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LIVEARGYLL
Trustees' Report and Financial Statements
Year ended 31 March 2023
Audited

Scottish Charity No. SC047545
Company Registration No. SC569568

Subsidiary Company:
Live Argyll (Trading) Limited
Company Registration No. SC575663

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Company Information

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees serving during the year were as follows:

Trustees	Mairi Coleman Maurice Corry Ian MacQuire Andrew Nisbet William Sinclair Mary Watt
Company Number	SC569568
Charity Number	SC047545
Registered Office	Lochgilphead Community Centre Manse Brae Lochgilphead Argyll United Kingdom PA31 8XQ
Auditors	Mazars LLP 100 Queen St Glasgow G1 3DN

Introduction from the Chair

On behalf of the Board of liveArgyll I am delighted to introduce the Trustee's report and financial statements for the year ended 31 March 2023.

liveArgyll continues to provide a range of services which are underpinned by core strategic objectives of growth, participation and quality. These objectives provide a focus and metric by which we as a board can determine progress. I am pleased to advise that despite some very challenging circumstances we continue to make excellent progress and performance remains high. Income levels are increasing, participation rates are strong and have increased year on year and our quality measures are providing a solid foundation for consistency allowing us to build a strong brand.

As a Board we take our responsibility to protect the company's financial position and our ability to provide on-going services extremely seriously. We actively engage with all funding partners in respect of continuation of support and we look to maximise any new opportunities that may exist. Building from a stable base has allowed liveArgyll to continue to enhance and develop services, retain a qualified staff group and continue to successfully operate during a cost of living crisis. This is particularly impressive given our services are reliant on disposable income spend.

I am delighted to be able to record a considerable number of achievements during the year. The most significant of these was planning for the opening of the magnificent new Helensburgh Leisure Centre. Management and staff are to be commended for their meticulous planning in the years and months leading up to the opening. Their professional approach allowed for a seamless transition from the old centre and the offering available is first class and this is reflective in the huge number of members signing up to access the facility.

liveArgyll is a pro-active organisation and our ability to respond positively and timeously to ever-changing circumstances must also be recognised as a key success. The collective contribution from liveArgyll as an organisation and the contribution of our individual staff members to the Argyll and Bute community during the pandemic was impressive, equally impressive was our strong return to service provision.

In respect of planning for the future and our continuing development, again, I'm pleased to record that we were able to progress with a number of strategic projects and initiatives linked to our stated proposals and priorities for change which are underpinned by our Growth, Participation and Quality objectives. These include:

- Continuing to meet our over-arching objective of being less reliant on external funding by agreeing a reduced 2023-24 annual services payment with Argyll and Bute Council;
- Securing a new 4 year partnership with Sportscotland to deliver our Active Schools programme;
- Progressing discussions with the Health and Social Care Partnership and Macmillan Cancer regarding a new and exciting co-production initiative aimed at providing health and well-being support via our numerous hubs;
- Continuing to be affordable, more specifically being able to hold our prices at 2019-20 levels;
- Implementation and planning of a range of facility development projects aimed at increasing capacity, improving services and offering, as well as adapting to changing customer behaviour;
- Embedding our new Leisure Management System and customer booking app, and
- Reducing our building footprint by co-locating services, Archives and Lochgilphead Library being two such examples.

These successes and the many others across the organisation are in no small part due to the commitment of our employees and volunteers. The continued support of our partners has been crucial during the financial year and I would like to thank our customers who have continued to support our organisation. Funding and income generation remains a key focus and it is acknowledged that the

Introduction from the Chair

future remains challenging. I am confident that we have the strategies, the facilities and importantly our people to allow us to work on delivering our vision, which has never been so important, "our communities and visitors lead richer and more active lives".

Andrew Nisbet, Chair

Trustees' and Directors' Report

OBJECTIVES AND ACTIVITIES

Our objectives, outlined below, reflect our charitable purposes and are based on a firm commitment to encourage and facilitate active participation, involvement and engagement through the provision of our range of services:

1. To enhance and contribute to health, fitness, personal development and well-being of the people who live, work and visit Argyll and Bute.
2. To encourage creativity and nurture well-being through the provision of cultural activities.
3. To enhance residents' social and economic contribution to society by promoting lifelong learning including, literacy, numeracy, digital and enterprise skills.
4. To help individuals and communities benefit from social engagement and volunteering.
5. To ensure our facilities and services are accessible and affordable for everyone.
6. To demonstrate the on-going improvement in the quality, performance and impact of the services and opportunities we provide.

Charitable purposes

- The advancement of education.
- The advancement of the arts, heritage, culture and science.
- The advancement of public participation in sport.
- The provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended.

Activities

Our significant areas of activity include:

Active Schools and Sports Development

Providing high quality opportunities to take part in sport within schools, sports clubs and communities, thus inspiring people to be active, sporty and healthy.

Community Learning and Development

Working with groups and individuals of all ages to engage in learning, personal development and active citizenship. Support is focused on disadvantaged or vulnerable individuals or groups with the aim of bringing about change in their lives and their communities.

Leisure

Leisure promotes the positive impact that sport, physical activity and recreation can have on the wellbeing and physical, mental and social health of individuals and communities, and aims to inspire everyone to be more active within their community.

Libraries

The Library Service provides free access to a wide range of lending materials, ICT facilities and lifelong learning to support the educational, cultural, informational and recreational needs of the citizens of Argyll and Bute.

Archives

Archives aim to ensure that the Council meets its statutory obligations by facilitating public and staff access to those records identified as requiring permanent preservation, and to develop and promote these records as a high quality cultural and leisure resource.

Trustees' and Directors' Report

Campbeltown Museum

Campbeltown Museum aims to collect, curate, interpret and display the archaeology, social history, industrial history, decorative art, fine art, as well as natural science material in Argyll and Bute's collections for the enjoyment and education of the local community and visitors to the area.

Halls and Centres

The halls are multifunctional facilities that cater for a wide range of events and functions for both business and private individuals and include, but are not limited to, concerts, conferences, weddings, meetings and training courses. Community centres offer a range of facilities for community groups to meet.

Community Letting

Managing and administering secondary school facilities and pitches to allow community groups to flourish.

ACHIEVEMENT AND PERFORMANCE

Key Achievements

Despite economic challenges and pressures on consumer spending during the last year, as a local charity, we continue to focus on providing high quality affordable services for our communities. liveArgyll plays a vital role in supporting physical and mental health well-being alongside making key contribution to a range of social values. By modernising, strengthening and continuously developing services and by working in partnership with a range of local and national organisations there have been many successes throughout the year.

- Our leisure and library facilities participation rates continue to out-perform national trends. Leisure memberships are at an all-time high and substantially above pre-Covid levels. Individual usage sessions across swimming, fitness and gym activity are all showing positive trends. Our Library visitor numbers have almost returned to pre-Covid levels and recorded almost 80,000 visits during the year. Our digital borrowing and on-line reader offerings are showing substantial and continuous increase in uptake. Our bookbug and club-tastic offering are opening up libraries to young family demographics. Our events calendars continue to improve with a wide range of offerings across all of our event venues.
- During the year we negotiated and secured a new 4 year strategic partnership with Sportscotland for our ambitious active schools programme and look forward to building on the existing good work providing sport, leadership and life skills to the young people of Argyll and Bute.
- This year saw the opening of Helensburgh Leisure Centre. A fantastic facility offering a range of modern sporting and leisure amenities. We have hit the ground running and our offering is extremely popular amongst the very many members. Membership rates are significantly higher than previous centre rates and our penetration rates are in the top performing quartile.
- The new leisure management system and liveArgyll leisure member application was launched in partnership with local company BC Technologies. This offers much improved functionality in the joining process, facility information, class bookings and a dedicated member portal. This system is producing accurate, live management information and allows us to track trends and usage to ensure operational activity is aligned accordingly.

Trustees' and Directors' Report

- The introduction of the liveArgyll Special Recognition Award. This award formally recognises the work and efforts of employees which go beyond normal expected outcomes. The inaugural award ceremony was held at Helensburgh Leisure Centre and was presented to six members of staff for their incredible efforts and professional response to a client who had suffered a cardiac arrest and required immediate and successful emergency life-saving treatment.
- Refurbishment and modernisation of gym equipment throughout our facilities including:
 - The introduction of Technogym cardiovascular equipment and integration of the Technogym application at Mid Argyll Sports Centre;
 - Installation of the plate loaded equipment at Aqualibrium, which has increased the capacity of the gym area;
 - Procurement and installation of additional Technogym bikes at Helensburgh Leisure Centre responding to customer demand by increasing capacity and reducing waiting lists for indoor cycling;
 - Installation and launch of virtual classes at the Queens Hall providing members with the opportunity to train when it suits as well as providing back up resilience in class programming;
 - Installation and launch of the Riverside strength gym and associated branding. The new gym has freed up space during core times within the Queens Hall as well as giving members more choice. This has led to a 30% increase in overall gym usage across the two sites.
- Continuation of our digital efficiency programme including:
 - New partnership agreement with Eventbrite for all ticket sales for events, active schools and sports courses. This has considerably decreased the amount of time and resources needed for Active Schools and sports bookings that used to take place at facility point of sale.
 - The introduction of Course Pro (sports course management software) for swimming lessons, which has reduced the amount of administration required to deliver the programme, making the whole process more streamlined, while also helping the swim teams stay connected to parents and guardians providing a real-time update as to the progress of their child. As of January 2023, 100% of all swimmers are now on the system.
 - The introduction and launch of liveArgyll's new personal training (PT) contract. We currently have 5 external PT's working in the Helensburgh Leisure Centre gym resulting in a new additional annual income stream circa £5k per annum. Planned roll-out to other areas.
- During the period November 2022 to March 2023 our Corran Halls stage and theatre refurbishment project was commissioned and completed. This £130k project, in partnership with Argyll & Bute Council, enabled us to replace the current front of house and stage lighting support bars with electric powered truss units. This has reduced, by a considerable 90%, time spent working at height substantially reducing injury risk for employees and contractors alike. New powered stage curtains were also installed during the project.
- During the year liveArgyll facilities received excellent feedback and ratings during our external Leisure Health and Safety audits of higher risk facilities led by our Health and Safety partners Right Directions. Rothesay Leisure Pool and Aqualibrium in Campbeltown both scored highly. This is reflective of a strong Health and Safety culture embedded at all levels within the organisation.

Trustees' and Directors' Report

- **Marketing and Engagement.** Our digital engagement statistics across all our platforms show strong performance with a significant uptake in reach. Some key figures include 150,000 website visits, a social media reach of almost 1 million people, 100,000 app notifications and a 30% growth in followers.

FINANCIAL REVIEW

Financial Position

The period to 31 March 2023 saw liveArgyll return an operating loss for the first year since our inception. Our budget is structured to break even and a prudent approach is adopted in respect of inflationary assumptions. The single leading factor contributing to the adverse position is payroll inflation. A national agreement was reached whereby the average pay award was in the region of 7%. This placed a cost pressure of circa £400k on the organisation and unfortunately our service payment was not uplifted in respect of this cost. Due to the late imposition of the award (November 2022) insufficient operating time was available to allow for any material compensating actions to be taken. A revised budget for 2023-24 is in place and is again structured to break even.

Traditional self-generated income continues to show strong growth levels. A major contributing factor to this was the opening of Helensburgh Leisure Centre which substantially increased our capacity and service offering and in return has resulted in a significant increase in membership fee income. Turnover was £7,348,237 and the group achieved an operating deficit of £365,527, excluding pension fund movements. Total reserves (excluding the pension fund position) now sit at £1,688,891 with unrestricted funds of £1,595,794 and restricted funds of £93,097.

Our previous strong financial performance has allowed us to build up a contingency reserve which will be used to offset the current year deficit. Moving forward, a number of management actions have been taken including the removal of management posts, a restructuring of CLD staffing and maximising natural turnover opportunities. In general, these actions have enabled the company to maintain overall staff numbers, protect jobs and protect service provision at agreed service specification levels ensuring we are best placed to continue to meet our charitable aims and objectives.

Our financial strategy will continue to emphasise stringent financial management of budgets with a clear focus on income generation and cost control. Our short term focus is securing a reasonable annual services payment which is reflective of our base mix of services, unavoidable inflationary pressures and our successful low cost pricing model. Our stable financial base and prudent approach to financial management will allow us to absorb potential income risks and reasonable cost pressures arising in 2023-24 and 2024-25 however, thereafter, a review of the funding model and / or service provision will be required. The company currently meets and exceeds going concern principles.

The balance on the pension fund fluctuates annually according to economic conditions and is outside the control of Trustees and officers of the Charity. The pension fund net asset of £4.9m as at 31 March 2023 represents a significant improvement from the previous year's valuation and has been largely driven by changes in the actuarial assumptions adopted for preparing the latest accounting disclosures.

The change in actuarial assumptions adopted for the period ending 31 March 2023 can be approximately broken down as follows: a 0.2% decrease in the Pension Increase Rate assumption (market derived CPI inflation rate); a 0.2% decrease in the Salary Increase Rate assumption; and a 2% increase in the Discount Rate assumption.

The pension fund position is representative of the amount the charity would be liable to pay if all future pension payments liveArgyll is obligated to pay were due to be paid at 31 March 2023. This is an accounting entry based on accounting standard IAS19 which states organisations should account for retirement benefits when it's committed to giving them, even if the actual payment will be in the future.

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As such it does not represent an actual amount to be paid and does not impact on the charity's available resources. Furthermore, liveArgyll has a guarantee from its principal funding partner, Argyll and Bute Council, to underwrite any pension liabilities.

Principal Funding Sources

The principal funding source for the charity was the annual services payment from Argyll and Bute Council which amounted to £4,075,464 in the year to 31 March 2023. Unrestricted income from Charitable Activities was £2,895,111.

The charity worked with a number of key partners in a number of areas throughout the year including:

- Argyll and Bute Council;
- Community Leisure UK;
- Scottish Swimming;
- SportsScotland;
- Creative Scotland;
- Macmillan Cancer Support;
- NHS Highland/Argyll and Bute Health and Social Care Partnership; and
- Sportsmax.

Investment Policy and Objectives

Argyll and Bute Council manage investments on behalf of the group, following their own organisational investment policy, primarily aimed at mitigating risk associated with safeguarding funds, ensuring liquidity of these funds. As a result, the policy aims to invest cash and cash like investments up to a maximum level on acceptable counterparties. Activity is monitored regularly and the policy is reviewed annually.

Reserves Policy

General reserves are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and have not been designated for any other purpose.

Restricted funds are funds which must be used in accordance with the specific instructions of those granting the funds.

It is the intention of the Trustees to accumulate an unrestricted reserve fund to provide a financial resilience contingency and ensure the charity continues to be in a strong position to deliver services. The Board agreed to maintain a minimum balance equivalent to 2% of gross expenditure. For the 12 month period to 31 March 2023 this equates to unrestricted reserves of £154,275. The unrestricted reserves at the reporting date were £1,595,794.

Going Concern

The charity's financial performance is continually monitored via monthly management accounts and projections are prepared to provide assurance on the charity's financial wellbeing. The Trustees are satisfied that the charity has sufficient cash flow to meet obligations as they fall due. Accordingly, they are satisfied that the organisation has adequate unrestricted reserves to continue its charitable objectives for the foreseeable future. The Trustees have secured the on-going commitment from Argyll and Bute Council in respect of continuation of the Annual Services payment. The organisation continues to adopt the going concern basis in preparing these financial statements.

Trustees' and Directors' Report

Asset Base and Supply Chain

Our asset base remains strong with well-equipped facilities and a comprehensive repair and replacement programme in place. We have also taken steps to co-locate services wherever possible reducing our building footprint.

In respect of supply chain our service provision is not overly reliant on any one specific area or likely to be materially impacted by any failure or downturn. Our staff and facilities are our main tools and form the core basis of our business. Like many sectors, recruitment of staff in specific skillset areas is problematic however initiatives are in place targeted at ensuring appropriate resilience levels exist. I am confident that arrangements in place support our delivery obligations and future growth aspirations.

liveArgyll Workforce

General market conditions present challenges for the company in respect of recruitment and retention. A number of mitigations are in place aimed at supporting these areas including adoption of Scottish Living wage proposals, staff well-being initiatives, enhanced training opportunities and flexible working arrangements. We will continue to review all of these areas moving forward, ensuring we fully support our staff and that we are best placed to accommodate any future challenges.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and administrative details

Name of Charity:	liveArgyll
Charity Number:	SC047545
Company Number:	SC569568
Registered Office:	Lochgilphead Community Centre, Manse Brae, Lochgilphead, United Kingdom, PA31 8XQ
Trustees (Directors):	Andrew Nisbet Mairi Coleman Benjamin Jones Maurice Corry Ian MacQuire William Sinclair
General Manager:	Kevin Anderson
Independent Auditors:	Mazars 100 Queen Street Glasgow G1 3DN

Trustees' and Directors' Report

liveArgyll is a company limited by guarantee with charitable status. In addition to being regulated by the Companies Act (2006), the company is also subject to the charities regulator in Scotland, OSCR (Office of the Scottish Charity Regulator).

The company was incorporated on 26 June 2017 and started operations on 2 October 2017 and is responsible for the strategic and operational management of Argyll and Bute Council's libraries, museum and archives, leisure facilities, sports development and active schools programme, halls, community centres and community lets.

Trustees (Directors)

There are 7 members of the charity which serve as Trustees comprising three (3) Councillors, three (3) independent Trustees and a trade union representative. They have the ultimate control of the charity subject to providing and operating the services in accordance with the Services Agreement reached with Argyll and Bute Council and provide strategic direction to the General Manager and his Management Team.

The list of Trustees serving within the period of operation in 2022-23 is detailed below:

Name	Trustee (Director) Role	Appointed	Resigned
Andrew Nisbet	Independent (Chair)	26 June 2017	N/A
Mairi Coleman	Independent (Vice Chair)	26 June 2017	N/A
Cllr Jim Anderson	Councillor	26 June 2017	15 June 2022
Cllr Graham Hardie	Councillor	26 June 2017	15 June 2022
Cllr Audrey Forrest	Councillor	7 September 2021	15 June 2022
Mary Watt	Trade Union Representative	26 June 2017	20 February 2023
Maurice Corry	Councillor	15 June 2022	N/A
Ian MacQuire	Councillor	15 June 2022	N/A
William Sinclair	Councillor	5 October 2022	N/A

Trustees appointed following the 2022-23 period of operation are detailed below:

Name	Trustee (Director) Role	Appointed	Resigned
Benjamin Jones	Independent	15 May 2023	N/A
Vacant	Trade Union Representative	Vacant	N/A

Recruitment and Training of Directors

Three Councillor Representatives were appointed following nominations from the Council Leader and the Opposition Leader. The Trade Union representative was appointed following discussions with the Joint Trade Union Group. The process for appointing Independent Directors began in February 2017 with adverts placed in local papers. Following interviews held in April 2017, three independent Directors were appointed.

Disabled Employees

The group give full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the group policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Trustees' and Directors' Report

Management Arrangements



The Board meets regularly to consider charity business with decisions taken to set the overall strategy for the business as well as to monitor its activities. Management are charged with the task of implementing these decisions. The Board can also refer decision making on Directors' and General Manager recruitment overseeing group finances and approving financial reports.

The full Board met on the following dates in the 12-month period to 31 March 2023:

- 20 April 2022
- 18 August 2022
- 8 December 2022
- 16 February 2023

In addition to the Board, the Finance and Audit Sub Committee also meet periodically throughout the year.

Principal Risks and Uncertainties

The leisure and library sector is customer driven and internal and external changes to that environment ultimately influence overall performance. Therefore, risk factors that could have an impact on service delivery require to be identified on an annual basis, with appropriate actions to minimise such risks. A Risk Register has been prepared and is regularly reviewed and updated.

The principal risk areas facing the charity relate to financial risks:

- Reduction in income as a result of economic downturn;
- Impact of Covid-19 on local economy and consequently levels of disposable income;
- Principal funding partner seeks to reduce future years' service payments.

liveArgyll Facilities

Leisure facilities

- Aqualibrium, Campbeltown.
- Helensburgh Pool.
- Mid Argyll Sports Centre, Lochgilphead.
- Riverside, Dunoon.
- Rothesay Leisure Centre.

Halls and Community Centres

- Corran Halls, Oban.

Trustees' and Directors' Report

- Dunoon Community Centre.
- Kintyre Community Centre, Campbeltown.
- Lochgilphead Community Centre.
- Moat Centre, Rothesay.
- Queens Hall, Dunoon.
- Ramsay Hall, Isle of Islay.
- Victoria Hall, Campbeltown.
- Victoria Halls, Helensburgh.

Libraries

- Campbeltown.
- Cardross.
- Dunoon.
- Helensburgh.
- Lochgilphead.
- Oban.
- Rosneath.
- Rothesay.
- Tarbert.
- Tiree.
- Tobermory.
- Sandbank Office.
- One island library vehicle.

FOCUS ON THE FUTURE

Senior management and Board members continuously review both the local and wider national operating environment for all service areas to ensure that wherever possible the company is well placed to maximise opportunities from emerging trends or data. Our planning processes incorporate the systematic examination of potential threats, opportunities and likely future developments including, but not restricted to, those that are at the margins of current thinking and planning. This combination of inward and outward review supports the company in retaining existing customers and allows a proactive approach to service provision.

Our immediate focus is to sustain current income levels and we are mindful of the impact of consumer confidence alongside the current cost of living crisis which is a concern for an organisation primarily sourcing income from the disposable income aspect of finances.

We have a number of branding, marketing and operating initiatives targeted at these areas. A key aspect of our approach will be to highlight, promote and re-inforce the message that our services are affordable and accessible, our product offering remains excellent value for money, together with strong messaging around the very many health and well-being benefits associated with our activities. Our low affordable price point is a key driver as disposable incomes are squeezed.

Some of our services have had to evolve and there has been a shift to a digital offering for many aspects. We will look to continue to maximise these opportunities to improve our reach, to ensure that wherever possible our services are accessible.

The organisation is facing longer term financial sustainability risks. Strategic service specification amendments and / or associated funding levels will require to be discussed with Argyll and Bute partners. Sufficient lead in time currently exists to allow reasonable transitional actions to take place to ensure we are best placed to meet future demands. Despite a challenging horizon liveArgyll will

Trustees' and Directors' Report

continue to positively develop its services and offering and secure our reputation for quality accessible services.

Accessing Health and Wellbeing funding remains a core aim both locally and nationally. Our services, many of which are free at the point of delivery, make a significant contribution in terms of wider social value. Investment in Leisure and Libraries is an investment in Health and social value.

liveArgyll remains a customer focused organisation and, wherever possible, we will endeavour to fully meet our customer needs. We aim to be a progressive, inclusive organisation that provides accessible, attractive and affordable services. When planning services we endeavour to support all customers equally.

Statement of Trustees' Responsibilities

The Trustees, who are also Directors of liveArgyll for the purposes of Company Law, are responsible for preparing the Trustees' and Directors' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 (FRS 102).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charitable Company and of the income and expenditure of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

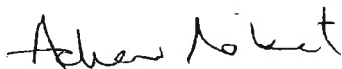
Statement to Auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees have taken all steps necessary to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (effective 1 January 2015) and in accordance with the Companies Act 2006.

Approved by the Trustees and signed on their behalf by:



Andrew Nisbet
Chair



William Sinclair
Trustee (Director)



Kevin Anderson
General Manager

Date 14th December 2023

Independent Auditor's Report to the Trustees and Members of liveArgyll for the year ended 31 March 2023

Opinion

We have audited the financial statements of liveArgyll (the Company) for the year ended 31 March 2023 which comprise the Consolidated and Company Statement of Financial Activities, the Consolidated and Company Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 and Group's affairs as at 31 March 2023 and of the group income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 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 report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

**Independent Auditor's Report to the Trustees and Members of liveArgyll
for the year ended 31 March 2023**

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' and Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, 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 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 Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Trustees and Members of liveArgyll for the year ended 31 March 2023

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 44(1)(C) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the regulations under those acts.

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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to anti-bribery, corruption and fraud, money laundering, employment law, public safety, non-compliance with implementation of government support schemes relating to covid-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), Charities and Trustee Investment (Scotland) Act 2005, and Charities Accounts (Scotland) Regulations 2006."

We evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Trustees' and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;

**Independent Auditor's Report to the Trustees and Members of liveArgyll
for the year ended 31 March 2023**

- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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 and the charity's Trustees, as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read "D. Hoose".

David Hoose (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Mazars LLP is eligible to act as auditor of the company under regulation 10(2) of the Charities Accounts (Scotland) Regulations by virtue of its eligibility under section 1212 of the Companies Act 2006.

100 Queen Street
Glasgow
G13DN

Date: 15/12/2023

liveArgyll

Consolidated Statement of Financial Activities
(incorporating the income and expenditure account)
for the year ended 31 March 2023

	Note	Unrestricted Funds £	Restricted Funds £	Pension Fund £	Total Funds 2023 £	Total Funds 2022 £
Income:						
Donations and legacies	5	-	1,099	-	1,099	351,571
Charitable activities	4	2,895,111	376,563	-	3,271,674	2,863,481
Management fee	4	4,075,464	-	-	4,075,464	3,937,594
Total income		6,970,575	377,662	-	7,348,237	7,152,646
Expenditure:						
Charitable activities	6	(7,305,095)	(408,669)	(1,259,000)	(8,972,764)	(8,311,787)
Other trading activities		-	-	-	-	-
Total expenditure		(7,305,095)	(408,669)	(1,259,000)	(8,972,764)	(8,311,787)
Net expenditure		(334,520)	(31,007)	(1,259,000)	(1,624,527)	(1,159,141)
Transfers between funds		-	-	-	-	-
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	15	-	-	4,809,000	4,809,000	3,217,000
Net movement in funds		(334,520)	(31,007)	3,550,000	3,184,473	2,057,859
Reconciliation of funds:						
Total funds brought forward		1,930,314	124,104	(3,550,000)	(1,495,582)	(3,553,441)
Total funds carried forward		1,595,794	93,097	-	1,688,891	(1,495,582)

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The notes on pages 26 to 39 form part of these financial statements.

liveArgyll

Company Statement of Financial Activities
(incorporating the income and expenditure account)
for the year ended 31 March 2023

	Note	Unrestricted Funds £	Restricted Funds £	Pension Fund £	Total Funds 2023 £	Total Funds 2022 £
Income:						
Donations and legacies	5	-	1,099	-	1,099	351,571
Charitable activities	4	2,895,111	376,563	-	3,271,674	2,863,481
Management fee	4	4,075,464	-	-	4,075,464	3,937,594
Total income		6,970,575	377,662	-	7,348,237	7,152,646
Expenditure:						
Charitable activities	6	(7,305,095)	(408,669)	(1,259,000)	(8,972,764)	(8,311,787)
Total expenditure		(7,305,095)	(408,669)	(1,259,000)	(8,972,764)	(8,311,787)
Net expenditure		(334,520)	(31,007)	(1,259,000)	(1,624,527)	(1,159,141)
Transfers between funds		-	-	-	-	-
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	15	-	-	4,809,000	4,809,000	3,217,000
Net movement in funds		(334,520)	(31,007)	3,550,000	3,184,473	2,057,859
Reconciliation of funds:						
Total funds brought forward		1,929,236	124,104	(3,550,000)	(1,496,660)	(3,554,520)
Total funds carried forward		1,594,715	93,097	-	1,687,813	(1,496,660)

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The notes on pages 26 to 39 form part of these financial statements.

liveArgyll

Consolidated Balance Sheet
as at 31 March 2023

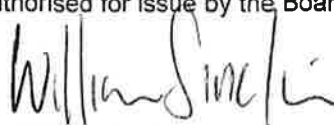
	Note	£	2023 £	£	2022 £
Current assets					
Stock	12	14,545		20,530	
Debtors	13	56,592		104,855	
Cash and cash equivalents		2,285,919		2,638,176	
Total current assets		2,357,056		2,763,561	
Current liabilities					
Creditors: amounts falling due within one year	14	(668,165)		(709,143)	
Net current assets			1,688,891		2,054,418
Net assets excluding pension liability			1,688,891		2,054,418
Defined benefit pension scheme asset/(liability)	15		-	(3,550,000)	
Net liabilities			1,688,891		(1,495,582)
Funds					
Unrestricted funds	16	1,595,794		1,930,314	
Restricted funds	16	93,097		124,104	
Pension reserve	15		-	(3,550,000)	
Total Funds			1,688,891		(1,495,582)

The notes on pages 26 to 39 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



Andrew Nisbet
Chair



William Sinclair
Trustee (Director)

Date: 14th December 2023

Company Number: SC569568

liveArgyll

Company Balance Sheet
as at 31 March 2023


	Note	£	2023 £	£	2022 £
Fixed assets					
Investments	11		1		1
Total fixed assets			1		1
Current assets					
Stock	12	14,545		20,530	
Debtors	13	56,592		104,855	
Cash and cash equivalents		2,284,839		2,637,097	
Total current assets		2,355,976		2,762,482	
Current liabilities					
Creditors: amounts falling due within one year	14	(668,165)		(709,143)	
Net current assets			1,687,811		2,053,339
Net assets excluding pension liability			1,687,812		2,053,340
Defined benefit pension scheme asset/(liability)	15		-	(3,550,000)	
Net liabilities			1,687,812		(1,496,660)
Funds					
Unrestricted funds	16	1,594,715		1,929,236	
Restricted funds	16	93,097		124,104	
Pension reserve	15		-	(3,550,000)	
Total Funds			1,687,812		(1,496,660)

The notes on pages 26 to 39 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



Andrew Nisbet
Chair



William Sinclair
Trustee (Director)

Date: 14th December 2023

Company Number: SC569568

liveArgyll

Consolidated Statement of Cash Flows
for the year ended 31 March 2023

	Note	2023 £	2022 £
Net cash provided by operating activities	18	(352,257)	407,115
Change in cash and cash equivalents in the reporting period		(352,257)	407,115
Cash and cash equivalents at the beginning of the reporting period		2,638,176	2,231,021
Cash and cash equivalents at the end of the reporting period		2,285,919	2,638,176

liveArgyll

Notes to the financial statements for the year ended 31 March 2023

1 Accounting Policies

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

1.1 Basis of preparation

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

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value.

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

1.2 Going concern

These financial statements have been prepared on a going concern basis as the Trustees are satisfied that the financial needs of the charity will be met from within existing facilities and agreements, these being, the annual services payment received from Argyll and Bute Council and the sustainment of self-generated income streams.

The charity's primary funding source is Argyll and Bute Council and funding has been agreed for the year ended 31 March 2024. Our licence agreement also allows for a further one year extension at 2023-24 levels should agreement not be reached in respect of a future funding position. Discussions have already commenced with Council Officers in respect of future service specification and associated funding levels. Argyll and Bute Council continue to be satisfied with the performance of liveArgyll.

In specific reference to the financial impact of recent and future payroll inflation agreements, the Trustees are confident that the level of funding available through Argyll and Bute Council under the current funding agreement, alongside self-generated income and existing contingency reserves will be sufficient to ensure the charity continues to trade and is able to meet its obligations as they fall due for at least 12 months from the date of signing these financial statements.

The 2023-24 budget adopts a prudent approach to both income and expenditure and is aligned to planned activity. We remain exposed to a number of external factors including nationally agreed pay awards and a general market place risk associated with the availability of consumer disposable income. We continue to focus on Growth, Participation and Quality objectives and 2023-24 will be a year of consolidation with an emphasis on sustaining and embedding existing base income levels.

1.3 Group financial statements

The financial statements of liveArgyll incorporate the results and net assets of its wholly owned subsidiary, Live Argyll (Trading) Limited (company registration no. SC575663), on a line-by-line basis for the year ended 31 March 2023. This company did not trade in the

liveArgyll

Notes to the financial statements for the year ended 31 March 2023

current or previous financial years. The subsidiary, Live Argyll (Trading) Limited, is exempt from preparing individual accounts and from the requirement to deliver a copy of the company's individual accounts to the registrar under section 394A of the Companies Act 2006.

1.4 Income

Income is recognised when the charity or its subsidiary has entitlement to the funds; any performance conditions attached to the item(s) of income have been met; there is sufficient certainty that receipt of the income is considered probable; and the amount can be measured reliably. Management fees and other incoming resources are recognised in the period to which they relate, on an accruals basis.

Income from government and other grants is recognised when the charity has entitlement to the funds; any performance conditions attached to the grants have been met; it is probable that the income will be received; and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party; it is probable that settlement will be required; and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading activities, including retail and catering facilities at sites operated by liveArgyll.
- Expenditure on charitable activities includes all the costs on activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for a particular purpose. The aim and use of each restricted fund is set out in note 16 to the financial statements.

1.7 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employees' services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

liveArgyll

Notes to the financial statements
for the year ended 31 March 2023

1.8 Pension costs

The charity participates in the Strathclyde Pension Fund, a defined benefit scheme. The assets of the scheme are held separately from those of the charity in an independently administered trust. The fund is valued each year by a professionally qualified independent actuary and is updated at each balance sheet date with contribution payments made to the plan to ensure that the plan's assets are sufficient to cover future liabilities. Pension plan assets are measured using market values. Pension plan liabilities are measured using the projected unit credit method and discounted by the yield available on long-dated high quality corporate bonds.

The amounts charged to the statement of financial activities in respect of the defined benefit scheme are the current service costs and gains and losses on settlements and curtailments. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the costs have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on assets are charged to resources expended. Actuarial gains and losses are recognised immediately in the statement of financial activities.

1.9 Investments

Fixed asset investments are stated at cost less accumulated impairment.

1.10 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises the invoiced price of goods purchased on a first in first out basis.

1.11 Debtors

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

1.12 Cash and cash equivalents

Cash and cash equivalents is represented by deposits with financial institutions repayable without penalty of notice of not more than 24 hours. It also includes cash equivalents of short-term highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.13 Creditors and provisions

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

1.14 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

liveArgyll

Notes to the financial statements
for the year ended 31 March 2023

1.15 Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

1.16 Taxation

Income is stated net of VAT and expenditure includes VAT where this is not recoverable.

As a charity, liveArgyll is exempt from tax on income and gains falling within section 1177 of the Corporation Taxes Act 2010 or 2256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charge has arisen in the Charity.

2 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 1, the Trustees (directors) are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements

There are no judgements that would have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing material adjustment to the carrying amount of assets and liabilities are as follows:

Pension

The charitable company participates in the Strathclyde Pension Fund, a defined benefit scheme. The amounts charged to the Statement of Financial Activities in respect of the defined benefit scheme are the current service costs and gains and losses on settlements and curtailments. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested.

If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on assets are charged to resources expended. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities.

liveArgyll

Notes to the financial statements
for the year ended 31 March 2023

4 Income from charitable activities

Income from charitable activities (consolidated)

	Unrestricted funds	Restricted funds	2023 Total	Unrestricted funds	Restricted funds	2022 Total
	£	£	£	£	£	£
Community Lettings	191,146	-	191,146	111,975	-	111,975
Halls	506,816	-	506,816	231,205	-	231,205
Leisure	1,900,391	-	1,900,391	1,091,278	-	1,091,278
Libraries and Museum	2,500	27,993	30,492	2,532	90,482	93,015
Sport and Development	203,180	308,092	511,273	82,663	403,511	486,173
Management and Administration	91,078	40,478	131,556	604,049	245,786	849,835
Donations and Legacies	-	1,099	1,099	350,001	1,569	351,571
Management Service Fee	4,075,464	-	4,075,464	3,937,594	-	3,937,594
	6,970,575	377,662	7,348,237	6,411,298	741,348	7,152,646

5 Income from donations and legacies

	2023 Total	2022 Total
	£	£
Donations	1,099	1,569
Government grants	-	350,001
	1,099	351,571

Total income from donations was £1,099 (2021: £1,569).

6 Expenditure on charitable activities

Expenditure on charitable activities (consolidated)

	Unrestricted funds	Restricted funds	2023 Total	Unrestricted funds	Restricted funds	2022 Total
	£	£	£	£	£	£
Community Lettings	191,128	-	191,128	185,895	-	185,895
Halls	1,176,973	-	1,176,973	791,591	377,000	1,168,591
Leisure	3,455,783	-	3,455,783	2,841,366	-	2,841,366
Libraries and Museum	954,144	53,897	1,008,041	969,739	82,197	1,051,936
Sport and Development	1,527,067	354,771	1,881,838	1,353,867	332,133	1,685,999
	7,305,095	408,669	7,713,764	6,142,457	791,330	6,933,787
Pension Fund	1,259,000	-	1,259,000	1,378,000	-	1,378,000
Total Expenditure	8,564,095	408,669	8,972,764	7,520,457	791,330	8,311,787

liveArgyll

Notes to the financial statements
for the year ended 31 March 2023

7 Support Costs

The charity identifies the costs of its support functions and apportsions separately between the key charitable activities undertaken. The table below outlines the allocation of support costs to each key charitable activity for year ended 31 March 2023:

	2023	2022
	Total	Total
	£	£
Community Lettings	53,824	65,639
Halls	331,448	412,627
Leisure	973,184	1,003,280
Libraries and Museum	283,875	371,437
Sport and Development	529,945	595,323
Total Support Costs	2,172,276	2,448,306

8 Governance Costs

The charge for statutory audit services relating to the period ending 31 March 2023 is £14,162.50 plus VAT (2022: £13,750 plus VAT). This governance cost is included within the total support costs allocated to each key charitable activity (note 7).

9 Analysis of staff costs

	2023	2022
	Total	Total
	£	£
Wages and salaries	4,911,208	4,160,954
Social security costs	404,725	342,973
Pension costs	852,384	767,397
Other employee benefits	39,422	47,169
	6,207,739	5,318,493

The average number of employees, by headcount, during the year was 283 (2022: 233).

The number of employees remunerated at a rate of over £60,000 per annum was as follows:

	2023	2022
	Number	Number
£60,001 - £70,000	2	4
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
	3	5

liveArgyll

Notes to the financial statements
for the year ended 31 March 2023

Key management personnel

The key management personnel of the group comprise the Trustees, the General Manager, the Operations Manager, the Business Development Manager and the Business Support Manager. The total employee benefits of the key management personnel of the group, excluding employer pension costs, was £285,919 (2022: £349,993).

Trustee remuneration

No remuneration or expense reimbursement was provided to Trustees during the year to 31 March 2023. (2022: NIL).

10 Related party transactions

liveArgyll has a close working relationship with Argyll and Bute Council. The council nominates Trustees and provides funding to enable the charity to carry out its charitable objectives.

In the period to 31 March 2023, Argyll and Bute Council made a contribution of £4,075,464. This contribution is included in the financial statements under income from charitable activities and is classed as a Management Service Fee (2022: £3,937,594). The increase in contribution from 2022 is from the transfer of additional services from Argyll and Bute Council.

As at 31 March 2023, the charity owed Argyll and Bute Council £27,622 (2022: £106,546) and Argyll and Bute Council owed the charity £3,267 (2022: £3,885) in relation to normal operational activities.

11 Investments

	2023	2022
	£	£
Investment in subsidiary	1	1

The charity company owns 100% of the ordinary share capital of liveArgyll (Trading) Limited, a company incorporated in Scotland.

12 Stocks

	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Goods for resale	14,545	14,545	20,530	20,530
	14,545	14,545	20,530	20,530

liveArgyll

Notes to the financial statements
for the year ended 31 March 2023

13 Debtors

	2023		2022	
	Group £	Charity £	Group £	Charity £
Trade debtors	47,807	47,807	55,543	55,543
Prepayments and accrued income	5,519	5,519	45,427	45,427
Amounts owed by group undertaking	3,267	3,267	3,885	3,885
	56,592	56,592	104,855	104,855

14 Creditors

	2023		2022	
	Group £	Charity £	Group £	Charity £
Amounts owed to group undertakings	27,622	27,622	106,546	106,546
Accruals and deferred income	449,017	449,017	371,931	371,931
Taxation and social security	191,526	191,526	230,666	230,666
	668,165	668,165	709,143	709,143

All receipts and payments are facilitated by Argyll and Bute Council on behalf of the charity. liveArgyll has complete control over cash management in that all receipts and payments are accounted for and authorised independently of Argyll and Bute Council. liveArgyll is set up as a separate company in the council's financial system with a separately identifiable intercompany account in the ledger which records all transactions. At each year-end, a reconciliation is completed and liveArgyll receives interest on the average cash balance held throughout the year. Therefore at any point in time liveArgyll's cash balances can be separately identified from the council through the intercompany account with all transactions controlled and authorised by liveArgyll management and reported to the Trustees.

Deferred Income

	2023	
	Group £	Charity £
At 1 April 2022	47,054	47,054
Released in year	(47,054)	(47,054)
Deferred in year	86,093	86,093
At 31 March 2023	86,093	86,093

Deferred income relates to sales raised in advance for services due to be provided beyond the year ended 31 March 2023. This includes pre-paid memberships, advanced ticket sales and sport activity income.

liveArgyll

Notes to the financial statements
for the year ended 31 March 2023

15 Pensions

The charity is a member of the Strathclyde Pension Fund which provides pension benefits under the Local Government Pension Scheme to employees of liveArgyll. Contributions are made to this scheme, on the advice of an independent qualified actuary, to ensure that the plans' assets are sufficient to cover future liabilities. The assets of the scheme are held separately from the charity in an independently administered fund. Contributions are recognised in the statement of financial activities in the period in which they become payable.

In September 2017 Argyll and Bute Council agreed to act as guarantor to liveArgyll's application for admission to the Strathclyde Pension Fund. By agreeing to act as guarantor, the Council are required to assume any contingent liability and secure payment to the administering authority of the employer liabilities pertinent to liveArgyll should a relevant event occur.

The valuation used for the FRS 102 disclosures has been based on the most recent formal actuarial valuation at 31 March 2020 allowing for the different financial assumptions required under FRS102. The valuation used has been updated by the actuary to assess the liabilities of the scheme at 31 March 2023. The assumptions that have the most significant effect on the results of the valuation are those relating to price increases, the rate of increase in salaries and pensions and the discount rate. Scheme assets are stated at their bid value at balance sheet dates as required under IAS 19.

The assets and liabilities of the scheme are:

	2023	2022
	£000's	£000's
Fair value of scheme assets	18,889	18,315
Present value of funded liabilities	(13,977)	(21,865)
Present value of unfunded liabilities	-	-
Net asset / (liability) in scheme	4,912	(3,550)

The asset has not been recognised as the charity does not have a right to a refund of assets, and the net present value of future service costs is less than the net present value of future contributions.

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

	2023	2022
	£000's	£000's
Current service cost	(2,020)	(2,008)
Interest on obligation	(113)	(123)
Expected return on scheme assets	874	753
	(1,259)	(1,378)

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The major categories of scheme assets as a percentage of total scheme assets are:

	2023	2022
Equities	77%	79%
Bonds	12%	10%
Property	9%	8%
Cash	2%	3%

The principal assumptions at the opening and closing balance sheet date were:

	2023	2022
Pension Increase Rate	2.95%	3.15%
Salary Increase Rate	3.65%	3.85%
Discount Rate	4.75%	2.75%

Post retirement mortality:

	2023	2022
	years	years
<u>Current pensioners</u>		
Male	19.3	19.6
Female	22.2	22.4
<u>Future pensioners</u>		
Male	20.5	21
Female	24.2	24.5

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.

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

	2023	2022
	£000's	£000's
Opening defined benefit obligation	21,865	21,556
Current service cost	2,020	2,008
Past service cost	-	-
Interest cost	630	463
Plan participants contributions	127	119
Actuarial gain	(10,665)	(2,281)
Closing defined benefit obligation	13,977	21,865

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

	2023	2022
	£000's	£000's
Opening fair value of scheme assets	18,315	16,167
Interest income on plan assets	517	340
Plan participants contributions	127	119
Employer contributions	874	753
Actuarial (loss) / gain	(944)	936
Closing fair value of scheme assets	18,889	18,315

The accumulated amount of actuarial gains and losses recognised in the statement of financial activities was an actuarial gain of £9,721,000.

Amounts for the closing and opening balance sheet are as follows:

	2023	2022
	£000's	£000's
Fair value of scheme assets	18,889	18,315
Present value of defined benefit obligation	(13,977)	(21,865)
Net asset / (liability) in scheme	4,912	(3,550)

The asset has not been recognised as the charity does not have a right to a refund of assets, and the net present value of future service costs is less than the net present value of future contributions.

16 Statement of funds

Unrestricted funds

	At 1 April			Actuarial		At 31 March
	2022	Income	Expenditure	gain	Transfers	2023
	£	£	£	£	£	£
Unrestricted funds:						
General fund	1,930,314	6,970,575	(7,305,095)	-	-	1,595,794
Pension fund	(3,550,000)	-	(1,259,000)	4,809,000	-	0
	(1,619,686)	6,970,575	(8,564,095)	4,809,000	-	1,595,794

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Restricted funds

	At 1 April 2022	Income	Expenditure	Actuarial gain	Transfers	At 31 March 2023
	£	£	£	£	£	£
Restricted funds:						
Campbeltown New Books Trust Fund	-	188	(188)	-	-	-
Community Learning Youth Forum	39,855	-	(2,227)	-	-	37,628
CO-OP	-	3,111	(255)	-	-	2,856
Cycling Scotland	-	3,050	(3,050)	-	-	-
Donations	1,569	1,099	(829)	-	-	1,839
DWP Kickstart	4,500	40,478	(44,978)	-	-	-
Early Years Grant	1,500	-	-	-	-	1,500
East Kintyre Trust	-	1,500	(1,500)	-	-	-
Football Development	-	7,150	(7,150)	-	-	-
Library Endowment Trust Fund	2,836	2,250	(2,824)	-	-	2,262
Macmillan	25,331	19,641	(44,972)	-	-	-
McCaig Trust Fund	803	2,400	(2,400)	-	-	803
Museum Galleries Scotland	-	2,700	(2,700)	-	-	-
Scottish Book Trust	-	750	(750)	-	-	-
SCVO	2,971	-	(2,971)	-	-	-
Sportscotland Active Schools	8,167	262,081	(265,563)	-	-	4,685
Sportscotland Sports Hub	33,572	7,952	-	-	-	41,524
Sportscotland Coaching	-	4,000	(4,000)	-	-	-
TSI	-	10,248	(10,248)	-	-	-
Tulloch Trust Fund	-	64	(64)	-	-	-
Youthlink Scotland	3,000	9,000	(12,000)	-	-	-
	124,104	377,662	(408,669)	-	-	93,097

The charity receives funding from a variety of sources for different purposes, all within the overall objectives of the company. The purposes of the above restricted funds are as follows:

- Campbeltown New Books Trust Fund: Funding for the purchase of books for Campbeltown Library.
- Community Learning Youth Forum: Funding for youth forums across Argyll & Bute.
- Co-op: Funding for Cowal youth forum.
- Cycling Scotland: Support for Bikeability Scotland Project.
- Donations: various conditions.
- DWP Kickstart: Funding for training costs in respect of Kickstart placements.
- Early Years Grant: To deliver supervised soft play sessions in Dunoon in order to provide affordable childcare for local parents/carers.
- East Kintyre Trust: Replacement Gym Equipment.
- Football Development: Funding towards the deployment of a Football Development Officer post covering the Argyll and Bute area.
- Library Endowment Trust Fund: Funding for the purchase of new furniture and fittings for Campbeltown Library Reading Room.
- Macmillan: Funding for the management and delivery of the liveArgyll Move More Programme.
- McCaig Trust Fund: Funding for delivery of an innovative literacy storytelling project at Oban Library.

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- Museum Galleries Scotland: Campbeltown Museum Re:Connect Project.
- Scottish Book Trust: Funding to support Book week Scotland 2022 across liveArgyll libraries.
- SCVO: Digital device fund for CLD Practitioners.
- **Sportscotland** Active Schools: Funding in order to identify, plan and deliver shared priorities for sport and physical activity and develop effective pathways between schools and sports clubs in the local community.
- **Sportscotland** Community Sports Hubs: Funding for the purpose of establishing the **sportscotland** brand model of Community Sports Hub in Argyll and Bute.
- **Sportscotland**: Coaching and volunteering funding.
- TSI: Funding for outdoor equipment.
- Tulloch Trust Fund: Funding for the purchase of books for Dunoon Library.
- Youthlink Scotland: GIVE and related projects.

17 Operating results (excluding the pension adjustment)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Income:				
Donations and legacies	-	1,099	1,099	351,571
Charitable activities	2,895,111	376,563	3,271,674	2,863,481
Management fee	4,075,464	-	4,075,464	3,937,594
Total income	6,970,575	377,662	7,348,237	7,152,646
Expenditure:				
Charitable activities	(7,305,095)	(408,669)	(7,713,764)	(6,933,787)
Total expenditure	(7,305,095)	(408,669)	(7,713,764)	(6,933,787)
Net expenditure	(334,520)	(31,007)	(365,527)	218,859
Transfers between funds	-	-	-	-
Deficit from operations	(334,520)	(31,007)	(365,527)	218,859

The operating results for liveArgyll for the year ended 31 March 2023, excluding the pension adjustment, report an overall deficit of £365,527.

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Notes to the financial statements
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18 Reconciliation of net expenditure to net cash flow from operating activities

	2023	2022
	£	£
Net expenditure for the reporting period (as per statement of financial activities)	(1,624,527)	(1,159,141)
Adjustments for:		
Pension fund movement	1,259,000	1,378,000
Decrease/(increase) in stock	5,985	(12,433)
Decrease/(increase) in debtors	48,263	(24,366)
(Decrease)/increase in creditors	(40,978)	225,055
Net cash provided by (used in) operating activities	(352,257)	407,115

19 Controlling interest

The company is under the ultimate control of Argyll and Bute Council (having regard to the Council's powers as sole member) but without prejudice to the director's duties under company law and charity law to exercise independent judgement and to further what they consider to be the best interests of the company.

