SOUTH LANARKSHIRE
Leisure & Culture

ANNUAL GENERAL MEETING
13 NOVEMBER 2025
AGENDA

Location: Hamilton Town House, 2PM

Agenda Item

1. Sederunt
2. Apologies
3. Declarations of Interest
4. Minutes of Previous Meeting
5. Matters Arising
6. Chair's Report
7. Chief Executive's Report and Presentation of Annual Strategic Report
8. Performance Finance and Audit Committee Update
9. Financial Report

   Annual accounts for Board approval:
   - SLLC Report
     - Approval of accounts
     - Approval of letter of representation
   - SL Trading Ltd. Report
     - Approval of accounts
     - Approval of letter of representation

   External Auditors input – **Andrew Usher,** Azets Audit Services
10. AOCB

Date of Next Meeting – November 2026

SOUTH LANARKSHIRE
Leisure & Culture

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

Minutes of AGM of the Board of Trustees of South Lanarkshire Leisure and Culture SCIO held at Hamilton Townhouse on Wednesday 13 November 2024.

1. Sederunt

Chair:
Dr Avril Osborne

Vice Chair:
Cllr Maureen Devlin

Board Members:
Dr Angela Beggan, Neil Brown, Craig Cunningham, Chris Goudie, Alan Morrison, Stephen Smellie

In Attendance:
Kay Morrison (Chief Executive)
Nick Lansdell (Head of Strategy and Governance (Board Secretary))
David Booth (Executive Director of Community and Enterprise Resources) representing South Lanarkshire Council and South Lanarkshire Council Nominees Limited
David Carter (Head of Operations and Estates)
Martin Cryans (Head of Business Development)
Ross McKie (Head of Corporate Services)
Sally Cheeney (Azets Audit Services)

The Chair welcomed Sally Cheeney from Azets to the meeting and formally introduced newly appointed Trustee, Dr Gordon Jack, to the Board.

2. Apologies

Lisa Maule, Cllr Mo Razzaq

3. Declarations of Interest

Craig Cunningham declared his employment with the Health and Social Care Partnership who provide funding to South Lanarkshire Leisure and Culture (SLLC).

4. Minutes of Previous Meeting

The minutes of the Board meeting held on Wednesday 4 October 2024 were submitted for Board approval as a correct record.

The Board: approved the minutes.

5. Maters Arising

There were no matters arising.

6. Chair's Report

The Chair presented their report for 2023/24.

The Board: noted the report.

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

The Chief Executive presented their report and the Annual Strategic Report for 2023/24.

- The Board recognised the effort from staff that made this such a successful and inspiring event.
- Stakeholder films and highlights from the day will be shared on social media and directly with Elected Members.

The Board: noted the report.

8. Performance, Finance and Audit Committee Update

The Chair of the Audit Committee provided an update on business discussed in relation to the AGM at the Audit Committee meeting on Monday 28 October 2024.

The Board: noted the update.

9. Financial Report

The Board was presented with the Azets Audit Findings report for period ended 31 March 2024 and the Annual Accounts 2023/24 for both South Lanarkshire Leisure and Culture SCIO and SLL Trading Ltd.

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

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

Azets Audit Findings Report

- SLLC's External Auditor provided an overview of the Azets Audit Findings report for period ended 31 March 2024.
- Azets have indicated that an unqualified opinion will be issued following Board approval of the accounts for both South Lanarkshire Leisure and Culture SCIO and SLL Trading Ltd.
- The complexities of the the material adjustment of the pension asset as a result of application of the asset ceiling were discussed and Trustees given comfort from the Head of Corporate Services that this had been thoroughly reviewed with the Azets and understood ahead of presenting to the Performmance, Finance and Audit Committee and the Board.

South Lanarkshire Leisure and Culture Annual Accounts 2023/24

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

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SLL Trading Ltd. Annual Accounts 2023/24

- The company made a profit of £0.030m in the financial year ended 31 March 2024 and this will be donated to the parent company by utilising the gift aid scheme.
- Retained reserves increased to £0.048m, £0.018m of which is available for future use by the company after the intended gift aid donation outlined above.
- Azets have indicated that an unqualified opinion will be issued following Board approval of the accounts.

- The Board expressed its thanks to Azets, the Performance, Finance and Audit Committee and SLLC officers for the work involved to complete the accounts.

The Board: approved the recommendations.

10. AOCB

There was no other competent business.

Date of Next Meeting

The date of the next AGM is to be confirmed.

Chair

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Agenda Item

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PERFORMANCE, FINANCE AND AUDIT COMMITTEE UPDATE FOR AGM

27 OCTOBER 2025

1. Key issues considered:
   - Annual Accounts 2024/25 for South Lanarkshire Leisure and Culture Ltd.
   - Annual Accounts 2024/25 for SLL Trading Ltd.
   - Azets Findings report for period ended 31 March 2025.

2. Key issues to highlight:
   - Azets have indicated that an unqualified opinion will be issued following Board approval of the accounts for both South Lanarkshire Leisure and Culture SCIO and SLL Trading Ltd.

3. Any decisions/approvals taken to highlight:
   - The Committee was presented with both sets of accounts and the Azets Findings report for noting ahead of Board approval at the AGM on 13 November 2025.

4. Any risks identified to highlight:
   - None.

Audit findings report

South Lanarkshire Leisure and Culture SCIO and subsidiary

Period ended 31 March 2025

Strictly Private & Confidential

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

Our ref: SACH/NNOC/SOULLC01
24 October 2025

Dear Directors

South Lanarkshire Leisure and Culture SCIO
Audit Findings Report for the period ended 31 March 2025

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

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

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

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

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

Yours Sincerely

Azets Audit Services

We are an accounting, tax, audit, advisory and business services group that delivers a personal experience both digitally and at your door.
Accounting | Tax | Audit | Advisory | Technology

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

ICAEW CHARTERED ACCOUNTANTS

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1. Executive summary

Audit overview

This table summarises the key findings from the statutory audit of South Lanarkshire Leisure and Culture SCIO and its subsidiary for the period ended 31 March 2025 for those charged with governance.

Audit opinion	We do not propose any modifications to our audit opinion which is unqualified. We have no matters to report regarding the adoption of the going concern basis or inadequate disclosures relating to material uncertainties. Our audit work is substantially complete and there are currently no matters which would require modification of our audit report.
Key findings on audit risks and other matters	We have reported our audit findings on pages 2-4. We are pleased to report that the audit progressed well from our perspective and in accordance with the agreed timetable.
Audit adjustments	We are required to communicate all potential adjustments, other than those considered to be clearly trivial, to management and to request that management corrects them. Details of the audit adjustments and potential adjustments are included on page 11-13. The aggregate impact of unadjusted misstatements on the Statement of Financial Activities, were they to be processed, would result in a combined decrease in group net expenditure for the current year of approximately £6,098, which is immaterial to the financial statements.
Accounting systems and internal controls	We have applied our risk-based methodology to your audit. This approach requires us to document, evaluate and assess your business processes and internal controls relating to the financial reporting process. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we have reported these to you on page 7-10.

2. Significant risk areas

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

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

Significant risks at the financial statement level

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

Key risk area	Audit Approach	Conclusions
Management override of controls (SLLC and SLL Trading) Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk Risk of material misstatement: **Very High Fraud Risk**	Procedures performed to mitigate risks of material misstatement in this area included: • Review of accounting estimates, judgements and decisions made by management; • Testing of journal entries adopting data analytics techniques; and • Review of any unusual significant transactions.	We have not identified any indications of management override in the year. We did not identify any areas of bias in key judgements made by management and judgements were consistent with prior years.
Going concern (SLLC and SLL Trading) We must review the Board's assessment of the going concern status of both entities. Risk of material misstatement: **Medium Elevated Risk**	• Reviewed the Board's assessment of going concern; • Reviewed accounting estimates, judgements and decisions made by management; • Reviewed post year end management accounts; • Reviewed the annual budget with a particular focus on the results for the 12 months from the signing date of the financial statements;	We have gained satisfactory assurance in respect of the mitigation of this risk and that the disclosure within the financial statements is adequate.

	• Held a detailed discussion with management in respect of going concern; and • Obtained a letter of representation that confirmed that the trustees have concluded that the Group is a going concern.	

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

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

Key risk area	Audit Approach	Conclusions
Fraud in income recognition Material misstatement due to fraudulent financial reporting relating to revenue recognition is a presumed risk in ISA 240 (The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements). In respect of the management service fee from South Lanarkshire Council, we do not consider the revenue recognition risk to be significant due to a lack of incentive and opportunity to manipulate this revenue stream. However, the risk of fraud in relation to revenue recognition is present in all other revenue streams. **Inherent risk of material misstatement:** • **Income (Occurrence): Very High** • **Income (Accuracy, Completeness, Cut Off, Presentation & Classification): Medium Elevated Risk**	Procedures performed to mitigate risks of material misstatement in this area included • Reviewing and testing of income recognition policies; • Detailed substantive testing on material revenue streams; • Cut off testing; and • Substantive analytical procedures.	While we did not suspect incidences of material fraud and error we evaluated each type of income transaction and documented our conclusions. We have gained reasonable assurance on the completeness and occurrence of income, and we are satisfied that income is fairly stated in the financial statements. To inform our conclusion we carried out testing to confirm that the group's policy for income recognition is appropriate and has been applied consistently throughout the year.

Allocation of funds There is a risk that transactions are not correctly allocated between unrestricted and restricted funds meaning that the period-end split of funds is incorrect. **Inherent risk of material misstatement:** • **Funds (Existence, Completeness, Rights & Obligations, Accuracy Valuation & Allocation): Medium Elevated Risk**	We have evaluated a sample of revenue and expenditure items to ensure that each transaction tested has been allocated to the correct fund.	We have gained satisfactory assurance in respect of the allocation of transactions between funds.
Defined benefit pension scheme – this is a key accounting estimate The Charity is a member of a defined benefit pension scheme: the Strathclyde Pension Fund. Each year Hymans Robertson provides a year-end accounting valuation of the Strathclyde Pension Fund. The Charity needs to account for the pension movement in the financial statements and ensure the disclosure is appropriate. The Charity need to ensure that the actuarial assumptions used are appropriate. **Inherent risk of material misstatement:** • **Defined Benefit Pension Scheme (Existence, Completeness, Rights & Obligations, Accuracy Valuation & Allocation): Medium Elevated Risk**	We have reviewed the controls in place to ensure that the data provided from the pension fund to the actuary is complete and accurate. We obtained from you the annual FRS 102 pension valuations and reviewed the year-end accounting journals. We also reviewed the reasonableness of the assumptions used in the calculation against other local government pension fund actuaries and other observable data. We have also agreed the disclosures in the financial statements to information provided by the actuary.	We did not identify any actuarial estimates or assumptions which gave us cause for concern.

3. Going concern

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

Management’s assessment of going concern

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

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

Audit work performed

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

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

Disclosures

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

Conclusion

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

4. Audit communication

Materiality

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

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

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

Accounting policies

The accounting policies used in preparing the financial statements are unchanged from the prior year.

Presentation and disclosures

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

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

Fraud and suspected fraud

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

Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose. In the event that the trustees wish to obtain enhanced assurance with regard to the effectiveness of internal control in preventing and detecting fraud we should be happy to provide additional services.

Written representations

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

Related parties

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

Non-compliance with laws and regulations

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

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

Confirmations from third parties

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

5. Internal controls

Control environment

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

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

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

Current year recommendations:

Area	Observation	Implication	Recommendation	Management response
South Lanarkshire Leisure and Culture – Revenue completeness Testing	SLLC finance team stated that, they do not receive award letters for every fund and the second biggest fund provider has never provided an award letter..	This makes it more difficult to trace if all grants have been recorded in the nominal	We recommend that SLLC make arrangements to receive award letters in relation to grants received.	SLLC currently has a funding officer in place who will address this issue going forward.
South Lanarkshire Leisure and Culture – Sales completeness Testing	When testing sales completeness from the plus 2 report provided by the SLLC finance team, it is difficult to trace to the nominal ledger as the report contains no description and details of the customer. We found few minimal errors which has resulted in a larger extrapolated error.	If we cannot trace the sales from the sales report to the nominal ledger exactly and easily then it can result in an inaccurate income figure on the accounts. We must be able to prove reliably that each sale is accurately recorded in the nominal ledger.	We recommend improving the report to contain description and details of the customer to help easy tracing to the nominal ledger.	Agreed. Processes will be fully reviewed/updated. The intention is to go to tender for a new FOH system in 24/25 thus this will be the opportunity to implement an improved process. Same point was raised prior year

South Lanarkshire Leisure and Culture – Fixed asset register	When we requested line fixed asset items with their depreciation rates and additions, it could not be provided.	This makes it more difficult to test specific fixed assets held by the charity. Also, it could cause errors in depreciation rates, addition dates etc.	We would recommend maintaining a full fixed asset register for all assets held by the charity to keep it as accurate as possible.	The fixed asset register is similar to prior year as the issue from last year was not resolved. Same point was raised prior year
South Lanarkshire Leisure and Culture – Expenditure on Charitable activities	Mistyping of nominal codes when posting expenses.	This could result to errors which could affect the financial statements.	We would recommend that care is taking to ensure expenses are posted to the correct nominal.	This has been noted by the SLLC finance team and agreed to be meticulous on their postings. Same point was raised prior year
SLL Trading - Stock Listing Ageing	Stock listing do not include how long stock items have been in stock.	Slow-moving and ageing stock cannot be identified by management from the stock listing.	Ageing should be included on the stock listing or purchase dates in order to identify where stock may be slow-moving which will identify if stock may be required to include a provision.	It is obvious that upon the implementation of the new system, there is still the issue of the system not having the capabilities as mentioned last year. Same point was raised prior year
SLL Trading - Stock Sheets	Stock listings are separate with no overall stock listing.	Errors when hard-typing can occur easily when adding stock sheets, through mistyping or omission, to obtain the final stock value which could result in misstatements of stock.	There should be an overall stock listing including all stock listings which is calculated automatically rather than manually calculated.	The system is not a full stock system so does not have the capabilities mentioned. This may be something we can consider again once the new system is implemented, likely 2025. Same point was raised prior year
SLL Trading - Income source documentation not agreeing to the ledger	During our testing, income could not be agreed from source documentation to the ledger.	While there was no material error, there is a risk that income could be materially misstated without a clean, traceable audit trail.	We recommend that the process for recognising income in the ledger is updated, so that income posted and source documentation match.	Agreed. Processes will be fully reviewed/updated. Same point was raised prior year
SLL Trading - SLLC overhead allocation	The overhead allocation from the parent company exclude formal documentation and included just excel workings.	This could result to error as a result of no formal process surrounding this.	We recommend that the process if formalised, with a purchase invoice being raised and processed as normal for this material expense.	There is a debtors account issued from Trust to Trade once the accounts are finalised so not raised yet for 24/25. Formalisation is not felt necessary as it is the same set of

				Directors on both sides of the transaction. Same point was raised prior year

Follow up on prior year audit control recommendations

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

Area	Observation	Implication	Recommendation	Management response
South Lanarkshire Leisure and Culture – Payroll Authorisation	There is no monthly authorisation for payroll reports.	Potential errors may not be identified resulting in a potential misstatement.	Include monthly review and authorisation of payroll summaries.	SLC process the payroll directly on the Oracle system from the base info held on system input by SLLC HR staff so no further authorisation is required. This would just be an additional step in the process. **Point closed.**
SLL Trading – Opening trial balance	An opening balance is unable to be run.	This means if there is any issues/changes made when moving into a new financial year/period this cannot be picked up until the month end making any issues harder to identify and reconcile. Resulting in a control weakness.	Contact system/change system to an accounting system which allows Trial balances/reports to be ran on selected dates.	The system does not have the capabilities and is not something we can influence. **Point closed.**
SLL Trading - Purchase Invoices Addressed To SLLC	Purchase Invoices in some cases are addressed to SLLC rather than SLL Trading.	This could result in purchases being incorrectly included in the SLLC or vice versa which could lead to a misstatement in the accounts.	Ensure invoices are addressed to the relevant company to clearly show what company the purchase relates to.	This is a supplier problem and should be addressed by the implementation of the e-procurement system as the end of 2025. **Point closed.**

Corrected misstatements

South Lanarkshire Leisure and Culture

None identified.

SLL Trading Limited

None identified.

Uncorrected misstatements

South Lanarkshire Leisure and Culture

SCHEDULE OF UNCORRECTED MISTATEMENTS-SLLC

Journals				Balance Sheet		Income Statement	
				Increase	Decrease	Decrease	Increase
1	Dr	Trade debtors		47,499			
	Dr	Amounts due by South Lanarkshire Council		19,563			
	Cr	Amounts owed to South Lanarkshire Council			19,563		
	Cr	Trade creditors			47,499		
H.501	Being:	Reclassification of credit balances within trade debtors					
2	Dr	Deferred income		8,184			
	Cr	Sales					8,184
J.204	Being:	extrapolated error identified on testing of deferred income					
		Total		75,246	67,062	-	8,184
		Net effect			8,184	-	8,184

SLL Trading Limited

SCHEDULE OF UNCORRECTED MISTATEMENTS

Journals				Balance Sheet		Income Statement	
				Increase	Decrease	Decrease	Increase
1	Dr	Stock		2,890			
	Cr	Cost of sales					2,890
[Stock Take Attendance]	Being:	Increase in stock as per stock count					
2	Dr	Cost of Sales				17,172	
	Cr	Stock Provision			17,172		
[Stock NRV Testing]	Being:	estimated stock provision per NRV testing					
		Total		2,890	17,172	17,172	2,890
		Net effect		-	14,282		14,282

6. Independence and ethics

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

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

AZETS

SOUTH LANARKSHIRE
Leisure & Culture

Agenda Item
9a

Report

Report to:	**Board of Trustees**
Date of Meeting:	**13 November 2025**
Report by:	**Ross McKie, Head of Corporate Services**

Subject:	**Annual Report and Accounts 2024/25 – South Lanarkshire Leisure and Culture (SCIO)**

1. Purpose of Report

1.1. The purpose of the report is to:

- Ask that the Board approve the 2024/25 Annual Report and Accounts.

2. Recommendations

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

(1) That the 2024/25 Annual Report and Accounts are approved, signed by the Chair on behalf of the Board and thereafter submitted to the regulatory authorities OSCR and Companies House;
(2) That the Audit Management Report prepared by Azets Audit Services is noted, and
(3) That the Management Letter requested by Azets Audit Services are approved for signature by the Chair on behalf of the Board.

3. Background

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

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

4. Annual Accounts

4.1. The Annual Report and Accounts for financial year 2024/25 include the following principal sections:

- The accounts were prepared for the period from 1 April 2024 to 31 March 2025 but the comparatives are for 3 April 2023 to 31 March 2024 as SLLC converted to a SCIO on 3 April 2023.

- The Trustees' Report providing information on the aims, objectives, structure of SLLC and the proposed changes in governance.
- A report providing information on the achievements and performance, a financial review for the year and plans for the future.
- The 'Statement of Responsibilities of the Trustees' outlining the Board's legal responsibilities as Trustees as far as concerns the preparation of the financial statements.
- The Independent Auditor's Report containing the audit opinion prepared by Azets Audit Services. For 2024/25, the auditors are proposing to issue a clean audit certificate upon approval of the Accounts by the Board.
- The Consolidated Financial Statements including the Consolidated Statement of Financial Activities (SOFA), the Consolidated Balance Sheet and the Notes to the Accounts.

4.2. The overall financial position of SLLC as at 31 March 2025 is contained within the financial statements as referenced in Section 4.1 above. The key points to note are as follows:

- The Consolidated General Reserve now stands at £2.239m (£0.524m as at 31 March 2024).
- SLLC's share of the Strathclyde Pension Fund is a deficit position of (£1.307m), this compares to a deficit of (£1.480m) in 2023/24.
- Restricted Fund balances as at 31 March 2025 amount to £0.770m. These relate to projects and initiatives funded by external organisations and partners.
- The balance on the Repairs and Renewals Fund as at 31 March 2025 amounts to £0.437m and is required to fund the investment plan previously approved by the Board. This amounted to a £0.104m increase in the fund during the year.
- SLLC have provided a letter of comfort to the Auditor to enable SLLC to meet the going concern assumption.

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

5. Employee Implications

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

6. Financial Implications

6.1. As outlined in this report.

7. Other Implications

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

8. Equality Impact Assessment and Consultation Arrangements

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

Ross McKie
Head of Corporate Services

13 November 2025

Link to SLLC Objectives

- Improved value for money organisation

Previous References
- None

List of Background Papers
- None

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

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

Healthier, happier, more connected lives.

South Lanarkshire
Leisure and Culture

Annual Accounts 2024-2025

SOUTH LANARKSHIRE
Leisure & Culture

Annual Accounts 2024-2025

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Trustees' report for the period ended 31 March 2025

Registered number SC032549

The trustees present their annual report and audited financial statements for the period ended 31 March 2025.

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 Osborne (Chair)

Councillor Maureen Devlin (Vice Chair)

Councillor John Anderson (resigned 13 September 2024)

Dr Angela Beggan

Neil Brown

Councillor Andrea Cowan (resigned 13 September 2024)

Robert Craig (resigned 29 May 2024)

Craig Cunningham

Chris Goudie

Dr Gordon Jack (appointed 2 October 2024)

Councillor Ross Lambie (resigned 24 September 2024)

Lisa Maule

Alan Morrison

Councillor Mo Razzaq

Stephen Smellie

Management arrangements

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

Risk management

The SCIO is committed to providing a high quality service in an environment which is safe for customers and staff and is underpinned by the public service values of accountability, probity and openness. Robust risk management and internal control are an essential part of good governance and are integral to the delivery of this commitment.
The fundamental aim of the SCIO's risk management approach is to ensure that all key risks which could introduce uncertainty to the achievement of its strategic objectives are identified, analysed, evaluated, managed and monitored. We manage risk intelligently, instilling risk awareness across the SCIO.

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

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

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

Key risks include the following:

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

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

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

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

Disclosure of information to auditor

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

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

Auditor

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

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

On behalf of the board

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

Date: XX November 2025

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 t**he 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 2025

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 2025 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 2025 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. This description forms part of our Auditor's Report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud. We obtain and update our understanding of the group and the parent charity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the group and the parent charity are complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud.

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

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

Signed:

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

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Azets Audit Services
Chartered Accountants
Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Date:

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

For the period 1 April 2024 to 31 March 2025

Registered Charity Number: SCO32549

	Note	Unrestricted General Funds	Unrestricted Pension Funds	Unrestricted Designated Funds	Total Unrestricted Funds	Restricted Funds	2025 Total Funds	Restated 2024 Total Funds
		£000	£000	£000	£000	£000	£000	£000
Income from:								
Charitable activities	3	34,870	-	-	34,870	1,390	**36,260**	41,537
Trading activities	4	1,227			1,227		**1,227**	1,197
Investments	5	311	-	-	311	-	**311**	331
Total Income		36,408	-	-	36,408	1,390	**37,798**	43,065
Expenditure on:								
Raising funds	4	616	-	-	616	-	**616**	719
Charitable activities	6	33,973	2,371	-	36,344	1,502	**37,846**	42,626
Net interest cost of pension scheme		-	131	-	131	-	**131**	(104)
Total expenditure		34,589	2,502	-	37,091	1,502	**38,593**	43,241
Net (expenditure)/income		1,819	(2,502)	-	(683)	(112)	**(795)**	(176)
Transfers between funds:								
Repairs and renewals designated fund movement		(104)	-	104	-	-	-	-
		(104)	-	104	-	-	**-**	**-**
Other recognised gains/(losses):								
actuarial gains/(losses) on defined benefit pension scheme		-	2,675	-	2,675	-	**2,675**	(2,083)
Net movement in funds		**1,715**	173	104	1,992	(112)	**1,880**	(2,259)
Reconciliation of funds:								
Total funds brought forward restated		524	(1,480)	333	(623)	882	**259**	2,518
TOTAL FUNDS CARRIED FORWARD		2,239	(1,307)	437	1,369	770	**2,139**	259

All income and expenditure derive from continuing activities.

Parent charity statement of financial activities

For the period 3 April 2024 to 31 March 2025

Registered Charity Number: SCO32549

	Note	Unrestricted General Funds	Unrestricted Pension Funds	Unrestricted Designated Funds	Total Unrestricted Funds	Restricted Funds	2025 Total Funds	Restated 2024 Total Funds
		£000	£000	£000	£000	£000	£000	£000
Income from:								
Charitable activities	3	35,454	-	-	35,454	1,390	**36,844**	41,985
Investments	5	341	-	-	341	-	**341**	353
Total Income		35,795	-	-	35,795	1,390	**37,185**	42,338
Expenditure on:								
Charitable activities		33,973	2,371	-	36,344	1,502	**37,846**	42,626
Net interest cost of pension scheme		-	131	-	131	-	**131**	(104)
Total expenditure		33,973	2,502	-	36,475	1,502	**37,977**	42,522
Net (expenditure)/income		1,822	(2,502)	-	(680)	(112)	**(792)**	(184)
Transfers between funds:								
Repairs and renewals designated fund movement		(104)		104	-	-	-	-
		(104)	-	104	-	-	**-**	**-**
Other recognised gains/(losses):								
actuarial gains/(losses) on defined benefit pension scheme		-	2,675	-	2,675	-	**2,675**	(2,083)
Net movement in funds		1,718	173	104	1,995	(112)	**1,883**	(2,267)
Reconciliation of funds:								
Total funds brought forward restated		476	(1,480)	333	(671)	882	**211**	2,478
TOTAL FUNDS CARRIED FORWARD		2,194	(1,307)	437	1,324	770	**2,094**	211

All income and expenditure derive from continuing activities.

Consolidated balance sheet

at 31 March 2025

Registered Charity Number: SCO32549

	Note	2025 £000	2025 £000	2024 £000	Restated 2024 £000
Fixed assets					
Tangible assets	*10*		**213**		258
Tangible fixed assets			**213**		258
Current assets					
Stocks		**189**		152	
Debtors	*12*	**1,976**		1,824	
Cash at bank and in hand	*13*	**6,128**		5,307	
Total current assets		**8,293**		7,283	
Liabilities					
Creditors: amounts falling due within one year	*14*	**(4,393)**		(5,153)	
Net current assets			**3,900**		2,130
Total assets less current liabilities			**4,113**		2,388
Creditors: amounts falling due after more than one year	*16*		**(667)**		(649)
Net assets excluding Pension Fund			**3,446**		1,739
Pension Fund liability	21		**(1307)**		(1,480)
Net assets			**2,139**		259
The funds of the charity					
Designated funds	*17(b)*		**437**		333
General fund excluding Pension reserve			**2,239**		524
Pension reserve	21		**(1,307)**		(1,480)
Total Unrestricted Surplus			**1,369**		(623)
Restricted funds	*17(a)*		**770**		882
Total Surplus			**2,139**		259

The financial statements were approved and authorised for issue by the Board of Directors on XX November 2025 and have been signed on its behalf by:

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

Company balance sheet

at 31 March 2025

Registered Charity Number: SCO32549

	Note	2025 £000	2025 £000	2024 £000	Restated 2024 £000
Fixed assets					
Tangible assets	*10*		**213**		258
Investments	*11*		**-**		-
Total fixed assets			**213**		258
Current assets					
Stocks		**73**		51	
Debtors	*12*	**2,559**		2,268	
Cash at bank and in hand	*13*	**5,499**		4,815	
Total current assets		**8,131**		7,134	
Liabilities					
Creditors: amounts falling due within one year	*14*	**(4,276)**		(5,052)	
Net current assets			**3,855**		2,082
Total assets less current liabilities			**4,068**		2,340
Creditors: amounts falling due after more than one year	*16*		**(667)**		(649)
Net assets excluding Pension Fund			**3,401**		1,691
Pension Fund liability	21		**(1,307)**		(1,480)
Net assets			**2,094**		211
The funds of the charity					
Designated funds	*17(b)*		**437**		333
General fund excluding Pension reserve			**2,194**		476
Pension reserve	21		**(1,307)**		(1,480)
Total Unrestricted Surplus			**1,324**		(671)
Restricted funds	*17(a)*		**770**		882
Total Surplus			**2,094**		211

The financial statements were approved and authorised for issue by the Board of Directors on XX November 2025 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 2025

	Note	2025 £000	2024 £000
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	*19*	**545**	(1,984)
Cash flows from investing activities			
Payments to acquire tangible fixed assets		**(35)**	(258)
Interest received		**311**	356
Net cash provided by investing activities		**276**	98
Increase/(Decrease) in cash and cash equivalents		**821**	(1,886)
Cash and cash equivalents at beginning of reporting period		**5,307**	7,193
Cash and cash equivalents at the end of the reporting period		**6,128**	5,307

Parent charity statement of cash flows
For the period ended 31 March 2025

	Note	2025 £000	2024 £000
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	*19*	**408**	(1,929)
Cash flows from investing activities			
Payments to acquire tangible fixed assets		**(35)**	(258)
Interest received		**311**	353
Net cash provided by investing activities		**276**	95
Increase/(Decrease) in cash and cash equivalents		**684**	(1,834)
Cash and cash equivalents at beginning of reporting period		**4,815**	6,649
Cash and cash equivalents at the end of the reporting period		**5,499**	4,815

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 SCO32549 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. Monertary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared for the year to 31 March 2025 but the comparatives are for the year to 31 March 2024 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 1 April 2024 to 31 March 2025 and its subsidiary undertaking SLL Trading Limited for the year to 31 March 2025.

Financial statements of both the parent and SLL Trading are made up to 31 March 2025.

All intra-group transactions, balances, and unrealised gains on transactions between group companies are eliminated on consolidation.

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 2025/26, 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.

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

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.

3 Income from charitable activities

	Group 2025 Total £000	Group 2024 Total £000	**Charity 2025 Total £000**	Charity 2024 Total £000
Unrestricted funds				
sport and physical activities	**10,748**	10,316	**10,748**	10,316
outdoor recreation	**3,399**	3,077	**3,399**	3,077
cultural venues	**4,179**	3,495	**4,179**	3,495
libraries and museum	**436**	91	**436**	91
support	**14**	30	**598**	478
income from South Lanarkshire Council	**16,094**	22,850	**16,094**	22,850
Total income from charitable activities	**34,870**	39,859	**35,454**	40,307
Restricted funds				
sport and physical activities	**1,268**	1,600	**1,268**	1,600
outdoor recreation	**-**	-	**-**	-
cultural venues	**70**	23	**70**	23
libraries and museum	**44**	30	**44**	30
support	**8**	25	**8**	25
Total restricted funds income	**1,390**	1,678	**1,390**	1,678

4 Income from trading activities

The Charity 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 Charity under the gift aid scheme. A summary of the trading results is shown below.

Trading subsidiary's results	**2025 SLL Trading Limited £000**	2024 SLL Trading Limited £000
Turnover	**1,227**	1,197
Cost of sales	**(1,101)**	(1,094)
Gross profit	**126**	103
Admin expenses	**(99)**	(73)
Profits before and after taxation	**27**	30
Distribution: payment under gift aid	**(30)**	(22)
Funds brought forward	**48**	40
Results carried forward	**45**	48

5 Investment income

	Group 2025 £000	Group 2024 £000	**Charity 2025 £000**	Charity 2024 £000
Bank interest	**311**	331	**311**	331
Distribution: payment under gift aid	**-**	-	**30**	22
	311	331	**341**	353

6 Resources expended

Group and charity	Activities Undertaken Directly £000	Support Costs £000	2025 Total £000	2024 Total £000
Unrestricted funds				
sport and physical activities	**15,346**	-	**15,346**	18,556
outdoor recreation	**3,400**	-	**3,400**	4,380
cultural venues	**7,725**	-	**7,725**	9,269
libraries and museum	**3,652**	-	**3,652**	4,394
support	-	**3,850**	**3,850**	4,253
Provision of leisure and cultural activities	**30,123**	**3,850**	**33,973**	40,852
Restricted funds				
sport and physical activities	**1,415**	**-**	**1,415**	1,543
outdoor recreation	**-**	**-**	**-**	-
cultural venues	**30**	**-**	**30**	55
libraries and museum	**49**	**-**	**49**	50
support	**8**	**-**	**8**	25
Provision of leisure and cultural activities	**1,502**	**-**	**1,502**	1,673

7 Analysis of governance and support costs

	General Support £000	Governance £000	2025 £000	2024 £000
Management overhead	**1,596**	**-**	**1,596**	2,048
Finance	**300**	**-**	**300**	269
Administration	**147**	**-**	**147**	163
Business development, IT and marketing	**1,192**	**-**	**1,192**	1,100
Personnel	**463**	**-**	**463**	527
Governance element of support	**-**	**67**	**67**	61
Internal audit	**-**	**37**	**37**	37
External audit	**-**	**40**	**40**	40
Taxation advice	**-**	**8**	**8**	8
	3,698	**152**	**3,850**	4,253

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 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
The net (outgoing)/incoming resources are stated after charging:				
Interest payable		-		-
Depreciation of tangible fixed assets (note 10)	**80**	83	**80**	83
Rental charges under operating leases	**-**	184	**-**	184
Irrecoverable VAT	**562**	786	**562**	786
Tax services provided	**8**	**6**	**6**	**4**
Auditor remuneration				
Audit of these financial statements	**40**	35	**35**	32
	690	1,094	**683**	1,089

9 Staff numbers and costs

	2025	2024
	£000	£000
The remuneration and associated costs of the Group and Charity were:		
Wages and salaries	**22,734**	21,875
Social security costs	**1,717**	1,618
Pension costs	**1,358**	3,639
Other employee costs	**97**	103
	25,906	27,235

No members of staff were made redundant during the year (2024:nil) therefore no lump sum payments were made.

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

	2025	2024
	£000	£000
£110,000 - £119,999	**1**	1
£70,000 - £79,999	**1**	-
£60,000 - £69,999	**3**	1

These employees are members of the pension scheme.

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

The senior management team comprises five staff members; the Chief Executive, and four Heads of Service and with a total remuneration and benefits cost of £454,287 (2023/24 - £463,837).

The average employee head count of the Charity during the period was:	2025	2024
	number	number
Total	**1,329**	1,372

10 Tangible fixed assets Group & Charity

	Office Equipment Computers £000	Furniture & Fittings £000	Motor Vehicles £000	Sports Equipment £000	Total £000
Cost					
At 1 April 2024	165	208	5	1,044	**1,422**
Additions	1	18	-	16	**35**
Disposals	(70)	(21)	(2)	(98)	**(191)**
At end of period	96	205	3	962	**1,266**
Depreciation					
At 1 April 2024	154	183	5	822	**1,164**
Provided for period	5	11	-	64	**80**
On disposals	(70)	(21)	(2)	(98)	**(191)**
At end of period	89	173	3	788	**1,053**
Net book value					
At 31 March 2025	**7**	**32**	**-**	**174**	**213**
At 31 March 2024	11	25	-	222	258

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 - Charity

	2025 £	2024 £
Investment in subsidiary undertaking	**1**	1

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

12 Debtors

	Group 2025 £000	Group 2024 £000	**Charity 2025 £000**	Charity 2024 £000
Trade debtors	**494**	638	**493**	634
Amounts due from subsidiary undertaking	**-**	-	**584**	448
Due from South Lanarkshire Council	**1,099**	287	**1,099**	287
Prepayments and accrued income	**169**	496	**169**	496
Other debtors	**214**	403	**214**	403
	1,976	1,824	**2,559**	2,268

13 Cash and cash equivalents

	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Cash at hand and in bank (no notice required to access deposit account)	**6,128**	5,307	**5,499**	4,815
	6,128	5,307	**5,499**	4,815

14 Creditors: amounts falling due within one year

	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Trade creditors	**217**	-	**211**	-
Bank overdrafts	**-**	492	**-**	492
Due to South Lanarkshire Council	**712**	1,126	**712**	1,126
Social security costs and other taxes	**412**	372	**340**	336
Deferred income	**870**	960	**856**	933
Other creditors and accruals	**2,182**	2,203	**2,157**	2,165
	4,393	5,153	**4,276**	5,052

15 Deferred income

Deferred income comprises advance purchases of golf season tickets and activage memberships which will be used during 2025/26. It also includes advance ticket sales for a variety of performances and deposits for functions that will not take place until after 31 March 2025.

	Group 2025 £000	Charity 2025 £000
Balance as at 1 April 2024	**960**	**933**
Amounts released to income during 2024/25	**(960)**	**(933)**
Amount deferred in period	**870**	**856**
Balance as at 31 March 2025	**870**	**856**

16 Creditors: amounts falling due after more than one year

	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Amount due to South Lanarkshire Council	**667**	649	**667**	649

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

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
Sport & Physical Activity Funds					
Combined Health Intervention	479	134	299	-	314
Other	316	1,134	1,116	-	334
Sport and Physical Activity Funds - 2024/25	795	1,268	1,415	-	**648**
Combined Health Intervention	437	374	332	-	**479**
Other	301	1,226	1,211	-	**316**
Sport and Physical Activity Funds - 2023/24	738	1,600	1,543	-	**795**
Culture Funds					
Culture Funds - 2024/25	35	70	30	-	**75**
Culture Funds - 2023/24	67	23	55	-	**35**
Libraries and Museum - Funds					
Libraries and Museum Funds - 2024/25	42	43	49	-	**36**
Libraries and Museum Funds - 2023/24	62	30	50	-	**42**
Support Funds					
Support Funds - 2024/25	10	9	8	-	**11**
Support Funds - 2023/24	10	25	25	-	**10**
Total - 2024/25	882	1,390	1,502	-	**770**
Total - 2023/24	877	1,678	1,673	-	**882**

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.

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 partnerhsip programmes delivered by SLLC.

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

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

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

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

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

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

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

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

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

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

Culture Funds

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

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

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.

17(a) Restricted funds – Group & Company (cont)

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.

Clyde Gateway Development Fund - The Creative Communities in partnership with Clyde Gateway , SLLC Arts Development will combine existing successful partnerships with new community engagement work to support a community-led model of engagment which will continue leave a legacy of skilled and engaged local cultural residents and artists . The local residents will directly benefit from art and cultural provision within the Clyde Gateway area. This will result in people being better connected, increasing opportunities to participate and enjoy cultural activities.

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 thje upgrade of the current wifi provision in Fairhill Lifestyles and install wifi at Fernhill Community Facility.

MacMillan - funded by the MacMillian 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.

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

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

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

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

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

Support Funds

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

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

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

17(b) Designated Funds - Group and Company

	Balance at 1 April 2024 £000	Income £000	Expenditure £000	Transfers £000	Balance at 31 March 2025 £000
Repairs and Renewals Fund	333	**150**	**(46)**	-	**437**
	333	**150**	**(46)**	-	**437**

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 facilties.

18 Analysis of net assets between funds

Group	**Unrestricted funds £000**	**Designated funds £000**	**Restricted funds £000**	**Total £000**
Fund balances at 31 March 2025 are represented by:				
Tangible fixed assets	213	-	-	**213**
Current assets	7,086	437	770	**8,293**
Current liabilities	(4,393)	-	-	**(4,393)**
Long term liabilities	(667)	-	-	**(667)**
Pension scheme asset	(1,307)	-	-	**(1,307)**
Total net assets/(liabilities)	923	437	779	**2,139**

Company	**Unrestricted funds £000**	**Designated funds £000**	**Restricted funds £000**	**Total £000**
Fund balances at 31 March 2025 are represented by:				
Tangible fixed assets	213	-	-	**213**
Current assets	6,924	437	770	**8,131**
Current liabilities	(4,276)	-	-	**(4,276)**
Long term liabilities	(667)	-	-	**(667)**
Pension scheme asset	(1,307)	-	**-**	**(1,307)**
Total net assets/(liabilities)	878	437	779	**2,094**

19 Notes to the cash flow statement

Consolidated

	2025 £000	2024 £000
Reconciliation of expenditure to net cash flow from operating activities		
Expenditure for the reporting period	**(795)**	(176)
Interest receivable	**(311)**	(356)
Depreciation	**80**	83
Decrease/(increase) in stock	**(37)**	(6)
(Increase) in debtors	**(152)**	226
Increase in creditors	**(742)**	(1,752)
Pension reserve funding deficit	**2,502**	(3)
Net (used in)/provided by operating activities	**545**	(1,984)

Parent Company

	2025 £000	2024 £000
Reconciliation of expenditure to net cash flow from operating activities		
Expenditure for the reporting period	**(792)**	(184)
Interest receivable	**(311)**	(353)
Depreciation	**80**	83
Decrease/(increase) in stock	**(22)**	5
(Increase)/decrease in debtors	**(291)**	298
Increase in creditors	**(757)**	(1,775)
Pension reserve funding deficit	**2,502**	(3)
Net (used in)/provided by operating activities	**409**	(1,929)

20 Commitments

	Land and buildings £000	Other £000	2025 Total £000	Land and buildings £000	Other £000	2024 Total £000
(a) Future minimum lease payments under non cancellable operating leases are:						
Operating leases which expire:						
In the first year	**-**	**62**	**62**	-	133	133
In the second to fifth years inclusive	**-**	**6**	**6**	-	41	41
Total	**-**	**68**	**68**	**-**	174	174

(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 Charity 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 2025 amounted to £1,262,000 (31 March 2024: £3,654,000).

Employee benefit obligations

The amounts recognised in the balance sheet are as follows:

	2025	2024
	£000	£000
Present value of funded obligations	**(102,514)**	(115,530)
Present value of unfunded obligations	**(1,307)**	(1,480)
Fair value of plan assets	**200,257**	193,969
Asset ceiling	**(97,743)**	(78,439)
Net (liability)/asset	**(1,307)**	(1,480)

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

	2025	2024
	£000	£000
Current service cost	**3,727**	3,843
Contributions paid	**(1,356)**	(3,742)
Past service cost	**-**	-
Interest cost on defined benefit obligation	**5,714**	5,262
Interest income on plan assets	**(9,387)**	(8,348)
Interest on the effect of the asset ceiling	**3,804**	2,982
	2,502	(3)

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:

		Restated
	2025	2024
	£000	£000
Opening defined benefit obligation	**117,010**	110,033
Current service cost	**3,727**	3,843
Past service cost	-	-
Interest cost	**5,714**	5,262
Contributions by members	**1,112**	1,085
Actuarial (gains)/losses	**(20,701)**	687
Benefits paid	**(2,947)**	(3,812)
Unfunded benefits paid	**(94)**	(88)
Closing defined benefit obligation	**103,821**	117,010

21 Pension Scheme (contd)

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

	2025	2024
	£000	£000
Opening fair value of plan assets	**193,969**	174,914
Interest income on plan assets	**9,387**	8,348
Actuarial gains	**(2,526)**	9,780
Contributions by employer	**1,262**	3,654
Contributions by members	**1,112**	1,085
Contribution in respect of unfunded benefits	**94**	88
Benefits paid	**(2,947)**	(3,812)
Unfunded benefits paid	**(94)**	(88)
Closing fair value of plan assets	**200,257**	193,969

The group expects to contribute £1,249,000 to its defined benefit plan in 2025/26.

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

	2025	**2025**	2024	2024
		£000		£000
Equities	**60%**	**120,154**	58%	112,502
Bonds	**23%**	**46,059**	27%	52,372
Property	**9%**	**18,023**	10%	19,397
Cash	**8%**	**16,021**	5%	9,698
TOTAL		**200,257**		193,969

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

	2025	2024
	%	%
Pension increase rate	**2.75%**	2.75%
Salary increase rate	**3.45%**	3.45%
Discount rate	**5.80%**	4.85%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15.5% weighting of 2023 (and 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	19.7 years	22.9 years
Future pensioners	20.0 years	24.1 years

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme obligations are set out below: Change in assumptions at 31 March 2025: Approximate % increase to Defined Benefit Obligation Approximate monetary amount (£000) 0.1% decrease in Real Discount Rate 2% 1,997 1 year increase in member life expectancy 4% 4,153 0.1% increase in the Salary Increase Rate 0% 173 0.1% increase in the Pension Increase/Revaluation Rate (CPI) 2% 1,878 The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

22 Related party transactions

South Lanarkshire Council ('the Council') made a contribution of £16,094,071 (2024: £22,850,000) to the Charity in the period to 31/3/25 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 £830,105 (2024: £825,652). The Charity also paid the Council £107,200 (2024: £107,200) for the rent of its headquarters.

At 31 March 2025 the Charity owed South Lanarkshire Council £711,606 (2024: £1,126,314) and South Lanarkshire Council owed the Charity £1,099,138 (2024: £387,097). In addition, the Charity owed South Lanarkshire Council £677,128 (2024: £648,957) falling due after more than one year - see note 16.

The Company charged a rent of nil to its wholly owned subsidiary SLL Trading Ltd during the period. The Company did however recharge its trading subsidiary £458,605 (2024: £375,298) to cover the salaries of employees who undertook work on behalf of the trading company. In additon, an administrative charge of £99,481 (2024: 72,256) was charged to cover various overheads.

At 31 March 2025 the Company was owed a net £584,181 (2024: £447,554) by the trading company, which includes £26,140 relating to the Quarter 3 Vat payment.

There were no trustees of the Charity who were senior officials of South Lanarkshire Council during the period ended 31 March 2025.

South Lanarkshire Leisure and Culture

Scottish Charitable Incorporated Organisation (SCIO) Information

Trustees	Dr A Osborne (Chair) Councillor M Devlin (Vice Chair) Councillor J Anderson (resigned 13 September 2024) Dr A Beggan N Brown Councillor A Cowan (resigned 13 September 2024) R Craig (resigned 29 May 2024) C Cunningham C Goudie Dr G Jack (appointed 2 October 2024) Councillor R Lambie (resigned 24 September 2024) L Maule A Morrison Councillor M Razzaq S Smellie
Leadership Team	N Lansdell (Chief Executive) N Lansdell (Company Secretary) Vacant (Head of Strategy and Governance) M Cryans (Head of Business Development) D Carter (Head of Operations and Estates) R McKie (Head of Corporate Services)
Registered Office	Floor 5, Council Offices, Almada Street, Hamilton, ML3 0EW
Website	https://www.slleisureandculture.co.uk/
Email Address	customer.services@southlanarkshireleisure.co.uk
Telephone	01698 476262
Auditors	Azets Audit Services Chartered Accountants Quay 2 139 Fountainbridge Edinburgh EH3 9QG
Solicitors	Shepherd and Wetherburn 1 West Regent Street Glasgow G2 1RW
Bankers	Royal Bank of Scotland (RBS) plc Palace Towers Palace Grounds Road Hamilton ML3 6AD
Charity Number	SC032549

Annual accounts for the period ended 31 March 2025.

Further copies of this report are available in PDF format on our website or by emailing:
customer.services@southlanarkshireleisure.co.uk

or alternatively, by contacting us at:
South Lanarkshire Leisure and Culture SCIO
Floor 5, Council Offices, Almada Street, Hamilton ML3 0EW

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

Telephone: 01698 476262
Text phone: 18001 01698 476262
or e-mail: customer.services@southlanarkshireleisure.co.uk

OSCR Scottish Charity Regulator www.oscr.org.uk Registered Charity SC032549

SOUTH LANARKSHIRE
Leisure & Culture

www.slleisureandculture.co.uk

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

SLLC: 4370B

Annual Accounts 2024-2025

Azets Audit Services Limited

Titanium 1

King's Inch Place

Renfrew

PA4 8WF

SOUTH LANARKSHIRE
Leisure & Culture

Re: South Lanarkshire Leisure & Culture SCIO

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charity's financial statements for the year ended 31 March 2025. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

GENERAL

1. We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 09 June 2025, under the Charities and Trustee Investment (Scotland) Act 2005 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the charity have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charity, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Office of the Scottish Charity Regulator.

ADJUSTMENTS & DISCLOSURES

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

INTERNAL CONTROL AND FRAUD

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

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

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

www.slleisureandculture.co.uk

disability confident EMPLOYER

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

10. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we deem necessary to address the likely effects of the COVID-19 pandemic on our system of internal controls.

ASSETS AND LIABILITIES

11. The charity has satisfactory title to all assets and there are no liens or encumbrances on the charity's assets except for those that are disclosed in the notes to the financial statements.
12. There were no changes in fixed assets during the year ended 31 March 2025 other than those disclosed in the accounts.
13. We have reviewed the residual values attached to fixed assets and confirm they are still appropriate and reasonable reflections of these assets condition and usage.
14. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
15. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
16. We confirm that all bank accounts have been disclosed to you and are included within the financial statements.
17. We confirm that the charity has not contracted for any capital expenditure other than as disclosed in the financial statements.

ACCOUNTING ESTIMATES

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

LOANS AND ARRANGEMENTS

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

LEGAL CLAIMS

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

LAWS AND REGULATIONS

21. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements and disclosures, including non-compliance matters:

    a. Involving financial impropriety;

    b. Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the charity's financial statements;

    c. Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the charity's business, its ability to continue in business, or to avoid material penalties; and

    d. Involving management, or employees who have significant roles in internal control, or others.

22. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, other than those already disclosed.

RELATED PARTIES

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

SUBSEQUENT EVENTS

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

GOING CONCERN

25. We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that existing cash reserves or current and future sources of funding or support from South Lanarkshire Council will be more than adequate for the charity's needs.

26. We also confirm our plans for future action required to enable the charity to continue as a going concern are feasible.

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

GRANTS AND DONATIONS

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

DISCLOSURE OF INFORMATION TO THE AUDITOR

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

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

Yours faithfully

.....

Signed on behalf of the board of trustees by:

Dr Avril Osborne

Trustee

Date:

Appendix 1 – Uncorrected misstatements

SCHEDULE OF UNCORRECTED MISTATEMENTS-SLLC

Journals			Balance Sheet		Income Statement	
			Increase	Decrease	Decrease	Increase
1	Dr	Trade debtors	47,499			
	Dr	Amounts due by South Lanarkshire Council	19,563			
	Cr	Amounts owed to South Lanarkshire Council		19,563		
	Cr	Trade creditors		47,499		
H.501	Being:	Reclassification of credit balances within trade debtors				
2	Dr	Deferred income	8,184			
	Cr	Sales				8,184
J.204	Being:	extrapolated error identified on testing of deferred income				
		Total	75,246	67,062	-	8,184
		Net effect		8,184	-	8,184

SOUTH LANARKSHIRE
Leisure & Culture

Agenda Item
9d

Report

Report to:	**Board of Trustees**
Date of Meeting:	**13 November 2025**
Report by:	**Ross McKie, Head of Corporate Services**

Subject:	**Annual Accounts 2024/25 – SLL Trading Ltd.**

1. Purpose of Report

1.1. The purpose of the report is to:

- Ask the Board to approve the 2024/25 Annual Accounts for SLL Trading Ltd.

2. Recommendation(s)

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

(1) That the 2024/25 Annual Accounts for SLL Trading Ltd are approved, signed by the Chair on behalf of the Board and thereafter submitted to Companies House as the relevant regulatory authority;
(2) That the Audit Management Report prepared by Azets Audit Services is noted, and
(3) That the Management Letter requested by Azets Audit Services are approved.

3. Background

3.1. SLL Trading Ltd is required to prepare annual financial statements which are in accordance with the Companies Act 2006.

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

4. Annual Accounts

4.1. The Accounts of SLL Trading Ltd for financial year 2024/25 include the following principal sections:

- The Directors' Report providing information on the structure of the company, its principal activities and a review of business for the year.
- The 'Statement of Responsibilities of the Directors' outlining the Board's legal responsibilities as Directors as far as concerns the preparation of the financial statements.
- The Independent Auditor's Report containing the audit opinion prepared by Azets Audit Services. For 2024/25, the auditors are proposing to issue a clean audit certificate upon approval of the Accounts by the Board.
- The Financial Statements comprising the Profit and Loss Account, the Balance Sheet and Notes to the Accounts.

4.2. The overall financial position of SLL Trading Ltd as at 31 March 2025 is contained within the financial statements as referenced in section 4.1 above. The key points to note are as follows:

- The company made a profit of £0.027m in the financial year ended 31 March 2025 and this will be donated to the parent company by utilising the gift aid scheme.
- Retained reserves increased to £0.045m, £0.018m of which is available for future use by the company after the intended gift aid donation outlined above.

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

5. Employee Implications

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

6. Financial Implications

6.1. As outlined in this report

7. Other Implications

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

8. Equality Impact Assessment and Consultation Arrangements

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

Ross McKie
Head of Corporate Services

13 November 2025

Link to SLLC Objectives

- Improved value for money organisation

Previous References

- None

List of Background Papers

- None

Contact for Further Information

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

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

SLL Trading Limited

Directors' report and financial statements

31 March 2025

Registered number SC 225901

Contents

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Company Information

Company number
SC225901

Company Secretary
Nick Lansdell

Directors
Dr Avril Osborne (Chair)
Councillor Maureen Devlin (Vice Chair)
Dr Gordon Jack
Dr Angela Beggan
Neil Brown
Richard Nelson
Craig Cunningham
Chris Goudie
Alan Morrison
Lisa Maule
Councillor Mo Razzaq
Stephen Smellie

Registered Address
Council Offices
Almada Street
Hamilton
ML3 0EW

Auditors
Azets Audit Services
Chartered Accountants
Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 March 2025.

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

Business Review
The Company achieved a £27,000 profit for the year (2024: £30,000). The prior year profit of £30,000 was donated to the parent company, South Lanarkshire Leisure and Culture Limited, through the gift aid scheme.

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

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

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

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

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

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

On behalf of the board

Dr Avril Osborne
Chair, SLL Trading Limited
XX XXXXX 2025

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

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

Company law requires directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period.

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

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

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

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

Opinion

We have audited the financial statements of SLL Trading Limited (the 'company') for the year ended 31 March 2025, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

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

We have nothing to report in this regard.

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

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken during the course of the audit:

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements to the Directors' Report.

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

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

Responsibilities of the directors
As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is available on the FRC’s website at: www.frc.org.uk/auditorresponsibilities The description forms part of our Auditor's Report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

Sally Cheeney (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Statutory Auditor
Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Date: XX XXXX 2025

Statement of comprehensive income

for the year ended 31 March 2025

	Notes	**2025**	2024
		£000	£000
Turnover	*5*	**1,227**	1,197
Cost of sales		**(1,101)**	(1,094)
Gross profit		**126**	103
Administration expenses		**(99)**	(73)
Profit before taxation	*6*	**27**	30
Tax on profit on ordinary activities	*8*	**-**	-
Result for financial year		**27**	30
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**27**	30

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

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

Balance sheet
at 31 March 2025

	Notes	**2025**	2024
		£000	£000
Current assets			
Stocks	*9*	**116**	101
Debtors	*10*	**1**	4
Cash at bank and in hand		**629**	492
		746	597
Creditors: amounts falling due within one year	*11*	**(701)**	(549)
Net current assets		**45**	48
Net assets		**45**	48
Capital and reserves			
Share capital	*12*	**-**	-
Reserves	*13*	**45**	48
		45	48

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

The financial statements were approved and authorised for issue by the Board of Directors on XX XXX 2025 and signed on its behalf by:

Dr Avril Osborne
Chair
Company Registration number: SC225901
XX XXX 2025

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

Statement of changes in equity

for the year ended 31 March 2025

	Share capital £000	Retained earnings £000	Total equity £000
As 1 April 2024	-	48	48
Comprehensive income for the year			
Profit for the year	-	27	27
Total comprehensive income for the year	-	75	75
Distribution of shares: payment under gift aid	-	(30)	(30)
At 31 March 2025	-	45	45

Statement of changes in equity

for the year ended 31 March 2024

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

Notes

(*forming part of the financial statements*)

1. General Information

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

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

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

These financial statements are presented in Pound Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 March 2025.

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

2. Statement of compliance

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

3. Accounting Policies

Basis of preparation of financial statements

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

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

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

Going concern

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

Revenue

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

Notes

(*forming part of the financial statements*)

Rendering of services

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

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

Stocks

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

Debtors

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

Creditors

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

Financial instruments

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

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

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

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

Notes

(*forming part of the financial statements*)

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

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

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

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

Cash and cash equivalents

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

Leases

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

Cash Flow Statement

The Company has not presented a cash flow statement. It has taken advantage of the exemption contained in FRS 102 as the Parent Charity, South Lanarkshire Leisure and Culture (SCIO), has included a consolidated cash flow statement within its group financial statements for the period ended 31 March 2025 (note 14).

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

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

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

5. Analysis of turnover

An analysis of turnover by class of business is as follows:	**2025**	2024
	£000	£000
Provision of vending, catering and retail services	**1,227**	1,197

6. Profit on ordinary activities before taxation

	2025	2024
	£000	£000
Profit on ordinary activities before taxation is stated after charging:		
Auditor's remuneration: audit of these financial statements	**5**	3
Rental charges under operating leases	**0**	0

Notes

(*forming part of the financial statements*)

7. Staff numbers and costs

The company had no employees during the year.

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

8. Taxation

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

9. Stocks

	2025	2024
	£000	£000
Catering/café stock	**61**	53
Gift shop stock	**49**	45
Vending stock	**6**	3
	116	101

10. Debtors

	2025	2024
	£000	£000
Trade debtors	**1**	4
	1	4

11. Creditors: amounts falling due within one year

	2025	2024
	£000	£000
Trade creditors	**6**	0
Amounts due to parent undertaking	**584**	448
Other creditors including taxation	**39**	36
Accruals and deferred income	**72**	65
	701	549

12. Share capital

	2025	2024
	£	£
Authorised:		
Ordinary shares of £1 each	**100**	100
Allotted, called up and fully paid:		
Ordinary shares £1 each	**1**	1

Each share is entitled to one vote in any circumstance.

Notes

(*forming part of the financial statements*)

13. Reserves

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

14. Parent company

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

15. Related party transactions

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

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

SOUTH LANARKSHIRE
Leisure & Culture

Re: SLL Trading Limited

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the company's financial statements for the year ended 31 March 2025. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

GENERAL

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

ADJUSTMENTS & DISCLOSURES

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

INTERNAL CONTROL AND FRAUD

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

ASSETS AND LIABILITIES

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

ACCOUNTING ESTIMATES

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

LOANS AND ARRANGEMENTS

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

LEGAL CLAIMS

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

LAWS AND REGULATIONS

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

RELATED PARTIES

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

SUBSEQUENT EVENTS

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

GOING CONCERN

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

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

DISCLOSURE OF INFORMATION TO THE AUDITOR

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

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

Yours faithfully

.....

Signed on behalf of the Board of Directors by:

Dr Avril Osbourne

Chair

Date: 13 November 2025

Appendix 1 – Uncorrected misstatements

SCHEDULE OF UNCORRECTED MISTATEMENTS

Journals				Balance Sheet		Income Statement	
				Increase	Decrease	Decrease	Increase
	1	Dr	Stock	2,890			
		Cr	Cost of sales				2,890
[Stock Take Attendance]		Being:	Increase in stock as per stock count				
	2	Dr	Cost of Sales			17,172	
		Cr	Stock Provision		17,172		
[Stock NRV Testing]		Being:	estimated stock provision per NRV testing				
			Total	2,890	17,172	17,172	2,890
			Net effect	-	14,282		14,282