b>	<b>Being:</b> overstatement expenditure identified from our substantive testing						
8	Dr	Amounts due from subsidiary	36,475				
	Cr	Other debtors		36,475			
<b>C.100</b>	<b>Being:</b> overstatement of VAT debtor						
9	Dr	Accruals	222,546				
	Cr	Trade creditors		222,546			
<b>J.205</b>	<b>Being:</b> Being reclassification of accrued invoices dated pre year end to trade creditors						
	<b>Total</b>		458,434	368,395		54,895	144,933
	<b>Net effect</b>			90,038		-	90,038



SCHEDULE OF UNCORRECTED MISTATEMENTS				Balance Sheet		Income Statement	
				Increase	Decrease	Decrease	Increase
Journals							
1	Dr	Stock		6,855			
	Cr	Cost of sales					6,855
<b>G.09</b>	<b>Being:</b> Increase in stock as per stock count						
2	Dr	Accruals		25,086			
	Cr	Trade Creditors			25,086		
<b>J.400</b>	<b>Being:</b> Being reclassification of accrued invoices dated pre-year end to trade creditors						
3	Dr	Cost of Sales				4,586	
	Cr	Stock Provision			4,586		
<b>Q.102</b>	<b>Being:</b> Stock Provision based on key accounting estimates work						
4	Dr	VAT balance sheet		3,373			
	Cr	Trade creditors			3,373		
<b>J.400</b>	<b>Being:</b> Inclusion of impact of VAT on journal 2 above at expected rate of 13% in line with current year real VAT rate						
	<b>Total</b>			<b>35,315</b>	<b>33,045</b>	<b>4,586</b>	<b>6,855</b>
	<b>Net effect</b>				<b>2,269</b>	<b>-</b>	<b>2,269</b>

## 6. Independence and ethics

In accordance with our profession's ethical requirements and further to our audit planning letter issued confirming audit arrangements there are no further matters to bring to your attention in relation to our integrity, objectivity, and independence.

We confirm that Azets Audit Services and the engagement team complied with the FRC's Ethical Standard. We confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

**AZETS**



# Report

Report to:	<b>Board of Trustees</b>
Date of Meeting:	<b>13 November 2024</b>
Report by:	<b>Ross McKie, Head of Corporate Services</b>

Subject:	<b>Annual Report and Accounts 2023/24 – South Lanarkshire Leisure and Culture (SCIO)</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ Ask that the Board approve the 2023/24 Annual Report and Accounts.

## 2. Recommendations

2.1. The Board is asked to approve the following recommendations:

- (1) That the 2023/24 Annual Report and Accounts are approved, signed by the Chair on behalf of the Board and thereafter submitted to the regulatory authorities OSCR and Companies House;
- (2) That the Audit Management Report prepared by Azets Audit Services is noted, and
- (3) That the Management Letter requested by Azets Audit Services are approved for signature by the Chair on behalf of the Board.

## 3. Background

3.1. South Lanarkshire Leisure and Culture (SLLC) is required to prepare an annual report and financial statements which are in accordance with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and Charities Accounts (Scotland) Regulations 2006 (as amended).

3.2. The financial statements must be audited by a firm of independent professional auditors. SLLC employ Azets Audit Services to carry out this task and provide the appropriate professional opinion.

## 4. Annual Accounts

4.1. The Annual Report and Accounts for financial year 2023/24 include the following principal sections:

- ◆ The accounts were prepared for the period from 3 April 2023 to 31 March 2024 but the comparatives are for 1 April 2022 to 2 April 2023 as SLLC converted to a SCIO on 3 April 2023.

- ◆ The Trustees' Report providing information on the aims, objectives, structure of SLLC and the proposed changes in governance.
- ◆ A report providing information on the achievements and performance, a financial review for the year and plans for the future.
- ◆ The 'Statement of Responsibilities of the Trustees' outlining the Board's legal responsibilities as Trustees as far as concerns the preparation of the financial statements.
- ◆ The Independent Auditor's Report containing the audit opinion prepared by Azets Audit Services. For 2023/24, the auditors are proposing to issue a clean audit certificate upon approval of the Accounts by the Board.
- ◆ The Consolidated Financial Statements including the Consolidated Statement of Financial Activities (SOFA), the Consolidated Balance Sheet and the Notes to the Accounts.

4.2. The overall financial position of SLLC as at 31 March 2024 is contained within the financial statements as referenced in Section 4.1 above. The key points to note are as follows:

- ◆ The Consolidated General Reserve now stands at £0.524m (£0.806m as at 2 April 2023).
- ◆ SLLC's share of the Strathclyde Pension Fund is now a deficit position, based on updates to the accounting guidance. A restated asset of £0.600m in 2022/23 (was £2.108m) is now shown as deficit of (£1.480m) in 2023/24.
- ◆ Restricted Fund balances as at 31 April 2024 amount to £0.882m. These relate to projects and initiatives funded by external organisations and partners.
- ◆ The balance on the Repairs and Renewals Fund as at 31 March 2024 amounts to £0.333m and is required to fund the investment plan previously approved by the Board. This amounted to a £0.098m increase in the fund during the year.
- ◆ SLLC have provided a letter of comfort to the Auditor to enable SLLC to meet the going concern assumption.

4.3. Azets Audit Services, the Company's external auditor, has provided a report highlighting issues to be brought to the attention of the Board when considering approval of the financial statements. There are no major issues and they have indicated that an unqualified opinion will be issued following Board approval of the accounts.

## **5. Employee Implications**

5.1. There are no employee implications arising from this report.

## **6. Financial Implications**

6.1. As outlined in this report.

## **7. Other Implications**

7.1. There are no other implications arising from this report in terms of risk or sustainability.

## **8. Equality Impact Assessment and Consultation Arrangements**

8.1. There is no requirement to carry out an impact assessment or consultation in terms of the proposals contained within this report.

**Ross McKie**  
**Head of Corporate Services**

**13 November 2024**

**Link to SLLC Objectives**

- ◆ Improved value for money organisation

**Previous References**

- ◆ None

**List of Background Papers**

- ◆ None

**Contact for Further Information**

If you would like to inspect the background papers, if any, or want further information, please contact:

Ross McKie, Head of Corporate Services

Ext: 8454320 (Tel: 01698 454320)

E-mail: [ross.mckie@southlanarkshireleisure.co.uk](mailto:ross.mckie@southlanarkshireleisure.co.uk)

**Healthier, happier, more connected lives.**

South Lanarkshire  
Leisure and Culture

# Annual

**Accounts**

2023-2024



SOUTH LANARKSHIRE  
Leisure & Culture





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# Trustees' report for the period ended 31 March 2024

Registered number SC032549

**The trustees present their annual report and audited financial statements for the period ended 31 March 2024.**

## Principal activity and structure of charity

South Lanarkshire Leisure and Culture (SLLC) is a Scottish Charitable Incorporated Organisation (SCIO), incorporated on 3 April 2023 via transfer from South Lanarkshire Leisure and Culture Limited (SLLC) Limited, registered as a charity, number SC032549, and is an Arms Length External Organisation of South Lanarkshire Council, the Company's principal funders. South Lanarkshire Leisure and Culture SCIO is responsible for the operation, management and development of indoor and outdoor sport and leisure facilities, community halls, arts venues, country parks, libraries and a museum and associated initiatives and events throughout South Lanarkshire.

It is a 'not for profit' organisation and is governed by its Constitution (amended by special resolution on 22 June 2022). The membership of the SCIO is representative of the local community known as "South Lanarkshire" and those individuals, groups and bodies committed to the provision of community leisure and cultural facilities in the area. The members of the SCIO have no liability to pay any sums to help to meet the debts (or other liabilities) of the SCIO if it is wound up; accordingly, if the SCIO is unable to meet its debts, the members will not be held responsible.

The SCIO's wholly owned subsidiary, SLL Trading Limited, was set up to operate the non-charitable, trading aspects of the business and predominantly provides the vending and catering services.

## Membership and Trustees

South Lanarkshire Leisure and Culture (SCIO) has two members with the organisations represented on the board -

- South Lanarkshire Council (99 votes)
- South Lanarkshire Council Nominees Limited (1 vote)

As set out in the Constitution, the maximum number of charitable trustees is fourteen and comprises of the following:

- five trustees appointed by South Lanarkshire Council
- one trustee appointed from the Trade Unions
- eight trustees appointed from the local community and/or independent representatives including from the health cultural, sports, facility users, academic and business fields

Following resignation of existing trustees, the remaining trustees via the nominations committee have the power to nominate new trustees for appointment, of which the members of the SCIO subsequently approve appointment in accordance with the arrangements as set out in the Constitution. New trustees receive an induction pack and are briefed by the Chief Executive on their appointment on such subjects as their legal obligations, the latest Business and Marketing Plans, Annual Report and recent operational and financial performance of the SCIO. They are also encouraged to take part in Board Development Sessions and are encouraged to attend specific training and information events where these are relevant to their role on the Board.

## **The trustees who held office during the period and to the date of this report are shown below.**

Dr Avril Osbourne (Chair)  
Councillor Maureen Devlin (Vice Chair)  
Alan Morrison  
Councillor John Anderson  
Dr Angela Beggan  
Neil Brown  
Councillor Andrea Cowan  
Robert Craig  
Craig Cunningham  
Chris Goudie  
Councillor Ross Lambie  
Lisa Maule  
Councillor Mo Razzaq  
Stephen Smellie

## **Management arrangements**

The Board meets four times a year to consider SCIO business and also refers decision-making on recruitment and disciplinary appeals to sub-committees. The Board has an established Performance, Finance and Audit Committee to consider and review matters such as financial management and reporting, risk management and the governance arrangements for the SCIO. A Chief Executive is appointed by the Board to manage the day to day operations of the SCIO. To ensure that operations are carried out effectively, the Chief Executive has delegated authority within an approved scheme for matters including personnel, finance, procurement and operations.

## Risk management

The SCIO is committed to providing a high quality service in an environment which is safe for customers and staff and is underpinned by the public service values of accountability, probity and openness. Robust risk management and internal control are an essential part of good governance and are integral to the delivery of this commitment.

The fundamental aim of the SCIO's risk management approach is to ensure that all key risks which could introduce uncertainty to the achievement of its strategic objectives are identified, analysed, evaluated, managed and monitored. We manage risk intelligently, instilling risk awareness across the SCIO.

To that end the SCIO has in place a risk management strategy which comprises:

- Annual identification and review of the business risks the SCIO may face
- The maintenance and development of a risk register detailing the systems and controls required to manage and mitigate the risks identified

Through a process of prioritisation and assessment, the SCIO is able to focus on the business risks most likely to have the highest impact on its operations should they materialise. The risk register is reviewed by the Audit Committee and focuses on financial, reputational and operational continuity risks.

Key risks include the following:

- Impact of possible reduction in funding due to reduced income or reductions in the management fee from South Lanarkshire Council (SLC) – this is mitigated through close liaison with the Council, robust financial management, effective forward planning and impact assessment.
- Private sector competition - this is mitigated through effective marketing and business planning, the development of a strong brand/image, competitive pricing, maintaining facilities and continuing to develop an online presence to compete with the rapid growth of the online exercise market.
- Failure to comply with legislation - this is mitigated through ensuring all relevant policies and procedures are up to date and the provision of specialist training and partnership working with external agencies/ benchmarking groups.
- Information technology system failure – this is mitigated through the development of the IT Service Plan, our Business Continuity/Contingency plans in place for times when systems down and the identification of new, or updated, customer facing systems

In addition, operational risk assessments are in place at each of the facilities which the SCIO operates. These risk assessments are subject to continual review and monitoring. Policies and procedures are in place for child protection and officers have been appointed to develop and monitor health and safety risks and to establish procedures to monitor the standards of first aid training and pool lifeguard training, these also being subject to external verification.

The Audit Committee meets prior to each Board meeting. The Committee has responsibility for overseeing the effective management of organisational risk and reviews risk management practice on an on-going basis in addition to an annual review of the risk register.

The Council's Internal Audit department, also carries out regular cyclical reviews, focusing on areas of perceived risk which are designed to report on the effectiveness of the risk management process.

## Disclosure of information to auditor

The trustees who held office at the date of approval of this trustees' report confirm, so far as they each are aware, that

- there is no relevant audit information of which the SCIO's auditor is unaware; and
- each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant information and to establish that the Company's auditors are aware of that information.

## Auditor

Azets audit services will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board

**Dr Avril Osborne**  
Chair of the Board, South Lanarkshire Leisure and Culture SCIO

**Date: 13 November 2024**

# Statement of responsibilities of the Trustees of South Lanarkshire Leisure and Culture (SCIO)

The Trustees 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).

The law applicable to SCIO's in Scotland requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the SCIO and of the incoming resources and application of resources of the SCIO for that period. In preparing these financial statements, the Trustees are required to:

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 (FRS 102);
- **make** judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- **prepare** the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the SCIO and which enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2004, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Constitution. They are also responsible for safeguarding the assets of the SCIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the SCIO's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

# Independent auditor's report to the members and trustees of South Lanarkshire Leisure and Culture (SCIO) for the period ended 31 March 2024

## Opinion

We have audited the financial statements of South Lanarkshire Leisure and Culture (SCIO) (the parent charity) and its subsidiary (the group) for the period ended 31 March 2024 which comprise the Consolidated and Parent Charity Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Balance Sheet, the Consolidated Statement of Cash Flows and the notes to the financial statements, including 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 charity's affairs as at 31 March 2024 and of its income and expenditure for the period 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 (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 group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC's) Ethical Standard, and we have fulfilled our 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.

# **Independent auditor's report to the members and trustees of South Lanarkshire Leisure and Culture (SCIO) continued.**

## **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 group's or the parent charity'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.

## **Other information**

The other information comprises the information included in the Annual Trustees' Report, other than the financial statements and our Auditor's Report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and we do not express any Trustees' 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 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.

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

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the financial statements are not in agreement with the accounting records and returns; or
- proper accounting records have not been kept; or
- we have not received all the information and explanations we require for our audit.



## Independent auditor's report to the members and trustees of South Lanarkshire Leisure and Culture (SCIO) continued.

### Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees 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 group's and the parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under 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 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 is available on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](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 FRC's website, to detect material misstatements in respect of irregularities, including fraud. We obtain and update our understanding of the group and the parent charity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the group and the parent charity are 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 charity that were contrary to applicable laws and regulations, including fraud.

## **Independent auditor's report to the members and trustees of South Lanarkshire Leisure and Culture (SCIO) continued.**

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and the parent charity through discussions with the trustees and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and the parent charity, including the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and taxation, data protection, anti-bribery, environmental, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the trustees and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charity's legal advisors.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in these financial statements were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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.

## Use of our report

This report is made solely to the parent charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the parent charity's trustees, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed:

**Sally Cheeney, Senior Statutory Auditor**  
**For and on behalf of**  
**Azets Audit Services**  
**Statutory Auditor**

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
Chartered Accountants  
Titanium 1  
King's Inch Place  
Renfrew  
PA4 8WF

**Date: 13 November 2024**

# Consolidated statement of financial activities (incorporating the Income and Expenditure Account)

For the period 3 April 2023 to 31 March 2024

Registered Charity Number: SCO32549

	Note	Unrestricted General Funds	Unrestricted Pension Funds	Unrestricted Designated Funds	Total Unrestricted Funds	Restricted Funds	2024 Total Funds	Restated 2023 Total Funds
		£000	£000	£000	£000	£000	£000	£000
<b>Income from:</b>								
Charitable activities	3	39,859	-	-	39,859	1,678	<b>41,537</b>	40,483
Trading activities	4	1,197	-	-	1,197	-	<b>1,197</b>	1,162
Investments	5	331	-	-	331	-	<b>331</b>	5
<b>Total Income</b>		<u>41,387</u>	<u>-</u>	<u>-</u>	<u>41,387</u>	<u>1,678</u>	<u><b>43,065</b></u>	<u>41,650</u>
<b>Expenditure on:</b>								
Raising funds	4	719	-	-	719	-	<b>719</b>	623
Charitable activities	6	40,852	101	-	40,953	1,673	<b>42,626</b>	45,875
Net interest cost of pension scheme		-	(104)	-	(104)	-	<b>(104)</b>	(183)
<b>Total expenditure</b>		<u>41,571</u>	<u>(3)</u>	<u>-</u>	<u>41,568</u>	<u>1,673</u>	<u><b>43,241</b></u>	<u>46,315</u>
<b>Net (expenditure)/income</b>		<u>(184)</u>	<u>3</u>	<u>-</u>	<u>(181)</u>	<u>5</u>	<u><b>(176)</b></u>	<u>(4,665)</u>
<b>Transfers between funds:</b>								
Repairs and renewals designated fund movement		(98)	-	98	-	-	-	-
		<u>(98)</u>	<u>-</u>	<u>98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains/(losses):</b>								
actuarial gains/(losses) on defined benefit pension scheme		-	(2,083)	-	(2,083)	-	<b>(2,083)</b>	(3,963)
<b>Net movement in funds</b>		<u>(282)</u>	<u>(2,080)</u>	<u>98</u>	<u>(2,264)</u>	<u>5</u>	<u><b>(2,259)</b></u>	<u>(8,628)</u>
<b>Reconciliation of funds:</b>								
Total funds brought forward restated		806	600	235	1,641	877	<b>2,518</b>	11,146
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>524</u>	<u>(1,480)</u>	<u>333</u>	<u>(623)</u>	<u>882</u>	<u><b>259</b></u>	<u>2,518</u>
All income and expenditure derive from continuing activities.								

# Parent charity statement of financial activities

For the period 3 April 2023 to 31 March 2024

Registered Charity Number: SCO32549

	Note	Unrestricted General Funds	Unrestricted Pension Funds	Unrestricted Designated Funds	Total Unrestricted Funds	Restricted Funds	2024 Total Funds	Restated 2023 Total Funds
		£000	£000	£000	£000	£000	£000	£000
<b>Income from:</b>								
Charitable activities	3	40,307	-	-	40,307	1,678	<b>41,985</b>	41,000
Investments	5	353	-	-	353	-	<b>353</b>	21
<b>Total Income</b>		<u>40,660</u>	<u>-</u>	<u>-</u>	<u>40,660</u>	<u>1,678</u>	<u><b>42,338</b></u>	<u>41,021</u>
<b>Expenditure on:</b>								
Charitable activities	6	40,852	101	-	40,953	1,673	<b>42,626</b>	45,875
Net interest cost of pension scheme		-	(104)	-	(104)	-	<b>(104)</b>	(183)
<b>Total expenditure</b>		<u>40,852</u>	<u>(3)</u>	<u>-</u>	<u>40,849</u>	<u>1,673</u>	<u><b>42,522</b></u>	<u>45,692</u>
<b>Net (expenditure)/income</b>		<u>(192)</u>	<u>3</u>	<u>-</u>	<u>(189)</u>	<u>5</u>	<u><b>(184)</b></u>	<u>(4,671)</u>
<b>Transfers between funds:</b>								
Repairs and renewals designated fund movement		(98)		98	-	-	-	-
		<u>(98)</u>	<u>-</u>	<u>98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains/(losses):</b>								
actuarial gains/(losses) on defined benefit pension scheme		-	(2,083)	-	(2,083)	-	<b>(2,083)</b>	(3,963)
<b>Net movement in funds</b>		<u>(290)</u>	<u>(2,080)</u>	<u>98</u>	<u>(2,272)</u>	<u>5</u>	<u><b>(2,267)</b></u>	<u>(8,634)</u>
<b>Reconciliation of funds:</b>								
Total funds brought forward restated		766	600	235	1,601	877	<b>2,478</b>	11,112
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>476</u>	<u>(1,480)</u>	<u>333</u>	<u>(671)</u>	<u>882</u>	<u><b>211</b></u>	<u>2,478</u>
All income and expenditure derive from continuing activities.								

# Consolidated balance sheet

at 31 March 2024

Registered Charity Number: SCO32549

	Note	2024 £000	2024 £000	2023 £000	Restated 2023 £000
<b>Fixed assets</b>					
Tangible assets	10		258		83
<i>Tangible fixed assets</i>			<u>258</u>		<u>83</u>
<b>Current assets</b>					
Stocks		152		146	
Debtors	12	1,824		2,050	
Cash at bank and in hand	13	5,307		7,193	
<i>Total current assets</i>		<u>7,283</u>		<u>9,389</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(5,153)		(6,926)	
<b>Net current assets</b>			<u>2,130</u>		<u>2,463</u>
<b>Total assets less current liabilities</b>			<u>2,388</u>		<u>2,546</u>
Creditors: amounts falling due after more than one year	16		(649)		(628)
Net assets excluding Pension Fund			<u>1,739</u>		<u>1,918</u>
Pension Fund asset	21		(1,480)		600
<b>Net assets</b>			<u><u>259</u></u>		<u><u>2,518</u></u>
<b>The funds of the charity</b>					
Designated funds	17(b)		333		235
General fund excluding Pension reserve			524		806
Pension reserve	21		(1,480)		600
<b>Total Unrestricted Surplus</b>			<u>(623)</u>		<u>1,641</u>
Restricted funds	17(a)		<u>882</u>		<u>877</u>
<b>Total Surplus</b>			<u><u>259</u></u>		<u><u>2,518</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 13 November 2024 and have been signed on its behalf by:

**Dr Avril Osborne**  
Chair of the Board, South Lanarkshire Leisure and Culture SCIO.

# Charity balance sheet

at 31 March 2024

Registered Charity Number: SCO32549

	Note	2024 £000	2024 £000	2023 £000	Restated 2023 £000
<b>Fixed assets</b>					
Tangible assets	10		258		83
Investments	11		-		-
<i>Total fixed assets</i>			<u>258</u>		<u>83</u>
<b>Current assets</b>					
Stocks		51		56	
Debtors	12	2,268		2,566	
Cash at bank and in hand	13	<u>4,815</u>		<u>6,649</u>	
<i>Total current assets</i>		<u>7,134</u>		<u>9,271</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	<u>(5,052)</u>		<u>(6,848)</u>	
<b>Net current assets</b>			<u>2,082</u>		<u>2,423</u>
<b>Total assets less current liabilities</b>			<u>2,340</u>		<u>2,506</u>
Creditors: amounts falling due after more than one year	16		<u>(649)</u>		<u>(628)</u>
Net assets excluding Pension Fund			<u>1,691</u>		<u>1,878</u>
Pension Fund asset	21		<u>(1,480)</u>		<u>600</u>
<b>Net assets</b>			<u><u>211</u></u>		<u><u>2,478</u></u>
<b>The funds of the charity</b>					
Designated funds	17(b)		333		235
General fund excluding Pension reserve			476		766
Pension reserve	21		<u>(1,480)</u>		<u>600</u>
<b>Total Unrestricted Surplus</b>			<u>(671)</u>		<u>3,109</u>
Restricted funds	17(a)		<u>882</u>		<u>877</u>
<b>Total Surplus</b>			<u><u>211</u></u>		<u><u>2,478</u></u>
The financial statements were approved and authorised for issue by the Board of Directors on 13 November 2024 and have been signed on its behalf by:					
<b>Dr Avril Osborne</b>					
Chair of the Board, South Lanarkshire Leisure and Culture SCIO.					

## Consolidated statement of cash flows

For the period ended 31 March 2024

	Note	2024 £000	2023 £000
<b>Cash flows from operating activities</b>			
<i>Net cash provided by / (used in) operating activities</i>	19	(1,984)	948
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets		(258)	(52)
Interest received		356	5
<i>Net cash provided by/(used in) investing activities</i>		<u>98</u>	<u>(47)</u>
(Decrease)/Increase in cash and cash equivalents		(1,886)	901
Cash and cash equivalents at beginning of reporting period		<u>7,193</u>	<u>6,292</u>
Cash and cash equivalents at the end of the reporting period		<u><u>5,307</u></u>	<u><u>7,193</u></u>
 <b>Parent charity statement of cash flows</b>			
<b>For the period ended 31 March 2024</b>			
	Note	2024 £000	2023 £000
<b>Cash flows from operating activities</b>			
<i>Net cash provided by / (used in) operating activities</i>	19	(1,929)	800
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets		(258)	(52)
Proceeds from sale of tangible fixed assets		-	-
Interest received		353	21
<i>Net cash provided by/(used in) investing activities</i>		<u>95</u>	<u>(31)</u>
(Decrease)/ Increase in cash and cash equivalents		(1,834)	769
Cash and cash equivalents at beginning of reporting period		<u>6,649</u>	<u>5,880</u>
Cash and cash equivalents at the end of the reporting period		<u><u>4,815</u></u>	<u><u>6,649</u></u>



# Notes

(forming part of the accounts)

## 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered to be material to the financial statements.

### **General information**

South Lanarkshire Leisure and Culture SCIO is a public benefit entity responsible for the operation, management and development of indoor and outdoor sport and leisure facilities, community halls, arts venues, country parks, libraries and museums. It converted to a Scottish Charitable Incorporated Organisation (SCIO) on 3 April 2023. All assets and liabilities of the previous limited company were transferred to the SCIO on this date and existing funding arrangements with South Lanarkshire Council remain in place. The charity's registered number is SC032549 and registered office is Floor 5, Council Offices, Almada Street, Hamilton ML3 0EW.

### **Basis of preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended).

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared for the period 3 April 2023 to 31 March 2024 but the comparatives are for the period to 1 April 2022 to 2 April 2023 as SLLC converted to a Scottish Charitable Incorporated Organisation (SCIO) on 3 April 2023.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgements in the process of applying accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the SCIO from 3 April 2023 to 31 March 2024 and its subsidiary undertaking SLL Trading Limited for the year to 31 March 2024 to take account of the transfer of the charitable trust to a SCIO on 3 April 2023.

### **Income and expenditure**

A statement of financial activities has been prepared in a form which is considered to give the members a true and fair view of the results for the period and which also complies with the requirements of Section 400 of the Act and Statement of Recommended Practice applicable to charities (Charities SORP (FRS 102)).

### **Going concern**

The financial statements have been prepared on the basis of accounting policies that are consistent with the treatment of the SCIO as a going concern. Both the charity trustees and South Lanarkshire Council remain committed to addressing any remaining trading challenges to ensure SLLC remains a going concern.

For the forthcoming period, SLLC Trustees continue to take assurance that the organisation operates as a going concern through firstly the agreed, balanced budget for 2024/25, the confirmation of South Lanarkshire Council (SLC) funding for that period and the continual monitoring of the latest position against budget and cashflow.

SLC's current 3-year budget strategy, being their most current financial outlook, does not indicate at this time any proposals to increase the management fee it pays SLLC. SLC's commissioning intentions and subsequent confirmation of the management fee to SLLC is expected to be known in the standard timeframe for 2025/26.

SLLC continues to develop its own financial business plan for the corresponding period, with the objective of balancing its budget through appropriate measures, based on the latest financial assumptions for expected costs, proposals for income generation and the current expected level of funding it will receive from SLC.

Subject to all the above the Board will be briefed and advised accordingly

On 3 April 2023, SLLC converted to a Scottish Charitable Incorporated organisation (SCIO) and will now be known as South Lanarkshire Leisure and Culture SCIO. All assets and liabilities of the Limited Company were transferred to the SCIO on this date and existing funding arrangements with SLC remain in place.

## Notes continued.

(forming part of the accounts)

### **Funds**

Funds are classified as either restricted funds or unrestricted funds, and are defined as follows:

Restricted funds are funds subject to specific conditions declared by the donor. Some are restricted income funds expendable at the discretion of the Board in furtherance of a particular activity, such as government grants for a specific centre, and funds raised for particular client groups or activities. Others are capital funds where the assets are required to be invested for long term use.

Unrestricted funds are expendable at the discretion of the Board in furtherance of the objectives of South Lanarkshire Leisure and Culture SCIO. If part of the unrestricted fund is earmarked at the discretion of the Board for a particular project it is designated as a separate fund. This designation has an administrative purpose only, and does not legally restrict the Board's discretion to apply the fund. Unrestricted funds include the results of the non-charitable trading subsidiary, details of which are given in note 4 to the financial statements.

### **Income recognition**

All incoming resources are included in the Statement of Financial Activities when the SCIO is entitled to the income, receipt is probable and the amount can be reliably measured.

Grants and receipts from local and central government agencies which are of a revenue nature are payable to SLLC at the discretion of the funding body and are credited to the Statement of Financial Activities in the period to which the funding applies, provided its receipt has been approved by the funding body, by the date of issue of the financial statements.

Operating income, including membership fees and admission charges for use of facilities and hire of equipment, is credited to the Statement of Financial Activities on a cash basis, adjusted, where appropriate, to an accruals basis where a receipt is in respect of a service straddling the financial period end.

### **Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis and are recognised when there is a legal or constructive obligation to pay for expenditure.

All costs which are directly attributable to the objects of the charity are included within this category. All items are included on the accruals basis.

### **Irrecoverable input VAT**

Irrecoverable input VAT, with the exception of VAT suffered on the purchase of fixed assets, is charged directly to the income and expenditure account in the year it is incurred, under the heading of Supplies and Services.

### **Leases**

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

### **Financial assets and financial liabilities**

Financial instruments are recognised in the Statement of Financial Activities when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payment discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from assets expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

### **Fixed assets and depreciation**

The SCIO does not capitalise individual items with a cost of less than £500, or repairs and renewals expenditure of a capital nature.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life. The rates generally applicable are:

Fixtures and fittings	5 years
Sports equipment	5 years
Motor vehicles	5 years
Office equipment and computers	5 years

## Notes continued.

(forming part of the accounts)

### **Stocks**

Stocks of materials and consumables are stated at the lower of cost and net realisable value in the ordinary course of operating.

### **Debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

### **Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and balances with banks and are measured at fair value.

### **Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

### **Taxation**

The SCIO is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2011 and therefore it meets the definition of a charity for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received under sections 466 to 493 of the Corporation Tax Act 2010 and section 256 of the Taxation of Charitable Gains Act 1992, to the extent that such income or gains are supplied exclusively to charitable purposes.

### **Pensions**

Certain employees of South Lanarkshire Leisure and Culture SCIO are members of the Strathclyde Pension Fund. The pension costs charged in the period are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service life of employees in the scheme, so as to ensure that the regular pension costs represent a substantially level percentage of the current and expected future pensionable payroll. Variations from regular costs are spread over the remaining service lives of current employees in the scheme.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in the Statement of Financial Activities. All costs related to the defined benefit scheme are recognised in the Statement of Financial Activities.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any asset resulting from the calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

From 1 September 2013, the new duties outlined in the Pensions Act 2011 apply to SLLC and as such, all employees who meet the eligible jobholder criteria are automatically enrolled into the Local Government Pension Scheme. To comply with the Pension Act 2011, SLLC must re-enrol employees into the pension scheme every three years; the next re-enrolment date is October 2025. Employees are entitled to 'opt out' of the pension scheme if they wish.

### **Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognised in the Statement of Financial Activities when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

## **2 Critical judgements and estimates**

In preparing the financial statements, trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

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).

### **Defined benefit scheme and other post employment benefits**

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and other post-employment benefits include the discount rate and inflation rate. Any changes in these assumptions will have an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, management determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension asset or liability.

**Notes continued.**  
(forming part of the accounts)

**3 Income from charitable activities**

	Group 2024 Total £000	Group 2023 Total £000	Charity 2024 Total £000	Charity 2023 Total £000
<b>Unrestricted funds</b>				
sport and physical activities	10,316	8,479	10,316	8,479
outdoor recreation	3,077	2,754	3,077	2,754
cultural venues	3,495	2,728	3,495	2,728
libraries and museum	91	92	91	92
support	30	40	478	557
income from South Lanarkshire Council	22,850	24,687	22,850	24,687
Total income from charitable activities	<u>39,859</u>	<u>38,780</u>	<u>40,307</u>	<u>39,297</u>
<b>Restricted funds</b>				
sport and physical activities	1,600	1,658	1,600	1658
outdoor recreation	-	-	-	-
cultural venues	23	7	23	7
libraries and museum	30	38	30	38
support	25	-	25	-
Total restricted funds income	<u>1,678</u>	<u>1,703</u>	<u>1,678</u>	<u>1,703</u>

**4 Income from trading activities**

The Company owns 100% of the ordinary share capital of SLL Trading Limited a company registered in Scotland (company number SC 225901) and pays all of its profits to the Company under the gift aid scheme. A summary of the trading results is shown below.

**Trading subsidiary's results**

	2024 SLL Trading Limited £000	2023 SLL Trading Limited £000
Turnover	1,197	1,162
Cost of sales	(1,094)	(1,061)
Gross profit	103	101
Admin expenses	(73)	(79)
Profits before and after taxation	30	22
Distribution: payment under gift aid	(22)	(16)
Funds brought forward	40	34
Results carried forward	<u>48</u>	<u>40</u>

**5 Investment income**

	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Bank interest	331	5	331	5
Distribution: payment under gift aid	-	-	22	16
	<u>331</u>	<u>5</u>	<u>353</u>	<u>21</u>

**Notes continued.**  
(forming part of the accounts)

## 6 Resources expended

Group and charity	Activities Undertaken Directly £000	Support Costs £000	2024 Total £000	2023 Total £000
<b>Unrestricted funds</b>				
sport and physical activities	18,556	-	18,556	18,135
outdoor recreation	4,380	-	4,380	4,024
cultural venues	9,269	-	9,269	8,991
libraries and museum	4,394	-	4,394	4,206
support	-	4,253	4,253	4,133
Provision of leisure and cultural activities	<u>36,599</u>	<u>4,253</u>	<u>40,852</u>	<u>39,489</u>
<b>Restricted funds</b>				
sport and physical activities	1,543	-	1,543	1,439
outdoor recreation	-	-	-	1
cultural venues	55	-	55	113
libraries and museum	50	-	50	38
support	25	-	25	-
Provision of leisure and cultural activities	<u>1,673</u>	<u>-</u>	<u>1,673</u>	<u>1,591</u>

## 7 Analysis of governance and support costs

	General Support £000	Governance £000	2024 £000	2023 £000
Management overhead	2,048	-	2,048	1,957
Finance	269	-	269	245
Administration	163	-	163	173
Business development, IT and marketing	1,100	-	1,100	1,081
Personnel	527	-	527	554
Governance element of support	-	61	61	57
Internal audit	-	37	37	37
External audit	-	40	40	26
Taxation advice	-	8	8	3
	<u>4,107</u>	<u>146</u>	<u>4,253</u>	<u>4,133</u>

Support costs are those incurred wholly or mainly in support of project work or other direct charitable activities and are integral to carrying out those activities. After identifying the cost of these support activities, the governance element is separately calculated based on the time spent throughout the period on governance activities and is consistent with prior years.

## 8 Net (outgoing)/incoming resources

	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
<b>The net (outgoing)/incoming resources are stated after charging:</b>				
Depreciation of tangible fixed assets (note 10)	83	41	83	41
Rental charges under operating leases	184	221	184	221
Irrecoverable VAT	786	629	786	629
Tax Services Provided	6	5	4	2
Auditor remuneration:				
Audit of these financial statements	35	28	32	26
	<u>1,094</u>	<u>924</u>	<u>1,089</u>	<u>919</u>

**Notes continued.**  
(forming part of the accounts)

**9 Staff numbers and costs**

	2024 £000	2023 £000
<b>The remuneration and associated costs of the Group and Charity were:</b>		
Wages and salaries	21,875	20,771
Social security costs	1,618	1,580
Pension costs	3,639	8,367
Other employee costs	103	114
Settlement payments	-	804
	<b>27,235</b>	<b>31,636</b>

No members of staff were made redundant during the year (2023:nil) therefore no lump sum payments were made.

	2024 £000	2023 £000
Two employees received a salary, including benefits in kind, of more than £60,000 in the following band:		
£110,000 - £119,999	1	-
£100,000 - £109,999	-	1
£60,000 - £69,999	1	4

These employees are members of the pension scheme.

No remuneration or expenses were paid to trustees in their capacity as trustees.

No trustees were employed by the Charity in 2024, however one Director was employed by the Company in 2023, receiving £38k remuneration and benefits in their capacity as an employee.

The senior management team comprises five staff members; the Chief Executive, a Company Secretary and three Heads of Service and four senior managers with a total remuneration and benefits cost of £462,837 (2022/23 - £469,266).

The average employee head count of the Company during the period was:

	2024 number	2023 number
<b>Total</b>	<b>1,393</b>	1,391

**Notes continued.**  
(forming part of the accounts)

**10 Tangible fixed assets Group & Charity**

	Office Equipment Computers £000	Furniture & Fittings £000	Motor Vehicles £000	Sports Equipment £000	Total £000
<i>Cost</i>					
At 3 April 2023	163	239	5	832	1,239
Additions	4	13	-	241	258
Disposals	(2)	(44)	-	(29)	(75)
At end of period	165	208	5	1,044	1,422
<i>Depreciation</i>					
At 3 April 2023	151	219	5	781	1,156
Provided for period	5	8	-	70	83
On disposals	(2)	(44)	-	(29)	(75)
At end of period	154	183	5	822	1,164
<i>Net book value</i>					
<b>At 31 March 2024</b>	<b>11</b>	<b>25</b>	<b>-</b>	<b>222</b>	<b>258</b>
At 2 April 2023	12	20	-	51	83

All tangible fixed assets were used for charitable purposes.

The majority of operations of the charity are carried out from assets leased from South Lanarkshire Council as explained in note 22.

**11 Fixed asset investments - Company**

	2024 £	2023 £
Investment in subsidiary undertaking	1	1

The Company owns 100% of the ordinary share capital of SLL Trading Limited. Their results are summarised at note 4.

**12 Debtors**

	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Trade debtors	638	356	634	355
Amounts due from subsidiary undertaking	-	-	448	517
Due from South Lanarkshire Council	287	1,020	287	1,020
Prepayments and accrued income	496	114	496	114
Other debtors	403	560	403	560
	<b>1,824</b>	2,050	<b>2,268</b>	2,566

**Notes continued.**  
(forming part of the accounts)

**13 Cash and cash equivalents**

	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Cash at hand and in bank (no notice required to access deposit account)	5,307	7,193	4,815	6,649
	<u>5,307</u>	<u>7,193</u>	<u>4,815</u>	<u>6,649</u>

**14 Creditors: amounts falling due within one year**

	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Trade creditors	-	282	-	260
Bank overdrafts	492	409	492	409
Amounts due to subsidiary undertaking	-	-	-	-
Due to South Lanarkshire Council	1,126	1,912	1,126	1,912
Social security costs and other taxes	372	364	336	330
Deferred income	960	838	933	824
Other creditors and accruals	2,203	3,121	2,165	3,113
	<u>5,153</u>	<u>6,926</u>	<u>5,052</u>	<u>6,848</u>

**15 Deferred income**

Deferred income comprises advance purchases of golf season tickets and activage memberships which will be used during 2024/25. It also includes advance ticket sales for a variety of performances and deposits for functions that will not take place until after 31 March 2024.

	Group 2024 £000	Charity 2024 £000
Balance as at 3 April 2023	838	824
Amounts released to income during 2023/24	(838)	(824)
Amount deferred in period	960	933
Balance as at 31 March 2024	<u>960</u>	<u>933</u>

**16 Creditors: amounts falling due after more than one year**

	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Amount due to South Lanarkshire Council	649	628	649	628

Sums due to South Lanarkshire Council have no repayment terms. Interest is calculated based on the prevailing RPI for the period.



**Notes continued.**  
(forming part of the accounts)

**17 Net Assets of Group and Charity**

**17(a) Restricted Funds - Group & Charity**

	Opening balance £000	Income £000	Expenditure £000	Transfers between funds £000	Period end closing balance £000
<b><u>Sport &amp; Physical Activity Funds</u></b>					
Combined Health Intervention	437	374	332	-	479
Other	301	1,226	1,211	-	316
<b>Sport and Physical Activity Funds - 2023/24</b>	<b>738</b>	<b>1,600</b>	<b>1,543</b>	<b>-</b>	<b>795</b>
Combined Health Intervention	251	491	365	-	437
Other	268	1,167	1,134	-	301
<b>Sport and Physical Activity Funds - 2022/23</b>	<b>519</b>	<b>1,658</b>	<b>1,439</b>	<b>-</b>	<b>738</b>
<b><u>Outdoor Recreation Funds</u></b>					
Outdoor Recreation Funds - 2023/24	-	-	-	-	-
Outdoor Recreation Funds - 2022/23	1	-	1	-	-
<b><u>Culture Funds</u></b>					
Culture Funds - 2023/24	67	23	55	-	35
Culture Funds - 2022/23	173	7	113	-	67
<b><u>Libraries and Museum - Funds</u></b>					
Libraries and Museum Funds - 2023/24	62	30	50	-	42
Libraries and Museum Funds - 2022/23	62	38	38	-	62
<b><u>Support Funds</u></b>					
Support Funds - 2023/24	10	25	25	-	10
Support Funds - 2022/23	10	-	-	-	10
<b>Total - 2023/24</b>	<b>877</b>	<b>1,678</b>	<b>1,673</b>	<b>-</b>	<b>882</b>
<b>Total - 2022/23</b>	<b>765</b>	<b>1,703</b>	<b>1,591</b>	<b>-</b>	<b>877</b>

## Notes continued.

(forming part of the accounts)

### 17(a) Restricted funds – Group & Charity (cont)

#### Sport and Physical Activity Funds

**Diversionary Football** - Funds received from the Proceeds of Crime Act to encourage involvement in football activities as a diversion from anti-social behaviour.

**Disability Play** - Funds received from SLC Education Resources, Social Work Resources and Childcare Partnership to provide play activity and support for children with a disability, during the school holidays and the associated training of staff.

**Active Futures - Sporting Chance** – Big Lottery funding to enable young disadvantaged people to participate in a variety of sports that they would not ordinarily have access to.

**SFA (Tesco Bank)** - Funds received from the SFA to provide a football league programme for schools.

**Active Futures - Sporting Chance** – Big Lottery funding to enable young disadvantaged people to participate in a variety of sports that they would not ordinarily have access to.

**Active Schools ICS** - Funds received from Integrated Children's Services and Network Rail to be spent on specific projects within Active Schools.

**Active Schools** - Funds received from SportScotland and South Lanarkshire Council for the employment of primary and secondary school co-ordinators to increase awareness and levels of participation in sport and healthy activity amongst children.

**CCP Training** - Funds provided by South Lanarkshire Child Care Partnership for training identified by the Care Commission.

**Community Sports Hubs** - Funding received from SportScotland for the delivery of the community sports hubs agenda in line with the Scottish Governments 2014 legacy plan.

**Positive Coaching Scotland** - Funding provided by SportScotland to support roll out of Positive Coaching Scotland programme across South Lanarkshire.

**Move Transfer** - Funding received to develop a new diversionary project that would engage with Hard to Reach groups aged 8 – 18 years. The money was received from our partner organization the International Sports and Culture Association.

**Clyde Gateway** - Clydegateway supports the Active Schools programme within the Rutherglen area. The project focuses on increasing the number of young people involved in regular physical activity as well as supporting the development of community leaders.

**PEPAS** - Project in partnership with Education to develop an integrated approach across physical education, school sport and sport in the wider community.

**Combined Health Intervention** - Supports a number of the health team staff, health interventions and partnership programmes delivered by SLLC.

**Clyde Gateway Nursery Project** - Funding from the Clyde Gateway to support families in the Rutherglen area by increasing opportunities to improve their health and wellbeing.

**Fairhill Microgrant** - Funding from South Lanarkshire Renewable Energy Fund to allow Fairhill Community Groups to plan and organise activities for the local community, for example Fairhill Fun Day and Halloween Parties.

**On the Move** - funding from SLC Environmental Services to continue previous project 'beat the street' to develop walking and cycling in the Lanark area

**SportsScotland Supplementary Investment 20/21** - Funds from Sports Scotland to be spent on a variety of programmes to compliment and increase the levels of children and young people taking part in sport and physical activity, supporting the Active Schools Programme.

**SSGIS** - Summer provision monies from SportScotland to deliver activity and support participation.

**YFCL** - Access to ACE and Fitness memberships as part of South Lanarkshire Council Get into Summer Programme

**Participatory Budgeting** - Monies from partners that support community-based initiatives, for example neighbourhood planning, delivering physical activity locally with a target or need in mind.

**Vaslan Cbal** - A fund from Voluntary Action South Lanarkshire that allows SLLC to deliver Community Based Adult Learning initiatives such as first aid or coaching qualifications.

**Clyde Gateway NHS** - To fund a post supporting hard to reach families and child healthy weight.

**Community cycling Fund** - SportScotland funding to develop a place-based approach within our three park sites (Chatelherault, Calderglen and Cunningar Loop\*) where we will look to improve community cycling opportunities and links to club cycling, lead rides, bike libraries and community cycling routes as part of development investment when the UCI World Championships took place last summer.

#### Culture Funds

**Wee DRAMS Project** - Funds received from South Lanarkshire Council Social Work Department to deliver artform activities within SLC Day and Residential Care facilities.

**Give It a Go** - Funded by Creative Scotland and in partnership with SLC Enterprise Resource to help promote Arts & Crafts projects and events in South Lanarkshire.

## Notes continued.

(forming part of the accounts)

### 17(a) Restricted funds – Group & Charity (cont)

**With a Song & a Smile** - Funding by Choose Life to work with patients and outpatients from psychiatric wards at Hairmyres to deliver a series of singing workshops ahead of the creation of a choir.

**PERF Arts Venue Relief Fund** - managed and allocated via Creative Scotland to support immediate and critical financial need in order for venues which programme theatre and / or dance and / or music to remain solvent during the period of closure to the public and to plan for a sustainable return. This funding is to bridge the financial gap until opening plans and income projections are clearer.

#### Library and Museum Funds

**Digitable** - Funding received from Scottish Library and Information Council via the Scottish Government to encourage innovation and support pilot schemes in Scottish libraries.

**Libraries Resource Fund** - Funding from South Lanarkshire Council for the replacement of stock of books and other resources held within libraries.

**Healthy Reading Project** - Funding provided to develop the Healthy Reading book collections across all SLLC libraries.

**Book Week Scotland** - An annual event celebrating books and reading. This funding, provided by Scottish Book Trust, supported a series of author talks and other book related activities .

**70 Voices** - An intergenerational project, funded by the Scottish Library and Information Council, to celebrate 70 years of the town of East Kilbride.

**Fairhill/Fernhill wifi** - Funding provided by the SLC Tackling Poverty Team to support the upgrade of the current wifi provision in Fairhill Lifestyles and install wifi at Fernhill Community Facility.

**MacMillan** - funded by the MacMillan Cancer charity itself, and the funding was managed by North Lanarkshire Council. The small allocation we hold in the restricted fund is for travel expenses for the volunteers who come along to the Library (EKC and Cambuslang (soon to be Rutherglen) to provide support and information to people in our communities suffering from cancer.

**Covid Adaptation Fund** - A Museums Galleries Scotland fund designed to support museums with the costs of re-opening in a way that ensures the safety and confidence of staff, volunteers and visitors while government restrictions are still in place. The essential adaptations, equipment and training required to reopen are areas supported by this fund.

**National Fund for Acquisitions** - a national fund towards the purchase of a 19th-century mahogany Hamilton Fives Club ballot box, This fund is to support accredited museums in purchasing acquisitions that meets the criteria of funding

**Play & Share** - This project aims to protect the learning prospects and reduce the attainment gap for a generation of children (2-5yrs) who have been adversely affected by restrictions brought about by COVID-19. The activities will also assist with reducing social isolation, improving life chances, and supporting the mental health and wellbeing of the children and adults involved.

**Harry Lauder Exhibition** - Funding from Museums Galleries Scotland to produce a year long exhibition to showcase this Nationally Recognised Collection, which gained the ward in 2022. The exhibition opened in June 2023.

**Carluke Lifestyles** - David Wilson - Contribution from author to Carluke Library.

**Lanark Records Conserve** - grant funding awarded by National Manuscripts Conservation Trust to digitise Lanark Burgh records.

**Lending Voices** - A SLIC (Scottish Library & Information Council) funded project (£6970) to procure equipment for a project "Lending Voices: Portable Podcasting in Your Library". This project aims to make podcasting accessible to everyone in our communities, regardless of technical knowledge or financial resources. With our portable podcasting kits, we provide the tools, support, and learning opportunities to help users create their own podcasts and share their voices with the world.

#### Support Funds

**Carbon Loyalty Points Scheme** - funds from South Lanarkshire Council to carry out or allow a pilot to be undertaken to promote active travel for leisure users

**Connections** – Funding received from SLC Education Resource, NHS Lanarkshire and SLLC for a 2 year physical activity health intervention pilot project, which will target pre school, primary 1 and primary 2 pupils.

**Booking & Admission IT System** - Funding for the replacement of obsolete hardware and procurement a replacement Front of house system. These system upgrades are to improve efficiency of service delivery.

**Notes continued.**  
(forming part of the accounts)

**17(b) Designated Funds - Group and Charity**

	Balance at 3 April 2023 £000	Income £000	Expenditure £000	Transfers £000	Balance at 31 March 2024 £000
Repairs and Renewals Fund	235	-	-	98	333
	<u>235</u>	<u>-</u>	<u>-</u>	<u>98</u>	<u>333</u>

The Repairs and Renewals Fund has been established to fund projects and initiatives designed to improve customer service including the regular replacement of health and fitness equipment across leisure facilities.

**18 Analysis of net assets between funds**

Group	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Total £000
<b>Fund balances at 31 March 2024 are represented by:</b>				
Tangible fixed assets	258	-	-	258
Current assets	6,068	333	882	7,283
Current liabilities	(5,153)	-	-	(5,153)
Long term liabilities	(649)	-	-	(649)
Pension scheme asset	(1,480)	-	-	(1,480)
<b>Total net assets/(liabilities)</b>	<u>(956)</u>	<u>333</u>	<u>882</u>	<u>259</u>
<b>Charity</b>				
	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Total £000
<b>Fund balances at 31 March 2024 are represented by:</b>				
Tangible fixed assets	258	-	-	258
Current assets	5,919	333	882	7,134
Current liabilities	(5,052)	-	-	(5,052)
Long term liabilities	(649)	-	-	(649)
Pension scheme asset	(1,480)	-	-	(1,480)
<b>Total net assets/(liabilities)</b>	<u>(1,004)</u>	<u>333</u>	<u>882</u>	<u>211</u>

**Notes continued.**  
(forming part of the accounts)

## 19 Notes to the cash flow statement

### Consolidated

	2024 £000	2023 £000
<b>Reconciliation of expenditure to net cash flow from operating activities</b>		
Expenditure for the reporting period	(176)	(4,665)
Interest receivable	(356)	(5)
Loss / (gain) on sale of fixed assets	-	-
Depreciation	83	41
Decrease/(increase) in stock	(6)	7
(Increase) in debtors	226	(502)
Increase in creditors	(1,752)	1,460
Pension reserve funding deficit	(3)	4,612
<b>Net (used in)/provided by operating activities</b>	<b>(1,984)</b>	<b>948</b>

### Parent Charity

	2024 £000	2023 £000
<b>Reconciliation of expenditure to net cash flow from operating activities</b>		
Expenditure for the reporting period	(184)	(4,671)
Interest receivable	(353)	(21)
Loss / (gain) on sale of fixed assets	-	-
Depreciation	83	41
Decrease/(increase) in stock	5	3
(Increase)/decrease in debtors	298	(629)
Increase in creditors	(1,775)	1,465
Pension reserve funding deficit	(3)	4,612
<b>Net (used in)/provided by operating activities</b>	<b>(1,929)</b>	<b>800</b>

## 20 Commitments

	Land and buildings £000	Other £000	2024 Total £000	Land and buildings £000	Other £000	2023 Total £000
<b>(a) Future minimum lease payments</b>						
<b>under non cancellable operating leases are:</b>						
Operating leases which expire:						
In the first year	-	133	133	-	133	133
In the second to fifth years inclusive	-	41	41	-	77	77
<b>Total</b>	<b>-</b>	<b>174</b>	<b>174</b>	<b>-</b>	<b>210</b>	<b>210</b>

### (b) Capital commitments

There were no capital commitments at the end of the current period or preceding financial periods.

## 21 Pension Scheme

Certain employees of the SCIO are members of the multi employer defined benefits pension scheme, the Strathclyde Pension Fund. In accordance with FRS 102 the Company is required to disclose certain information relating to the scheme.

The Superannuation Fund is a defined benefit scheme into which employee' and employer's contributions, and interest and dividends from investments are paid and from which pensions, lump sums and superannuation benefits are paid out. Employees' contributions are tiered and employer's basic contributions are assessed every three years by an actuary and are fixed to ensure the fund remains solvent and in a position to meet its future liabilities. The actuarial method used is known as Projected Unit Credit Method. The last actuarial valuation was at 31 March 2023. Employer's contributions for the period 31 March 2024 amounted to £3,654,000 (31 March 2023: £3,538,000).

**Notes continued.**  
(forming part of the accounts)

**Employee benefit obligations**

The amounts recognised in the balance sheet are as follows:

	2024	Restated 2023
	£000	£000
Present value of funded obligations	(115,530)	(108,525)
Present value of unfunded obligations	(1,480)	(1,508)
Fair value of plan assets	193,969	174,914
Asset ceiling	(78,439)	(64,281)
	<hr/>	<hr/>
Net (liability)/asset	(1,480)	600

The amounts recognised in the Statement of Financial Activities are as follows:

	2024	2023
	£000	£000
Current service cost	3,843	8,414
Contributions paid	(3,742)	(3,619)
Interest cost on defined benefit obligation	5,262	4,618
Interest income on plan assets	(8,348)	(4,801)
Interest on the effect of the asset ceiling	2,982	-
	<hr/>	<hr/>
	(3)	4,612
	<hr/> <hr/>	<hr/> <hr/>

**Past Service Credit**

In July 2010, the government announced that it intended for future increases in Public Sector pension schemes to be linked to the changes in the Consumer Prices Index (CPI) rather than as previously, the Retail Price Index (RPI). The directors have considered the rules of the pension scheme and associated members' literature and have concluded that this change is a change in benefits and so has recognised the resulting credit as a reduction in costs of services provided.

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

	2024	Restated 2023
	£000	£000
Opening defined benefit obligation	110,033	167,780
Current service cost	3,843	8,414
Interest cost	5,262	4,618
Contributions by members	1,085	1,061
Actuarial (gains)/losses	687	(69,157)
Benefits paid	(3,812)	(2,602)
Unfunded benefits paid	(88)	(81)
	<hr/>	<hr/>
<b>Closing defined benefit obligation</b>	<b>117,010</b>	<b>110,033</b>
	<hr/> <hr/>	<hr/> <hr/>

## Notes continued.

(forming part of the accounts)

### 21 Pension Scheme (contd)

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

	2024	2023
	£000	£000
Opening fair value of plan assets	174,914	176,955
Interest income on plan assets	8,348	4,801
Actuarial gains	9,780	(8,839)
Contributions by employer	3,654	3,538
Contributions by members	1,085	1,061
Contribution in respect of unfunded benefits	88	81
Benefits paid	(3,812)	(2,602)
Unfunded benefits paid	(88)	(81)
<b>Closing fair value of plan assets</b>	<b>193,969</b>	<b>174,914</b>

The group expects to contribute £1,231,000 to its defined benefit plan in 2024/25.

The major categories of plan assets as a percentage of total plan assets are as follows:

	2024	2024	2023	2023
		£000		£000
Equities	58%	112,502	60%	104,949
Bonds	27%	52,372	28%	48,976
Property	10%	19,397	10%	17,491
Cash	5%	9,698	2%	3,498
<b>TOTAL</b>		<b>193,969</b>		<b>174,914</b>

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

	2024	2023
	%	%
Pension increase rate	2.75%	2.95%
Salary increase rate	3.45%	3.65%
Discount rate	4.85%	4.75%

#### Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	Males	Females
Current pensioners	19.8 years	22.9 years
Future pensioners	20.1 years	24.2 years

### 22 Related party transactions

South Lanarkshire Council ('the Council') made a contribution of £22,850,000 (2023: £24,686,938) to the Charity in the period to 31/3/24 and, as in previous years, leased the facilities occupied by the Charity for a peppercorn rent. In addition, the Council provided various administrative, financial, internal audit and IT services for which the Charity was charged £825,652 (2023: £817,167). The Charity also paid the Council £107,200 (2023: £109,298) for the rent of its headquarters.

At 31 March 2024 the Charity owed South Lanarkshire Council £1,126,314 (2023: £1,911,938) and South Lanarkshire Council owed the Charity £287,097 (2023: £1,019,793). In addition, the Charity owed South Lanarkshire Council £648,957 (2023: £628,226) falling due after more than one year - see note 16.

The Charity charged a rent of nil to its wholly owned subsidiary SLL Trading Limited during the period. The Charity did however recharge its trading subsidiary £375,298 (2023: £438,090) to cover the salaries of employees who undertook work on behalf of the trading company. In addition, an administrative charge of £72,256 (2023: £79,091) was charged to cover various overheads.

At 31 March 2024 the Charity was owed a net £447,554 (2023: £517,181) by the trading company.

There were no trustees of the Charity who were senior officials of South Lanarkshire Council during the period ended 31 March 2024.

**Notes continued.**  
(forming part of the accounts)

**23 Prior period adjustment**

*Reconciliation of changes in funds*

	<b>Group £000</b>	Charity £000
Total funds as previously reported	<b>4,026</b>	3,986
Adjustments in respect of unfunded pension liability	<b>(1,508)</b>	(1,508)
Total funds as adjusted	<b><u>2,518</u></b>	<u>2,478</u>

*Reconciliation of changes in net expenditure for the previous financial period.*

	Group £000	Charity £000
Net movement in funds as previously reported	<b>(7,120)</b>	(7,126)
Adjustments in respect of unfunded pension liability	<b>(1,508)</b>	(1,508)
Net movement in funds as adjusted	<b><u>(8,628)</u></b>	<u>(8,634)</u>

	Group £000	Charity £000
Defined benefit pension liability as previously reported	<b>2,108</b>	2,108
Adjustment in respect of unfunded liability	<b>(1,508)</b>	(1,508)
Defined pension benefit liability as adjusted	<b><u>600</u></b>	<u>600</u>

The prior period adjustment arises due to the pension scheme being in an asset position at the end of the prior period. Under guidance available at the time, the asset was capped at £2,108k. Per updated guidance, the unfunded liability element cannot be set off against the pension asset. The unfunded liability element has therefore been deducted from the net defined benefit asset presented in the accounts.



## South Lanarkshire Leisure and Culture

Scottish Charitable Incorporated Organisation (SCIO) Information

<b>Trustees</b>	Dr A Osbourne (Chair) Councillor M Devlin (Vice Chair) Councillor J Anderson Dr A Beggan N Brown Councillor A Cowan R Craig (resigned 29 May 2024) C Cunningham C Goudie Councillor R Lambie L Maule A Morrison Councillor M Razzaq S Smellie
<b>Leadership Team</b>	K Morrison (Chief Executive) N Lansdell (Head of Strategy and Governance) M Cryans (Head of Business Development) D Carter (Head of Operations and Estates) R McKie (Head of Corporate Services)
<b>Registered Office</b>	Floor 5, Council Offices, Almada Street, Hamilton, ML3 0EW
<b>Website</b>	<a href="https://www.slleisureandculture.co.uk/">https://www.slleisureandculture.co.uk/</a>
<b>Email Address</b>	customer.services@southlanarkshireleisure.co.uk
<b>Telephone</b>	01698 476262
<b>Auditors</b>	Azets Titanium 1 King's Inch Place, Renfrew PA4 8WF
<b>Solicitors</b>	Shepherd and Wetherburn 1 West Regent Street Glasgow G2 1RW
<b>Bankers</b>	Royal Bank of Scotland (RBS) plc Palace Towers Palace Grounds Road Hamilton ML3 6AD
<b>Charity Number</b>	SC032549

Annual accounts for the period ended 31 March 2024.

Further copies of this report are available in PDF format on our website or by e-mailing: [customer.services@southlanarkshireleisure.co.uk](mailto:customer.services@southlanarkshireleisure.co.uk)

or alternatively by contacting us at:

South Lanarkshire Leisure and Culture SCIO

Floor 5, Council Offices, Almada Street, Hamilton ML3 0EW

If you need this information in a different format or language, please contact us to discuss how we can best meet your needs.

Telephone: 01698 476262

Text phone: 18001 01698 476262

or e-mail: [customer.services@southlanarkshireleisure.co.uk](mailto:customer.services@southlanarkshireleisure.co.uk)



SOUTH LANARKSHIRE  
Leisure & Culture

[www.slleisureandculture.co.uk](http://www.slleisureandculture.co.uk)

South Lanarkshire Leisure and Culture SCIO is a recognised Scottish Charity, NO.SC032549



Azets Audit Services  
Chartered Accountants  
Titanium 1  
King's Inch Place  
Renfrew  
PA4 8WF



**SOUTH LANARKSHIRE  
Leisure & Culture**

**Re: South Lanarkshire Leisure & Culture SCIO**

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charitable charity's financial statements for the period ended 31 March 2024. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

#### **GENERAL**

1. We have fulfilled our responsibilities as trustees, as set out in the terms of your engagement letter dated 10 June 2024 under the Charities and Trustee Investment (Scotland) Act 2005 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. We confirm all the transactions undertaken by the charity have been properly reflected and recorded in the accounting records.
3. We confirm all the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charity, and with all other records and related information requested, including minutes of all management and trustees' meetings.

#### **ADJUSTMENTS & DISCLOSURES**

4. We confirm the financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. See appendix 1 for details of such uncorrected misstatements.
6. We have reviewed and approved all audit adjustments made in the financial statements. See appendix 2 for details of such audit adjustments.
7. We have reviewed and approved all disclosures made in the financial statements and we are not aware of any other matters which require disclosure in order to comply with the requirements of applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **INTERNAL CONTROL AND FRAUD**

8. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
9. We confirm that all accounting records have been made available to you for the purposes of your audit, in accordance with your terms of engagement, and that all transactions undertaken by the charity have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and trustees' meetings, have been made available to you. We have given you unrestricted access to persons within the charity in order to obtain audit evidence and have provided any additional information that you have requested for the purposes of your audit.
10. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
11. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

**South Lanarkshire Leisure and Culture SCIO**  
Floor 5, Council Offices, Almada Street  
Hamilton ML3 0EW

Chief Executive **Kay Morrison**  
Vat Reg. No. 997 3253 70

[www.slleisureandculture.co.uk](http://www.slleisureandculture.co.uk)



## **ASSETS AND LIABILITIES**

12. The charity has satisfactory title to all assets and there are no liens or encumbrances on the charity's assets except for those that are disclosed in the notes to the financial statements.
13. There were no changes in fixed assets during the period ended 31 March 2024 other than those disclosed in the accounts.
14. We have reviewed the residual values attached to fixed assets and confirm they are still appropriate and reasonable reflections of these assets condition and usage.
15. We confirm all actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
16. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
17. We confirm that all bank accounts have been disclosed to you and are included within the financial statements.
18. We confirm that the charity has not contracted for any capital expenditure other than as disclosed in the financial statements.

## **ACCOUNTING ESTIMATES**

19. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

## **LOANS AND ARRANGEMENTS**

20. The charity has not granted any advances or credits to, or made guarantees on behalf of, trustees other than those disclosed in the financial statements.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

21. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements and disclosures, including non-compliance matters:
  - a. Involving financial impropriety;
  - b. Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the charity's financial statements;
  - c. Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the charity's business, its ability to continue in business, or to avoid material penalties; and
  - d. Involving management, or employees who have significant roles in internal control, or others.
22. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, other than those already disclosed.
23. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

## **RELATED PARTIES**

24. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and We confirm that such information is complete. We are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

## **SUBSEQUENT EVENTS**

25. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

## **GOING CONCERN**

26. We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that existing cash reserves; and current and future sources of funding or support from South Lanarkshire Council will be more than adequate for the charity's needs.
27. We also confirm our plans for future action required to enable the charity to continue as a going concern are feasible.
28. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements.

## GRANTS AND DONATIONS

29. All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

## DISCLOSURE OF INFORMATION TO THE AUDITOR

30. We acknowledge our legal responsibilities regarding disclosure of information to you as auditor and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

31. Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

.....  
Signed on behalf of the Board of Trustees by:

**Dr Avril Osborne**  
Chair

Date:

## Appendix 1 – Uncorrected misstatements

SCHEDULE OF UNCORRECTED MISTATEMENTS				Balance Sheet		Income Statement	
				Increase	Decrease	Decrease	Increase
Journals							
1	Dr	Accrued income	40,707				
	Cr	Incoming resources					40,707
H.200	Being: extrapolated error identified from cut off testing - pre year end income posted to the ledger after the year end.						
2	Dr	Trade debtors	31,220				
	Dr	Amounts due by South Lanarkshire Council	39,026				
	Cr	Amounts owed to South Lanarkshire Council		39,026			
	Cr	Trade creditors		31,220			
H.501	Being: Reclassification of credit balances within trade creditors						
3	Dr	Sales				15,766	
	Cr	Cost of sales					15,766
H.201	Being: extrapolated error from sales report to nominal ledger						
4	Dr	Deferred income	31,729				
	Cr	Sales					31,729
J.204	Being: extrapolated error of deferred income						
5	Dr	Bad debts				39,128	
	Cr	Due from SLC		39,128			
D.100	Being: potential irrecoverable aged debtors from SLC						
6	Dr	Wages and Salaries					35,597
	Cr	Accruals	35,597				
J.203	Being: Being understatement of wages & salaries accrual						
7	Dr	Other creditors	21,133				
	Cr	Expenditure					21,133
J.101	Being: overstatement expenditure identified from our substantive testing						
8	Dr	Amounts due from subsidiary	36,475				
	Cr	Other debtors		36,475			
C.100	Being: overstatement of VAT debtor						
9	Dr	Accruals	222,546				
	Cr	Trade creditors		222,546			
J.205	Being: Being reclassification of accrued invoices dated pre year end to trade creditors						
	<b>Total</b>		<b>458,434</b>	<b>368,395</b>		<b>54,895</b>	<b>144,933</b>
	<b>Net effect</b>			<b>90,038</b>		<b>-</b>	<b>90,038</b>

## Appendix 2 – Audit adjustments

<b>SCHEDULE OF PROPOSED ADJUSTMENTS</b>						
Journals			Balance Sheet		Statement of Financial Activities	
			Increase	Decrease	Decrease	Increase
<b>Net movement in funds per trial balance</b>						<b>74,664,000</b>
1	Dr	Actuarial Gains / (Losses) on DB Pension Scheme - OCI				76,931,000
	Cr	Pension Asset/(Liability)		76,931,000		
<b>M.740</b>	<b>Being:</b>	adjustment of pension asset to asset ceiling level per Hymans Robertson				
<b>Total</b>			-	76,931,000	76,931,000	-
<b>Net effect</b>			-	76,931,000		76,931,000
<b>Adjusted Net Movement in Funds</b>						<b>2,267,000</b>

<b>SCHEDULE OF PRIOR YEAR PROPOSED ADJUSTMENTS</b>						
Journals			Balance Sheet		Statement of Financial Activities	
			Increase	Decrease	Decrease	Increase
<b>Profit per prior year signed accounts</b>						<b>7,126,000</b>
1	Dr	Actuarial Gains / (Losses) on DB Pension Scheme - OCI				1,508,000
	Cr	Pension Asset/(Liability)		1,508,000		
<b>M.740</b>	<b>Being:</b>	adjustment of pension asset to asset ceiling level per Hymans Robertson				
<b>Total</b>			-	1,508,000	1,508,000	-
<b>Net effect</b>			-	1,508,000		1,508,000
<b>Adjusted Profit</b>						<b>8,634,000</b>



# Report

Report to:	<b>Board of Trustees</b>
Date of Meeting:	<b>13 November 2024</b>
Report by:	<b>Ross McKie, Head of Corporate Services</b>

Subject:	<b>Annual Accounts 2023/24 – SLL Trading Ltd.</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ Ask the Board to approve the 2023/24 Annual Accounts for SLL Trading Ltd.

## 2. Recommendation(s)

2.1. The Board is asked to approve the following recommendation(s):

- (1) That the 2023/24 Annual Accounts for SLL Trading Ltd are approved, signed by the Chair on behalf of the Board and thereafter submitted to Companies House as the relevant regulatory authority;
- (2) That the Audit Management Report prepared by Azets Audit Services is noted, and
- (3) That the Management Letter requested by Azets Audit Services are approved.

## 3. Background

- 3.1. SLL Trading Ltd is required to prepare annual financial statements which are in accordance with the Companies Act 2006.
- 3.2. The financial statements must be audited by a firm of independent professional auditors. South Lanarkshire Leisure and Culture Ltd (SLLC) employ Azets Audit Services to carry out this task and provide the appropriate professional opinion.

## 4. Annual Accounts

4.1. The Accounts of SLL Trading Ltd for financial year 2023/24 include the following principal sections:

- ◆ The Directors' Report providing information on the structure of the company, its principal activities and a review of business for the year.
- ◆ The 'Statement of Responsibilities of the Directors' outlining the Board's legal responsibilities as Directors as far as concerns the preparation of the financial statements.
- ◆ The Independent Auditor's Report containing the audit opinion prepared by Azets Audit Services. For 2023/24, the auditors are proposing to issue a clean audit certificate upon approval of the Accounts by the Board.
- ◆ The Financial Statements comprising the Profit and Loss Account, the Balance Sheet and Notes to the Accounts.

4.2. The overall financial position of SLL Trading Ltd as at 31 March 2024 is contained within the financial statements as referenced in section 4.1 above. The key points to note are as follows:



- ◆ The company made a profit of £0.030m in the financial year ended 31 March 2024 and this will be donated to the parent company by utilising the gift aid scheme.
- ◆ Retained reserves increased to £0.048m, £0.018m of which is available for future use by the company after the intended gift aid donation outlined above.

4.3. Azets Audit Services, the Company's auditor, has provided a report highlighting issues to be brought to the attention of the Board when considering approval of the financial statements. There are no major issues and they have indicated that an unqualified opinion will be issued following Board approval of the accounts.

## **5. Employee Implications**

5.1. There are no employee implications arising from this report.

## **6. Financial Implications**

6.1. As outlined in this report

## **7. Other Implications**

7.1. There are no other implications arising from this report in terms of risk and sustainability.

## **8. Equality Impact Assessment and Consultation Arrangements**

8.1. There is no requirement to carry out an impact assessment or consultation in terms of the proposals contained within this report.

**Ross McKie**  
**Head of Corporate Services**

**13 November 2024**

### **Link to SLLC Objectives**

- ◆ Improved value for money organisation

### **Previous References**

- ◆ None

### **List of Background Papers**

- ◆ None

### **Contact for Further Information**

If you would like to inspect the background papers, if any, or want further information, please contact:

Ross McKie, Head of Corporate Services  
Ext: 8454320 (Tel: 01698 454320)  
E-mail: ross.mckie@southlanarkshireleisure.co.uk

**SLL Trading Limited**  
**Directors' report and financial statements**  
**31 March 2024**  
Registered number SC 225901

**Contents**

Company information	3
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## Company Information

### Company number

SC225901

### Company Secretary

Nick Lansdell

### Directors

Dr Avril Osborne (Chair)

Councillor Maureen Devlin (Vice Chair)

Councillor John Anderson

Dr Angela Beggan

Neil Brown

Councillor Andrea Cowan

Craig Cunningham

Chris Goudie

Councillor Ross Lambie

Alan Morrison

Lisa Maule

Councillor Mo Razzaq

Stephen Smellie

### Registered Address

Council Offices

Almada Street

Hamilton

ML3 0EW

### Auditors

Azets Audit Services

Chartered Accountants

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

## Directors' report

The directors present their annual report and audited financial statements for the year ended 31 March 2024.

### Principal activity

The principal activity of the company is the provision of vending and catering services within the facilities operated by South Lanarkshire Leisure and Culture Limited.

### Business Review

The Company achieved a £30,000 profit for the year (2023: £22,000). The prior year profit of £22,000 was donated to the parent company, South Lanarkshire Leisure and Culture Limited, through the gift aid scheme.

### Directors

The directors who held office during the year are detailed on the company information page.

Robert Craig resigned 29 May 2024.

### Directors Indemnities

The Directors have the benefit of an indemnity which is a qualifying third party indemnity provision. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the year, Directors' and Officers' liability insurance in respect of itself and its Directors.

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm, so far as they each are aware, that

- there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant information and to establish that the Company's auditors are aware of that information.

### Auditor

Azets audit services will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board

Dr Avril Osborne  
*Chair, SLL Trading Limited*  
13 November 2024

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Independent auditor's report to the members of SLL Trading Limited

### Opinion

We have audited the financial statements of SLL Trading Limited (the 'company') for the year ended 31 March 2024, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including 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 company's affairs as at 31 March 2024 and of its profit 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.

### 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 company in accordance with 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 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 directors' 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

### 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 directors 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.

## Independent auditor's report to the members of SLL Trading Limited (continued)

### Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements to the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

### Responsibilities of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors 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 directors 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 directors are responsible for assessing the company'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 directors intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

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

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 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 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 available on the FRC's website at: [www.frc.org.uk/auditorresponsibilities](http://www.frc.org.uk/auditorresponsibilities) The description forms part of our Auditor's Report.



## **Independent auditor's report to the members of SLL Trading Limited (continued)**

### **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 FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the company 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 company that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, and taxation, data protection, anti-bribery, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

## **Independent auditor's report to the members of SLL Trading Limited (continued)**

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 noncompliance. 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.

### **Use of our report**

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

Sally Cheeney (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services  
Statutory Auditor  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

Date: 13 November 2024

**Statement of comprehensive income**  
*for the year ended 31 March 2024*

	<i>Notes</i>	<b>2024</b> <b>£000</b>	2023 £000
Turnover	5	<b>1,197</b>	1,162
Cost of sales		<b>(1,094)</b>	(1,061)
<b>Gross profit</b>		<b>103</b>	101
Administration expenses		<b>(73)</b>	(79)
<b>Profit before taxation</b>	6	<b>30</b>	22
Tax on profit on ordinary activities	8	-	-
<b>Result for financial year</b>		<b>30</b>	22
<b>Other comprehensive income for the year</b>		-	-
Total comprehensive income for the year		<b>30</b>	22

The results for the year are derived wholly from continuing operations.

Notes on pages 13 to 17 form part of the financial statements.

**Balance sheet**  
**at 31 March 2024**

	<i>Notes</i>	<b>2024</b> <b>£000</b>	2023 £000
<b>Current assets</b>			
Stocks	<i>9</i>	<b>101</b>	90
Debtors	<i>10</i>	<b>4</b>	1
Cash at bank and in hand		<b>492</b>	544
		<hr/> <b>597</b>	<hr/> 635
<b>Creditors:</b> amounts falling due within one year	<i>11</i>	<b>(549)</b>	(595)
		<hr/> <b>48</b>	<hr/> 40
<b>Net current assets</b>		<hr/> <b>48</b>	<hr/> 40
<b>Net assets</b>		<hr/> <b>48</b>	<hr/> 40
<b>Capital and reserves</b>			
Share capital	<i>12</i>	-	-
Reserves	<i>13</i>	<b>48</b>	40
		<hr/> <b>48</b>	<hr/> 40

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Directors on 13 November 2024 and signed on its behalf by:

**Dr Avril Osborne**

*Chair*

*Company Registration number: SC225901*

13 November 2024

Notes on pages 13 to 17 form part of the financial statements.

**Statement of changes in equity**  
*for the year ended 31 March 2024*

	Share capital £000	Retained earnings £000	Total equity £000
As 1 April 2023	-	40	40
<b>Comprehensive income for the year</b>			
Profit for the year	-	30	30
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>70</u>	<u>70</u>
Distribution of shares: payment under gift aid	-	(22)	(22)
<b>At 31 March 2024</b>	<u>-</u>	<u>48</u>	<u>48</u>

**Statement of changes in equity**  
*for the year ended 31 March 2023*

	Share capital £000	Retained earnings £000	Total equity £000
As 1 April 2022	-	34	34
<b>Comprehensive income for the year</b>			
Profit for the year	-	22	22
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>56</u>	<u>56</u>
Distribution of shares: payment under gift aid	-	(16)	(16)
<b>At 31 March 2023</b>	<u>-</u>	<u>40</u>	<u>40</u>

## Notes

*(forming part of the financial statements)*

### 1. General Information

The continuing activities of SLL Trading Limited ('the company') is the provision of vending, catering and retail services within the facilities operated by South Lanarkshire Leisure and Culture Limited.

The company is a private company limited by shares and is incorporated in Scotland. The company's registered number is SC 225901.

The address of the company's registered office is Floor 5, Council Offices, Almada Street, Hamilton, ML3 0EW.

These financial statements are presented in Pound Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 March 2024.

All amounts in the financial statements are rounded to the nearest thousand (£'000) unless otherwise stated.

### 2. Statement of compliance

The financial statements are prepared in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' issued by the Financial Reporting Council and the Companies Act 2006.

### 3. Accounting Policies

#### ***Basis of preparation of financial statements***

The financial statements are prepared in accordance with Section 1A 'Small Entities' of Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' issued by the Financial Reporting Council and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 4).

The following principal accounting policies have been applied in the preparation of these financial statements. These policies have been consistently applied to the years presented, unless otherwise stated.

#### ***Going concern***

The directors are of the opinion that the company will continue to trade for the foreseeable future due to the net assets and cash position. The financial statements have therefore been prepared on a going concern basis. Following Both the Directors and South Lanarkshire Council remain committed to addressing any remaining trading challenges to ensure SLLC remains a going concern.

#### ***Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

## Notes

*(forming part of the financial statements)*

### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

### Stocks

Stocks of materials and consumables are stated at lower of cost and net realisable value in the ordinary course of operating.

### Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

### Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

### Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

## Notes

*(forming part of the financial statements)*

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Company has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

### **Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and balances with banks and are measured at fair value.

### **Leases**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

### **Cash Flow Statement**

The Company has not presented a cash flow statement. It has taken advantage of the exemption contained in FRS 102 as the Parent Charity, South Lanarkshire Leisure and Culture (SCIO), has included a consolidated cash flow statement within its group financial statements for the period ended 31 March 2024 (note 14).

## **4. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The directors do not consider there to be any accounting judgements required in preparing these accounts. The directors are satisfied that accounting policies are appropriate and applied consistently.

## **5. Analysis of turnover**

An analysis of turnover by class of business is as follows:

	<b>2024</b>	2023
	<b>£000</b>	£000
Provision of vending, catering and retail services	<b>1,197</b>	1,162

## **6. Profit on ordinary activities before taxation**

	<b>2024</b>	2023
	<b>£000</b>	£000
<b><i>Profit on ordinary activities before taxation is stated after charging:</i></b>		
Auditor's remuneration: audit of these financial statements	<b>3</b>	3
Rental charges under operating leases	<b>0</b>	0



## Notes

(forming part of the financial statements)

### 7. Staff numbers and costs

The company had no employees during the year.

No directors received any remuneration or payments from the company during the year.

### 8. Taxation

The company gift aids all available profits to South Lanarkshire Leisure and Culture Limited and has no liability to tax.

### 9. Stocks

	2024 £000	2023 £000
Catering/café stock	53	40
Gift shop stock	45	48
Vending stock	3	2
	<u>101</u>	<u>90</u>

### 10. Debtors

	2024 £000	2023 £000
Amounts due from parent undertaking	0	0
Other debtors	0	1
Trade debtors	4	0
	<u>4</u>	<u>1</u>

### 11. Creditors: amounts falling due within one year

	2024 £000	2023 £000
Trade creditors	-	22
Amounts due to parent undertaking	448	517
Other creditors including taxation	36	34
Accruals and deferred income	65	22
	<u>549</u>	<u>595</u>

### 12. Share capital

	2024 £	2023 £
<i>Authorised:</i>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid:</i>		
Ordinary shares £1 each	<u>1</u>	<u>1</u>

Each share is entitled to one vote in any circumstance.

## Notes

*(forming part of the financial statements)*

### 13. Reserves

The reserves include all current and prior period retained profit or losses.

### 14. Parent company

The company is a wholly owned subsidiary of South Lanarkshire Leisure and Culture SCIO, a charity registered in Scotland (charity number SC032549). The principal purpose of that Charity is the management and development of indoor and outdoor sport and leisure facilities, community halls, arts venues, country parks, libraries and museums, and associated initiatives and events throughout South Lanarkshire. The financial statements of that charity are available from Floor 5, Council Offices, Almada Street, Hamilton, ML3 0EW.

### 15. Related party transactions

The company has taken advantage of the exemption under FRS 102 from the requirement to disclose the information of transactions with entities which are part of the group on the basis that the consolidated group financial statements are publicly available (note 14).

Azets Audit Services  
Chartered Accountants  
Titanium 1  
King's Inch Place  
Renfrew  
PA4 8WF



**SOUTH LANARKSHIRE**  
**Leisure & Culture**

**Re: SLL Trading Limited**

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the company's financial statements for the year ended 31 March 2024. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

#### **GENERAL**

1. We have fulfilled our responsibilities as directors, as set out in the terms of your engagement letter previously issued to you under the Companies Act 2006, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice applicable to Small Entities), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the company have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the company, and with all other records and related information requested, including minutes of all management and shareholder meetings.

#### **ADJUSTMENTS & DISCLOSURES**

4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. See appendix 1 for details of such uncorrected misstatements.
6. We have reviewed and approved all disclosures made in the financial statements and we are not aware of any other matters which require disclosure in order to comply with the requirements of the Companies Act 2006 or UK Generally Accepted Accounting Practice applicable to Small Entities.

#### **INTERNAL CONTROL AND FRAUD**

7. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
8. We have disclosed to you all instances of known or suspected fraud affecting the company involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
9. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the company's financial statements communicated by current or former employees, analysts, regulators or others.

**South Lanarkshire Leisure and Culture SCIO**  
Floor 5, Council Offices, Almada Street  
Hamilton ML3 0EW

Chief Executive **Kay Morrison**  
Vat Reg. No. 997 3253 70

**[www.slleisureandculture.co.uk](http://www.slleisureandculture.co.uk)**



## **ASSETS AND LIABILITIES**

10. The company has satisfactory title to all assets and there are no liens or encumbrances on the company's assets except for those that are disclosed in the notes to the financial statements.
11. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
12. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
13. We confirm that all bank accounts have been disclosed to you and are included within the financial statements.
14. We confirm that the company has not contracted for any capital expenditure other than as disclosed in the financial statements.

## **ACCOUNTING ESTIMATES**

15. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

## **LOANS AND ARRANGEMENTS**

16. The company has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

## **LEGAL CLAIMS**

17. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

## **LAWS AND REGULATIONS**

18. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements and disclosures, including non-compliance matters:
  - a. Involving financial impropriety;
  - b. Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the company's financial statements;
  - c. Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the company's business, its ability to continue in business, or to avoid material penalties; and
  - d. Involving management, or employees who have significant roles in internal control, or others.
19. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, other than those already disclosed.

## **RELATED PARTIES**

20. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and we confirm that such information is complete. We are not aware of any other matters which require disclosure in order to comply with the requirements of company law or accounting standards.
21. All transactions undertaken with group companies, including management charges, are at arm's length.

## **SUBSEQUENT EVENTS**

22. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

## **GOING CONCERN**

23. We believe that the company's financial statements should be prepared on a going concern basis on the grounds that existing cash reserves; and current and future sources of funding or support from South Lanarkshire Leisure and Culture Limited will be more than adequate for the company's needs.
24. We also confirm our plans for future action required to enable the company to continue as a going concern are feasible.

25. We have considered a period of at least twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the company's ability to continue as a going concern need to be made in the financial statements.

**DISCLOSURE OF INFORMATION TO THE AUDITOR**

26. We acknowledge our legal responsibilities regarding disclosure of information to you as auditor and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.
27. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

.....  
Signed on behalf of the Board of Directors by: Dr Avril Osbourne  
Chair

Date:

## Appendix 1 – Uncorrected misstatements

Journals				Balance Sheet		Income Statement	
				Increase	Decrease	Decrease	Increase
1	Dr Cr	Stock Cost of sales	6,855			6,855	
G.09	Being: Increase in stock as per stock count						
2	Dr Cr	Accruals Trade Creditors	25,086	25,086			
J.400	Being: Being reclassification of accrued invoices dated pre-year end to trade creditors						
3	Dr Cr	Cost of Sales Stock Provision		4,586	4,586		
Q.102	Being: Stock Provision based on key accounting estimates work						
4	Dr Cr	VAT balance sheet Trade creditors	3,373	3,373			
J.400	Being: Inclusion of impact of VAT on journal 2 above at expected rate of 13% in line with current year real VAT rate						
<b>Total</b>			<b>35,315</b>	<b>33,045</b>	<b>4,586</b>	<b>6,855</b>	
<b>Net effect</b>				<b>2,269</b>	<b>-</b>	<b>2,269</b>	