

**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 Razzag

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

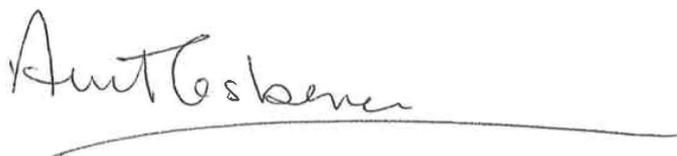
- there is no relevant audit information of which the SCIO's auditor is unaware; and
- each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant information and to establish that the Company's auditors are aware of that information.

## 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

A handwritten signature in black ink, appearing to read 'Avril Osborne', with a long horizontal line underneath it.

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

**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.

*Azets Audit Services*

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:** 18 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: SC032549

	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	41,537	40,483
Trading activities	4	1,197	-	-	1,197	-	1,197	1,162
Investments	5	331	-	-	331	-	331	5
<b>Total Income</b>		<u>41,387</u>	<u>-</u>	<u>-</u>	<u>41,387</u>	<u>1,678</u>	<u>43,065</u>	<u>41,650</u>
<b>Expenditure on:</b>								
Raising funds	4	719	-	-	719	-	719	623
Charitable activities	6	40,852	101	-	40,953	1,673	42,626	45,875
Net interest cost of pension scheme		-	(104)	-	(104)	-	(104)	(183)
<b>Total expenditure</b>		<u>41,571</u>	<u>(3)</u>	<u>-</u>	<u>41,568</u>	<u>1,673</u>	<u>43,241</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>(176)</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)	-	(2,083)	(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>(2,259)</u>	<u>(8,628)</u>
<b>Reconciliation of funds:</b>								
Total funds brought forward restated		806	600	235	1,641	877	2,518	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>259</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	41,985	41,000
Investments	5	353	-	-	353	-	353	21
<b>Total Income</b>		<u>40,660</u>	<u>-</u>	<u>-</u>	<u>40,660</u>	<u>1,678</u>	<u>42,338</u>	<u>41,021</u>
<b>Expenditure on:</b>								
Charitable activities	6	40,852	101	-	40,953	1,673	42,626	45,875
Net interest cost of pension scheme		-	(104)	-	(104)	-	(104)	(183)
<b>Total expenditure</b>		<u>40,852</u>	<u>(3)</u>	<u>-</u>	<u>40,849</u>	<u>1,673</u>	<u>42,522</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>(184)</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)	-	(2,083)	(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>(2,267)</u>	<u>(8,634)</u>
<b>Reconciliation of funds:</b>								
Total funds brought forward restated		766	600	235	1,601	877	2,478	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>211</u>	<u>2,478</u>
All income and expenditure derive from continuing activities.								

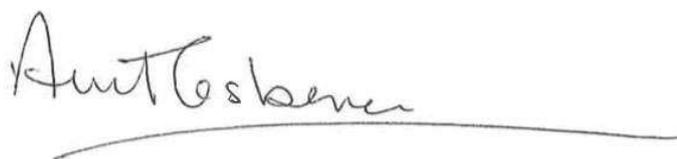
# Consolidated balance sheet

at 31 March 2024

Registered Charity Number: SC032549

	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.

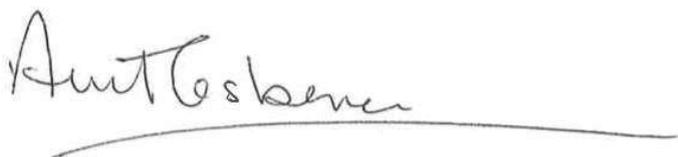
# Charity balance sheet

at 31 March 2024

Registered Charity Number: SC032549

	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	4,815		6,649	
<i>Total current assets</i>		<u>7,134</u>		<u>9,271</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(5,052)		(6,848)	
<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		(649)		(628)
Net assets excluding Pension Fund			1,691		1,878
Pension Fund asset	21		(1,480)		600
<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		(1,480)		600
<b>Total Unrestricted Surplus</b>			<u>(671)</u>		<u>3,109</u>
Restricted funds	17(a)		882		877
<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:



**Dr Avril Osborne**  
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**

	<b>Group</b> <b>2024</b> <b>Total</b> <b>£000</b>	Group 2023 Total £000	<b>Charity</b> <b>2024</b> <b>Total</b> <b>£000</b>	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
	<hr/>	<hr/>	<hr/>	<hr/>
Total income from charitable activities	<b>39,859</b>	38,780	<b>40,307</b>	39,297
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Restricted funds</b>				
sport and physical activities	1,600	1,658	1,600	1,658
outdoor recreation	-	-	-	-
cultural venues	23	7	23	7
libraries and museum	30	38	30	38
support	25	-	25	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds income	<b>1,678</b>	1,703	<b>1,678</b>	1,703
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**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.

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

**5 Investment income**

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

**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
	<u>36,599</u>	<u>4,253</u>	<u>40,852</u>	<u>39,489</u>
Provision of leisure and cultural activities				
<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	-
	<u>1,673</u>	<u>-</u>	<u>1,673</u>	<u>1,591</u>
Provision of leisure and cultural activities				

**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	2023
	£000	£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
	<u>27,235</u>	<u>31,636</u>

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

Two employees received a salary, including benefits in kind, of more than £60,000 in the following band:

	2024	2023
	£000	£000
£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	2023
	number	number
<b>Total</b>	<b>1,393</b>	<b>1,391</b>

**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	<b>1,239</b>
Additions	4	13	-	241	<b>258</b>
Disposals	(2)	(44)	-	(29)	<b>(75)</b>
At end of period	<u>165</u>	<u>208</u>	<u>5</u>	<u>1,044</u>	<u><b>1,422</b></u>
<i>Depreciation</i>					
At 3 April 2023	151	219	5	781	<b>1,156</b>
Provided for period	5	8	-	70	<b>83</b>
On disposals	(2)	(44)	-	(29)	<b>(75)</b>
At end of period	<u>154</u>	<u>183</u>	<u>5</u>	<u>822</u>	<u><b>1,164</b></u>
<i>Net book value</i>					
<b>At 31 March 2024</b>	<u><b>11</b></u>	<u><b>25</b></u>	<u><b>-</b></u>	<u><b>222</b></u>	<u><b>258</b></u>
At 2 April 2023	<u>12</u>	<u>20</u>	<u>-</u>	<u>51</u>	<u>83</u>

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
	<u><b>1,824</b></u>	<u>2,050</u>	<u><b>2,268</b></u>	<u>2,566</u>

## 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	<u>649</u>	<u>628</u>	<u>649</u>	<u>628</u>

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
Sport and Physical Activity Funds - 2023/24	<u>738</u>	<u>1,600</u>	<u>1,543</u>	<u>-</u>	<u>795</u>
Combined Health Intervention	251	491	365	-	437
Other	268	1,167	1,134	-	301
Sport and Physical Activity Funds - 2022/23	<u>519</u>	<u>1,658</u>	<u>1,439</u>	<u>-</u>	<u>738</u>
<b><u>Outdoor Recreation Funds</u></b>					
Outdoor Recreation Funds - 2023/24	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Outdoor Recreation Funds - 2022/23	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
<b><u>Culture Funds</u></b>					
Culture Funds - 2023/24	<u>67</u>	<u>23</u>	<u>55</u>	<u>-</u>	<u>35</u>
Culture Funds - 2022/23	<u>173</u>	<u>7</u>	<u>113</u>	<u>-</u>	<u>67</u>
<b><u>Libraries and Museum - Funds</u></b>					
Libraries and Museum Funds - 2023/24	<u>62</u>	<u>30</u>	<u>50</u>	<u>-</u>	<u>42</u>
Libraries and Museum Funds - 2022/23	<u>62</u>	<u>38</u>	<u>38</u>	<u>-</u>	<u>62</u>
<b><u>Support Funds</u></b>					
Support Funds - 2023/24	<u>10</u>	<u>25</u>	<u>25</u>	<u>-</u>	<u>10</u>
Support Funds - 2022/23	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>
<b>Total - 2023/24</b>	<u>877</u>	<u>1,678</u>	<u>1,673</u>	<u>-</u>	<u>882</u>
<b>Total - 2022/23</b>	<u>765</u>	<u>1,703</u>	<u>1,591</u>	<u>-</u>	<u>877</u>

## 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 Cunnigar 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.

**Carluk Lifestyles** - David Wilson - Contribution from author to Carluk 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)
	<u>(956)</u>	<u>333</u>	<u>882</u>	<u>259</u>
<b>Total net assets/(liabilities)</b>				
	<u><u>(956)</u></u>	<u><u>333</u></u>	<u><u>882</u></u>	<u><u>259</u></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)
	<u>(1,004)</u>	<u>333</u>	<u>882</u>	<u>211</u>
<b>Total net assets/(liabilities)</b>				
	<u><u>(1,004)</u></u>	<u><u>333</u></u>	<u><u>882</u></u>	<u><u>211</u></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 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 £000	Restated 2023 £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 £000	2023 £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 £000	Restated 2023 £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 £000	2023 £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 £000	2023 %	2023 £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</b> <b>£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.

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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: 4050B

