

**Culture and Leisure NL Ltd (formerly Culture NL Limited)**  
**(Company Limited by Guarantee)**

**Annual Report**  
**and Financial Statements**

**for the year ended 31 March 2022**

Registered Number SC435540

Charity Number SC043891

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## Annual Report and Financial Statements for the year ended 31 March 2022

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# **Culture and Leisure NL Ltd (formerly Culture NL Limited)**

**Annual Report and Financial Statements  
for the year ended 31 March 2022**

## **Welcome from the Chair of Culture and Leisure NL Limited**

I'm delighted to present the 2021/22 Report and Financial Statements for Culture and Leisure NL Limited. This final Annual Report covers the period from 1 April 2021 to 31 March 2022.

On 1 April 2021 the assets, liabilities and staff of CLNL with their associated services transferred to North Lanarkshire Council. While the charity was a great success it is recognised that the services may be more sustainable within the wider remit of the Council.

**Stephen Penman, Chair of Culture and Leisure NL**

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## Annual Report incorporating the Strategic and Directors' Report for the year ended 31 March 2022

The Directors have the pleasure in submitting the Annual Report that incorporates the Strategic Report, Directors' Report and financial statements of the charitable company required under the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013 for the year ended 31 March 2022. The Directors' Report incorporates the requirements of the Trustees' Report as required by the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The financial statements comply with the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### Structure, Governance and Management

Culture and Leisure NL is a registered Scottish charity and Company Limited by Guarantee with registered number of SC435540. North Lanarkshire Council is the sole member of the Company. The Charity commenced trading on 1 April 2013 as Culture NL, and any surpluses generated were reinvested to improve the facilities and services provided to the communities of North Lanarkshire and beyond.

The Charity is governed by its Memorandum and Articles of Association (approved on 20 November 2012 and updated in February 2021) through a Board currently comprising 4 Directors. Currently three Partner Directors are officers of North Lanarkshire Council and one Independent Director.

The Chair of the Board is appointed from the Partner Directors. North Lanarkshire Council approve the appointments of the Independent Directors with each Independent Director chosen for their individual suitability and skills.

The Board is supported by a Company Secretary appointed by North Lanarkshire Council. Monitoring of Culture and Leisure NL is undertaken by North Lanarkshire Council.

The Directors act in accordance with OSCR's guidance on the general duties for charitable trustees with openness, integrity and accountability being key elements required of each Director.

The Board is responsible for:-

- Ensuring the organisation complies with the requirements of the funding agreement between North Lanarkshire Council and Culture and Leisure NL;
- Developing and approving the annual business plan prior to its submission to North Lanarkshire Council;
- Ensuring external funding opportunities are maximised;
- Monitoring the financial position of the organisation;
- Accepting and acting in accordance with company Director responsibilities to ensure compliance with appropriate legislation; and
- Driving the direction of the organisation to ensure all agreed outcomes are achieved as planned.

The Board has undertaken specific training and received legal guidance on the roles and responsibilities of a Director under both charity and company law. Further training is provided from suitably qualified staff as required by the Board.

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

The Board continued to fulfil its responsibilities relating to the organisation's financial statements and auditing, accounting and financial reporting processes, and the organisation's systems of internal control regarding finances, accounting and financial reporting.

Culture and Leisure NL has mechanisms in place to ensure that key elements of its governance framework are subject to regular review;

- CLNL has well-established service and financial planning arrangements including Business and Financial Plans;
- CLNL has well-established financial management processes which produce financially robust and deliverable financial budgets which are integrated with wider business planning;
- The Board of CLNL meets regularly to monitor financial and service performance;
- Directors have received training on their expected roles and responsibilities designed to enable them to effectively discharge their duties; and
- CLNL has an approved risk management policy and associated risk registers which are subject to review by senior management.

In the Board's view, reasonable assurance can be placed on the adequacy and effectiveness of CLNL's system of internal control and governance for the year to 31 March 2022.

### Group Structure and related parties

The charitable company, Culture and Leisure NL (formerly Culture NL), owns 100% of the share capital of both :

CultureNL Trading C.I.C.

Company Number: SC 441869

Registered Address: Summerlee Museum of Scottish Industrial Life, Heritage Way, Coatbridge, Lanarkshire, ML5 1QD

North Lanarkshire Leisure Trading C.I.C.

Company Number: SC365792

Registered Address: 1 Ardgoil Drive, Cumbernauld, G68 9NE

The subsidiary undertakings' principal activities are the provision of catering facilities and conferencing, hospitality and special leisure events.

These financial statements are prepared on a consolidated basis to include both charity and C.I.C.s. North Lanarkshire Council is the sole member of CLNL and is deemed to be a related party, further details of the related party transactions are disclosed in note 30.

### Insourcing to North Lanarkshire Council

At a committee meeting on January 31<sup>st</sup> 2020 approval was given to insource the delivery of Culture, Sport and Leisure Services to North Lanarkshire Council (NLC). This transfer of services took place on April 1<sup>st</sup> 2021; all assets and liabilities of Culture & Leisure NL Ltd (formerly Culture NL Ltd) have been donated to NLC for £nil consideration.

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## Director's Report and Financial Statements

The Directors are pleased to present their Report and Financial Statements for the year ending 31 March 2022.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

## Reference and administrative details

**Company Number** SC435540

**Charity Number** SC043891

**Registered Office** Summerlee Museum of Scottish Industrial Life, Heritage Way,  
Coatbridge, Lanarkshire, ML5 1QD

**Directors** **Date of Resignation**

Rose A. Munro 23 November 2021

Robert C. S. Turner 24 March 2022

James Sweeney 25 March 2022

William T. Craik 8 April 2022

Andrew T. McPherson

Nicole Paterson

Stephen Penman

Lindsay Stewart

**Company Secretary** A Aitken

**Independent Examiner** RSM UK Tax and Accounting Limited  
Third Floor, 2 Sempie Street, Edinburgh, EH3 8BL

**Solicitors** Anderson Strathern  
1 Rutland Court, Edinburgh, EH3 8EY

**Bankers** Royal Bank of Scotland  
10 Gordon Street, Glasgow, G1 3PL

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## Objectives and Activities

The charitable company's objectives as per the governing document are:

- To help the people of North Lanarkshire to flourish through the provision of cultural, sporting and leisure activities;
- To advance the arts, heritage, culture and science;
- To advance public participation in sport;
- To provide recreational facilities, and organise recreational activities, with such facilities/activities being made available to members of the public at large with the object of improving their conditions of life;
- To advance education;
- To advance health;
- To promote equality and diversity;
- To advance citizenship and/or community development (which many include the promotion of civic responsibility, volunteering, the voluntary sector and/or the effectiveness or efficiency of charities) and enhance and promote North Lanarkshire as the place to live, learn, work, invest and visit, a place where there is a shared ambition for inclusive growth and prosperity for all;
- To relieve those in need by reason of age, ill health, disability, financial hardship or other disadvantage;
- Any other purpose that may reasonably be regarded as analogous to any of the preceding purposes through the provision of services (including those entrusted to it by the Council), which contribute to the delivery of cultural, sporting and leisure activities which contribute to advancing wellbeing including:
  - The operation and management of facilities for the delivery of cultural, sporting and leisure activities;
  - The development and delivery of cultural, sporting and leisure activities, events and educational activities directed towards wider participation in such activities;
  - The facilities provided shall be available to the public at large and special facilities may be provided for persons who by reason of their youth, age, infirmity or disability; and poverty, social or economic circumstances may have need of special facilities;
  - The use of such facilities may be extended to members of the public, out with the operating area, who desire to and can conveniently make use of them.

# **Culture and Leisure NL Ltd (formerly Culture NL Limited)**

## **Principal Activities**

The principal activities which link to the above objectives are the provision of Cultural and Leisure Services across North Lanarkshire which includes creative services, libraries and museums within the Cultural provision and sports venues incorporating gym and group fitness provision, golf, swimming and sports development activities such as gymnastics, tennis and football for under 18's within Leisure.

In order to measure success a monitoring framework is in place which identifies a number of Key Performance Indicators (KPI's) and Statutory Performance Indicators (SPI's) and statistics relating to the principal service, programme and project areas. These indicators relate to the Council's and the North Lanarkshire Partnerships key priority areas, with targets being established and agreed, and a quarterly report produced which provides an indication of direction of travel towards achieving the required outcomes, and flagging under or over performance.

## **Insourcing to North Lanarkshire Council**

As detailed on page 9, at a committee meeting on January 31<sup>st</sup> 2020 approval was given to insource the delivery of Culture, Sport and Leisure Services to North Lanarkshire Council (NLC) and this transfer of services took place on April 1<sup>st</sup> 2021 therefore the future plans for the service will be determined by NLC.



# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## Financial Review

The group's activities in the year were split between Culture and Leisure NL Limited undertaking charitable activities, Culture NL Trading CIC undertaking catering/Business Units and North Lanarkshire Leisure CIC undertaking conferencing, hospitality and special events. Charitable expenditure in the year mainly relates to employee costs of staff who didn't transfer to NLC until the end of April, along with final expenditure on contracts and services that were not transferring to NLC. The consolidated financial results are covered below.

Prior to the donation of assets and liabilities of £7,980,982, Culture & Leisure NL Ltd received an annual management fee from North Lanarkshire Council, which in the year to 31 March 2022 amounted to £nil (see note 4) (2020/21 £26,470,722). Unrestricted income excluding management fee and pensions amounted to £9,186 during the year (2020/21 £11,636,166). The net movement in funds for the year, before the donation to NLC, was a deficit of £415,375 (2020/21 £4,256,190). Funds at the end of the year were £nil after the transfer of all assets and liabilities to NLC.

At 31 March 2022 the pension deficit is £nil (see note 29) (2020/21 £3,924,000), as shown in the Statement of Financial Activities.

## Going Concern

As noted previously on page 9, approval was given in January 2020 to insource the delivery of Culture, Sport and Leisure Services to North Lanarkshire Council (NLC). This transfer of services took place on April 1<sup>st</sup> 2021 and all assets and liabilities of Culture & Leisure NL (CLNL) have been donated to NLC for £nil consideration. CLNL's operations will continue as part NLC, therefore the assets will be realised and liabilities fully discharged by NLC. The Directors have therefore concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. It is the intention of the Directors that the company be wound up within 12 months of the date of signing these financial statements. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting.

## Investment Policy

The charitable company has high interest accounts with automatic transfer of funds at defined thresholds. This account has generated interest of £6,105 (2020/21 £8,948).

# **Culture and Leisure NL Ltd (formerly Culture NL Limited)**

## **Annual Governance Statement**

### **Scope of Responsibility**

Culture and Leisure NL is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions. This includes arrangements for the management of risk which is designed to manage rather than eliminate the risk of failure to achieve the organisation's policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the organisation's policies, aims and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

### **Governance Framework**

The company has a number of policies and regulations which Directors and Officers must adhere to. These include:

- CLNL's "Financial Regulations" which details the company's framework of internal financial controls designed to ensure the effective stewardship of CLNL funds.
- CLNL's "Scheme of Delegation" which details the financial responsibilities specific to Senior Managers and Officers.

The Directors' Report and Strategic Report prepared under the Companies Act 2006, which also contains all information required in a Trustees Report by the Charities and Trustee Investment (Scotland) Act 2005, were approved by the Board of Directors 6<sup>th</sup> December 2022 and signed on their behalf by:

Chair: S Penman:

Date: 6<sup>th</sup> December 2022

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## INDEPENDENT EXAMINATION REPORT TO THE TRUSTEES AND MEMBERS OF CULTURE AND LEISURE NL LIMITED

I report on the financial statements of the charity for the year ended 31 March 2022 which are set out on pages 13 to 47.

### Respective responsibilities of Trustees and examiner

The charity's Trustees (who are also the Directors of the company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the terms of the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act) and the Charities Financial statements (Scotland) Regulations 2006 (the 2006 Financial statements Regulations).

The charity Trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Financial statements Regulations does not apply and that an independent examination is needed.

It is my responsibility to examine the financial statements as required under section 44(1) (c) of the 2005 Act and to state whether particular matters have come to my attention.

### Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Financial statements Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

### Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Financial statements Regulations, and
- to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Financial statements Regulations have not been met.

However, in carrying out my examination it has come to my attention that it is the intention of the trustees that the charity will be wound up. Accordingly, the trustees have prepared the financial statements on a basis other than going concern.

I can confirm that there are no other matters to which, in my option, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

## **Culture and Leisure NL Ltd (formerly Culture NL Limited)**

Kelly Adams MA(Hons) CA

Chartered Accountant

On behalf of RSM UK Tax and Accounting Limited

Third Floor

2 Semple Street

Edinburgh

EH3 8BL

Dated:

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

Consolidated Statement of Financial Activities for the year ended 31 March 2022 (incorporating the income and expenditure account)

		General Fund 2022 £	Pension Fund 2022 £	Designated Fund 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<b>Income and endowments</b>								
Incoming resources from trading activities								
Other trading activities:								
Catering & Trading CICs		3,081	-	-	3,081	-	3,081	246,573
Rental income		-	-	-	-	-	-	201,737
Merchandising		-	-	-	-	-	-	20,347
Income from investments	2	6,105	-	-	6,105	-	6,105	8,948
<i>Total income and endowments from trading activities</i>		<b>9,186</b>	-	-	<b>9,186</b>	-	<b>9,186</b>	<b>477,605</b>
Income from charitable activities								
Advancement of culture, health, education and sport	4	2,977	-	-	2,977	-	2,977	29,247,206
Other Income								
Grant funding - furlough	3	-	-	-	-	-	-	9,134,983
<b>Total income and endowments</b>		<b>12,165</b>	-	-	<b>12,165</b>	-	<b>12,165</b>	<b>38,859,794</b>
<b>Expenditure on:</b>								
Raising funds:								
Catering & Trading CICs	5 & 12	9,281	-	-	9,281	-	9,281	1,548,538
Rental	5	-	-	-	-	-	-	105,689
Merchandising	5	-	-	-	-	-	-	18,386
<i>Total costs of raising funds</i>		<b>9,281</b>	-	-	<b>9,281</b>	-	<b>9,281</b>	<b>1,672,613</b>

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## Consolidated Statement of Financial Activities for the year ended 31 March 2022 (incorporating the income and expenditure account)

	Note	General Fund 2022 £	Pension Fund 2022 £	Designated Fund 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Charitable activities	7							
Advancement of culture, health, education and sport		415,488	-	-	415,488	2,770	418,258	37,519,371
Donation to North Lanarkshire Council		7,725,891	(16,203,000)	196,834	(8,280,275)	299,294	(7,980,982)	-
<b>Total Expenditure</b>		<b>8,150,660</b>	<b>(16,203,000)</b>	<b>196,834</b>	<b>(7,855,506)</b>	<b>302,064</b>	<b>(7,553,443)</b>	<b>39,191,985</b>
Net movement in funds and net income for the year	19	(8,138,495)	16,203,000	(196,834)	7,867,671	(302,064)	7,565,607	(332,190)
Actuarial (loss) on defined benefit pension scheme	28	-	-	-	-	-	-	(3,924,000)
Transfer between Funds		-	-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(8,138,495)</b>	<b>16,203,000</b>	<b>(196,834)</b>	<b>7,867,671</b>	<b>(302,064)</b>	<b>7,565,607</b>	<b>(4,256,190)</b>
Fund balances brought forward at 1 April 2021	22	8,138,495	(16,203,000)	196,834	(7,867,671)	302,064	(7,565,607)	(3,309,417)
<b>Total funds carried forward at 31 March 2022</b>	21	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,565,607)</b>

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

Parent Statement of Financial Activities for the year ended 31 March 2022 (incorporating the income and expenditure account)

	Note	General Fund 2022 £	Pension Fund 2022 £	Designated Fund 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<b>Income and endowments</b>								
Incoming resources from trading activities								
Other trading activities:								
Catering - Leisure		-	-	-	-	-	-	228,889
Rental income		-	-	-	-	-	-	103,848
Merchandising		-	-	-	-	-	-	20,347
Income from Investments	2	6,105	-	-	6,105	-	6,105	8,948
<i>Total income and endowments from trading activities</i>		<b>6,105</b>	-	-	<b>6,105</b>	-	<b>6,105</b>	<b>362,032</b>
Income from charitable activities								
Advancement of culture, health, education and sport	4	2,977	-	-	2,977	-	2,977	29,247,206
Other Income								
Grant funding - furlough	3	-	-	-	-	-	-	9,134,983
<b>Total income and endowments</b>		<b>9,082</b>	-	-	<b>9,082</b>	-	<b>9,082</b>	<b>38,744,221</b>
<b>Expenditure on:</b>								
Raising funds:								
Catering		6,191	-	-	6,191	-	6,191	1,528,268
Merchandising		-	-	-	-	-	-	18,385
<i>Total costs of raising funds</i>	6	<b>6,191</b>	-	-	<b>6,191</b>	-	<b>6,191</b>	<b>1,546,653</b>

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## Parent Statement of Financial Activities for the year ended 31 March 2022 (incorporating the income and expenditure account)

	Note	General Fund	Pension Fund	Designated Fund	Total Unrestricted funds	Restricted funds	Total	Total
		2022	2022	2022	2022	2022	2022	2021
		£	£	£	£	£	£	£
Charitable activities	7							
Advancement of culture, health, education and sport		415,488	-	-	415,488	2,770	418,258	37,519,371
Donation to North Lanarkshire Council		7,731,302	(16,203,000)	196,834	(8,274,864)	299,294	(7,975,571)	-
<b>Total Expenditure</b>		<b>8,152,981</b>	<b>(16,203,000)</b>	<b>196,834</b>	<b>(7,853,185)</b>	<b>302,064</b>	<b>(7,557,313)</b>	<b>39,066,024</b>
Net movement in funds and net income for the year		(8,143,899)	16,203,000	(196,834)	7,862,267	(302,064)	7,560,203	(321,803)
Actuarial (loss) on defined benefit scheme	28	-	-	-	-	-	-	(3,924,000)
Transfer between Funds		-	-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(8,143,899)</b>	<b>16,203,000</b>	<b>(196,834)</b>	<b>7,862,267</b>	<b>(302,064)</b>	<b>7,560,203</b>	<b>(4,245,803)</b>
Fund balances brought forward at 1 April 2021	24	8,143,899	(16,203,000)	196,834	(7,862,267)	302,064	(7,560,203)	(3,314,400)
<b>Total funds carried forward at 31 March 2022</b>	23	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,560,203)</b>



# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## Consolidated Balance Sheet as at 31 March 2022

	Note	2022	2022	2021	2021
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	17		-		1,451,601
Investments			-		-
<b>Current assets</b>					
Stocks		-		58,318	
Debtors	13	-		1,595,829	
Cash at bank and in hand	26	-		13,400,500	
			-		15,054,647
<b>Current liabilities</b>					
Creditors (amounts falling due within one year)	14	-		(7,815,450)	
<b>Net current assets</b>					
			-		7,239,197
<b>Long Term Liabilities</b>					
Creditors (amounts falling due after more than one year)	15		-		(53,405)
<b>Net assets excluding pension fund (liability)</b>					
			-		8,637,393
<b>Pension fund (liability)</b>	29		-		(16,203,000)
<b>Net (liabilities)</b>			-		(7,565,607)
<b>Funds</b>					
Restricted funds	18		-		302,064
Unrestricted funds					
Designated fund - assets & infrastructure	21	-		172,600	
Designated fund – operational commitments	21	-		24,234	
General fund	22	-		8,138,495	
Unrestricted funds excluding pension reserve		-		8,335,329	
Pension reserve	29	-		(16,203,000)	
<b>Total unrestricted funds</b>			-		(7,867,671)
<b>Total funds</b>	19		-		(7,565,607)

## **Culture and Leisure NL Ltd (formerly Culture NL Limited)**

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

**Chair:**

**Date:** 6<sup>th</sup> December 2022

The Company registration number is **SC435540**.

The notes on pages 22 to 47 form part of the financial statements.

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

Company Balance Sheet as at 31 March 2022

	Note	2022	2022	2021	2021
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	17		-		1,451,601
Investments			-		100
<b>Current assets</b>					
Stocks		-		38,864	
Debtors	13	-		1,589,467	
Cash at bank and in hand	26	-		13,377,436	
		-		15,005,767	
<b>Current liabilities</b>					
Creditors (amounts falling due within one year)	14	-		(7,761,266)	
<b>Net current assets</b>					
			-		7,244,501
<b>Long Term Liabilities</b>					
Creditors (amounts falling due after more than one year)	15		-		(53,405)
<b>Net assets excluding pension fund (liability)</b>					
			-		8,642,797
<b>Pension fund (liability)</b>	29		-		(16,203,000)
<b>Net (liabilities)</b>					
			-		(7,560,203)
<b>Funds</b>					
Restricted funds	18		-		302,064
Unrestricted funds					
Designated fund - assets & infrastructure	21	-		172,600	
Designated fund – operational commitments	21	-		24,234	
General fund	23	-		8,143,899	
Unrestricted funds excluding pension reserve		-		8,340,733	
Pension reserve	29	-		(16,203,000)	
<b>Total unrestricted funds</b>					
			-		(7,862,267)
<b>Total funds</b>					
	23		-		(7,560,203)

## **Culture and Leisure NL Ltd (formerly Culture NL Limited)**

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

**Chair:**

**Date:** 6<sup>th</sup> December 2022

The Company registration number is **SC435540**.

The notes on pages 22 to 47 form part of the financial statements.

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## Consolidated Statement of Cash Flows for the year ended 31 March 2022

	Note	2022 £	2021 £
<b>Cash Flows from Operating Activities</b>			
Net cash provided by operating activities	26	(13,353,191)	6,694,017
<b>Cash Flows from Investing Activities</b>			
Bank and other interest		6,105	8,948
Purchase of property, plant and equipment	17	-	(90,733)
<b>Net Cash used in investing activities</b>		<b>6,105</b>	<b>(81,785)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of Finance Lease		-	(19,086)
Donation of finance lease to North Lanarkshire Council		(53,405)	-
Repayment of Loan		-	(643,274)
<b>Net cash used in financing activities</b>		<b>(53,405)</b>	<b>(662,360)</b>
<b>Change in cash and cash equivalents in the reporting year</b>		<b>13,400,491</b>	<b>5,949,872</b>
Cash and Cash equivalents at the beginning of the reporting year		13,400,500	7,450,628
Cash and Cash equivalents at the end of the reporting year		-	13,400,500

The notes on pages 22 to 47 form an integral part of these financial statements

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## Notes

(forming part of the financial statements)

### 1. Accounting policies

#### General Information / Legal Status

Culture and Leisure NL Ltd is a charitable company limited by guarantee. The organisation meets the definition of a public benefit entity. The registered office details are in the Reference and administrative details section on page 6.

#### Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and legislation. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements are prepared in pounds sterling (GBP) rounded to the nearest £ as that is the currency in which the charitable company's transactions are denominated.

#### Basis of consolidation

The group financial statements consolidate the financial statements of the charity and its subsidiary undertakings, North Lanarkshire Leisure Trading C.I.C and Culture NL Trading C.I.C. The results of the subsidiaries are consolidated on a line by line basis.

#### Period of performance in 2021-22

The performance outlined in this report, in respect of the 2021-22 financial year, covers the period from 1 April 2021 to 31 March 2022.

#### Going Concern

As noted previously on page 9, approval was given in January 2020 to insource the delivery of Culture, Sport and Leisure Services to North Lanarkshire Council (NLC). This transfer of services took place on April 1<sup>st</sup> 2021 and all assets and liabilities of Culture & Leisure NL (CLNL) were be donated to NLC for £nil consideration. CLNL's operations will continue as part NLC therefore the assets will be realised and liabilities fully discharged by NLC. The Directors have therefore concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. It is the intention of the Directors that the company be wound up within 12 months of the date of signing these financial statements. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting.

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## Funds

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

Restricted funds	Relates to specific grant income where the donor has declared what the money must be spent on. The trustees do not have the power to spend the money on any other activity although some restricted funds may be expendable at the discretion of the Board in the furtherance of a specific activity.
Unrestricted funds	This is money that is expendable by the Board in the furtherance of the objectives of the charity. If part of an unrestricted fund is ear marked for a particular project it is designated as a separate fund (see below). This designation is for administrative purposes only and does not legally restrict the trustees.
Designated funds	Part of the unrestricted fund, but ear-marked by the Directors for a particular purpose. Refer to the Financial Review on page 9.

## Income

All income is included in the Statement of Financial Activities in the year in which the group is entitled to receipt, any performance conditions have been met, it is probable the income will be received and the amount can be measured reliably. All grants under funding arrangements from local government are included on a receivable basis. Operating income, including investment income is recognised in the statement of financial activities on an accruals basis.

Where funders specify that grants must be used in future accounting years, the income is deferred until those years. When donors impose conditions which have to be fulfilled before the charitable company become entitled to the income, this income is deferred until the conditions have been met.

## Expenditure

All liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the company to the expenditure. Where costs cannot be directly attributed to particular functional activities, they have been allocated to activities on a basis consistent with the use of resources for example the costs of HR and Payroll are allocated to that function based on head count.

Charitable expenditure incurred by the group can be defined as either:

- Charitable Activities – these are costs incurred in line with the charitable objectives and include both the direct costs, support costs and governance costs relating to these activities.
- Costs of Raising Funds – these are costs incurred in activities that raise funds.

## Stock

Stocks held are in respect of provisions and supplies and are valued at the lower of cost and net realisable value in the ordinary course of operating.

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## Pension costs

Culture and Leisure NL is a member of the Strathclyde Pension Fund, a defined benefit pension scheme, administered by Glasgow City Council. The scheme is open to all employees of the Group. The expected cost to the Company in respect of pensions is charged to the income and expenditure account to spread the costs of pensions over the services lives of the employees.

As a result of the FRS102 Retirement Benefits being adopted in full, the regular service cost of providing retirement benefits to employees, the full cost or gain of providing amendments to benefits in respect of past service, income representing the expected return on assets of the fund and a cost representing the interest on the liabilities are charged to the statement of financial activities in the year.

North Lanarkshire Council has guaranteed to accept liability for any unfunded costs that may arise with regard to Culture and Leisure NL relating to their membership of the Local Government Pension Scheme administered by Glasgow City Council.

## Fixed assets and depreciation

Assets are held at cost. The Company does not capitalise individual items with a cost of less than £1,000. Additions are fully depreciated in the year they are purchased. 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 as follows:

Leasehold improvements	5 years – 10 years
Plant & equipment	3 years – 10 years
Furniture & fittings	5 years – 10 years
Computer equipment	3 years – 5 years

## Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

## Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities comprising trade and other debtors and creditors, and loans to related parties. Debt instruments that are payable or receivable within one year are measured, initially and subsequently, at the undiscounted amount of the cash expected to be paid or received. Debt instruments that constitute a financing transaction under FRS102 are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument as determined at initial recognition adjusted for transaction costs.

Financial assets measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

## Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK Corporation Tax purposes. Accordingly the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by



## **Culture and Leisure NL Ltd (formerly Culture NL Limited)**

Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains applied exclusively to charitable purposes.

### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than twelve months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. 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.

The Directors are satisfied that the accounting policies are appropriate and applied consistently. Significant estimations have been applied to the defined benefit pension assumptions. Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 29).

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

### 2. Investment income – Group and Company

	2022	2021
	£	£
Bank and other interest	<u>6,105</u>	<u>8,948</u>
	<u><u>6,105</u></u>	<u><u>8,948</u></u>

### 3. Other grant gunding – Group and Company

	2022	2021
	£	£
Furlough reclaim	<u>-</u>	<u>9,134,983</u>
	<u><u>-</u></u>	<u><u>9,134,983</u></u>

During the year the group received support from the government under the Coronavirus Job Retention Scheme of £nil (2020/21 - £9,134,983). The scheme provides for the reimbursement of wages for employees who were placed on furlough leave.

Under the scheme the group applied for the reimbursement of up to 80% of employees' wage costs up to £2,500 per wages payable from 1 March 2020 until 31 March 2021 with the exception of September and October 2020 when the reimbursement rates were 70% and 60% and capped at £2,187 and £1,875 respectively. The scheme was accessed by designating affected employees as furloughed or retained on paid leave of absence, notifying employees of these changes, submitting information about these employees and their earnings to HMRC.

### 4. Income from charitable activities – Group and Company

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Income from operating activities	2,977	-	2,977	2,168,696
Income from contract with North Lanarkshire Council	-	-	-	26,470,722
Grant Funding	-	-	-	607,788
	<u><u>2,977</u></u>	<u><u>-</u></u>	<u><u>2,977</u></u>	<u><u>29,247,206</u></u>

Grant funding includes funding from NHS and NLC as detailed in Note 18.

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

### 5. Catering & merchandising costs - Group

	Catering 2022 £	Rental 2022 £	Merchandising 2022 £	Total 2022 £	Total 2021 £
Salaries & wages	9,273	-	-	9,273	1,038,691
Property Costs	-	-	-	-	33,894
Supplies & services	-	-	-	-	47,021
Other expenditure	-	-	-	-	59,761
Support Costs (note 9)	-	-	-	-	487,396
Governance Costs (note 7)	9	-	-	9	5,850
	<b>9,281</b>	<b>-</b>	<b>-</b>	<b>9,281</b>	<b>1,672,613</b>

### 6. Catering & merchandising costs - Company

	Catering 2022 £	Merchandising 2022 £	Total 2022 £	Total 2021 £
Salaries & wages	6,191	-	6,191	984,944
Property Costs	-	-	-	-
Supplies & services	-	-	-	31,605
Other expenditure	-	-	-	42,708
Support Costs (note 9)	-	-	-	487,396
	<b>6,191</b>	<b>-</b>	<b>6,191</b>	<b>1,546,653</b>

### 7. Charitable Activities – Group and company

	Unrestricted Funds		Designated Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
	Direct 2021 £	Support 2021 £				
Salaries & wages	141,048	-	-	2,754	143,802	25,430,666
Property Costs	35,954	-	-	-	35,954	4,481,577
Supplies & services	38,322	-	-	-	38,322	1,158,922
Transport Costs	19,565	-	-	-	19,565	260,199
Administrative Costs	29,464	-	-	16	29,480	1,302,707
Payments to Other Bodies	104,947	-	-	-	104,947	946,463
Central Costs	33,220	-	-	-	33,220	487,180
Governance Costs (note 10)	12,969	-	-	-	12,969	104,657
Pension	-	-	-	-	-	3,347,000
	<b>415,488</b>	<b>-</b>	<b>-</b>	<b>2,770</b>	<b>418,258</b>	<b>37,519,371</b>

### 8. Donation to North Lanarkshire Council

On 1 April 2021 all assets, liabilities and charitable activities were donated from Culture & Leisure NL Ltd to North Lanarkshire Council for nil consideration, as detailed in note 19. All assets and liabilities were donated at book value.

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

### 9. Allocation of support costs - Group

Support Services		2022	2021
		£	£
Culture	Libraries	-	1,292,541
	Museums	-	424,536
	Creative Services	-	581,774
	Community Facilities	-	905,609
Leisure	Operations	-	4,898,539
	Board & Head Office	-	308,635
	Estates	-	563,598
	Sales & Marketing	-	901,187
	Sports Development	-	397,936
<b>Sub Total</b>		-	<b>10,274,355</b>
	Catering	-	487,395
<b>Total</b>		-	<b>10,761,750</b>

### Allocation of support costs - Company

Support Services		2022	2021
		£	£
Culture	Libraries	-	1,292,541
	Museums	-	424,536
	Creative Services	-	581,774
	Community Facilities	-	905,609
Leisure	Operations	-	4,898,539
	Board & Head Office	-	308,635
	Estates	-	563,598
	Sales & Marketing	-	901,187
	Sports Development	-	397,936
<b>Sub Total</b>		-	<b>10,274,355</b>
	Catering	-	487,395
<b>Total</b>		-	<b>10,761,750</b>

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

### 10. Governance costs - group

	2022	2021
	£	£
Allocation of Managing Director costs	-	29,421
Fees payable to the independent examiner (2022)/auditor (2021) (RSM):		
Audit of the 2021 financial statements	9,157	31,790
Taxation Services	862	5,000
Other professional fees and costs - Charitable	2,950	38,446
	<u>12,969</u>	<u>104,657</u>

An Independent Examiners fee of £1,850 exclusive of VAT will be paid by North Lanarkshire Council in relation to the Independent Examination of these financial statements.

### 11. Staff numbers and costs

The remuneration and associated costs of the company including key management personnel were:

	2022	2021
	£	£
Wages & salaries	172,518	19,868,328
Redundancy Costs	(51,414)	2,045,487
Payments in lieu of notice	4,255	56,011
Social security costs	14,641	1,380,965
	<u>140,000</u>	<u>23,350,791</u>
<u>Pension Costs</u>		
Current Service Cost	-	6,257,000
	<u>140,000</u>	<u>29,607,791</u>

During the year to 31 March 2021 redundancy costs were over accrued, the reversal of this accrual has resulted in negative expenditure in the year to March 2022.

Employees receiving salaries, plus benefits in kind, of more than £60,000 were in the following bands:

	2022	2021
	Number	Number
£60,001 – £70,000	-	-
£80,001 - £90,000	-	1
£90,001 - £100,000	-	-

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

Key Management Personnel are defined as the Chief Executive, Managing Director and Senior Management Team. The total remuneration and benefits paid to key management personnel in the year is as follows:

	2022	2021
	£	£
<u>Salary and benefits</u>		
Managing Director (including Severance Costs)	-	92,059
Chief Executive (including Severance Costs)	4,670	125,790
Corporate Management Team (this includes 10 senior managers from Culture Services and 5 from Leisure Services)	-	728,874
	4,670	946,723

The average monthly head-count of employees during the year was:

	2022	2021
	Number	Number
Administration staff (e.g. Venue Managers, Health & Fitness Managers, Receptionists, Sport Development Officers, Engineers & Head Office staff)	-	273
Leisure staff (e.g. Leisure Attendants, Catering Staff, Gym Instructors & Cleaners)	-	241
Sessional staff	-	291
Culture staff Part Time	-	411
Culture staff Full Time	-	180
Total	-	1,396

No Board members were employed or paid expenses by Culture and Leisure NL Limited in the year. Last year one Board member (William Shearer) was employed by Culture and Leisure NL Limited and received remuneration and pension as an employee totalling £39,712 during the year.

	2022	2021
	£	£
Salary	-	31,116
Pension	-	5,568
National Insurance Contributions	-	3,028
Total	-	39,712

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

### 12 Trading Subsidiaries – Culture NL CIC and North Lanarkshire Leisure CIC

CultureNL Limited owns 100% of the issued share capital of both:

CultureNL Trading C.I.C.

Company Number: SC 441869

Registered Address: Summerlee Museum of Scottish Industrial Life, Heritage Way, Coatbridge, Lanarkshire, ML5 1QD

North Lanarkshire Leisure Trading C.I.C.

Company Number: SC365792

Registered Address: 1 Ardgoil Drive, Cumbernauld, G68 9NE

These financial statements are prepared on a consolidated basis to include both these entities. The subsidiary undertaking's principal activities are the provision of catering, hospitality and special events. The results of these trading subsidiaries for the year ended 31st March 2022 are shown below. Accounts are filed with Companies House.

	2022 £	2021 £
<b>Turnover</b>	3,082	115,573
<b>Gross Profit/(Loss)</b>	3,089	115,573
Administrative expenses	(3,081)	(120,977)
<b>Profit/(loss) for the year</b>	<u>(7)</u>	<u>(5,404)</u>

The assets and liabilities of the subsidiaries were:

	2022 £	2021 £
Assets	-	48,880
Liabilities	-	(54,184)
Funds	<u>-</u>	<u>(5,304)</u>

13. Debtors	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
	Trade Debtors	-	-	318,292
Amounts due from related party	-	-	130,038	128,701
Prepayments and accrued income	-	-	1,147,499	1,147,499
Due from Group Company	-	-	-	20,000
	<u>-</u>	<u>-</u>	<u>1,595,829</u>	<u>1,589,467</u>

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

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

	Group 2021 £	Company 2021 £	Group 2021 £	Company 2021 £
Trade creditors	-	-	(1,392,074)	(1,346,399)
Other taxes and social security costs	-	-	(1,451,913)	(1,451,913)
Amount due to related party	-	-	(596,813)	(596,813)
Other creditors and accruals	-	-	(4,357,315)	(4,348,806)
Finance Lease (see note 15)	-	-	(17,335)	(17,335)
	-	-	<u>(7,815,450)</u>	<u>(7,761,266)</u>

### 15. Creditors: amounts falling due after more than one year

	Finance Lease 2022 £	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Less than 1 year	-	-	-	(17,335)	(17,335)
	-	-	-	<u>(17,335)</u>	<u>(17,335)</u>
1 – 2 years	-	-	-	(17,824)	(17,824)
2 – 5 years	-	-	-	(35,581)	(35,581)
	-	-	-	<u>(53,405)</u>	<u>(53,405)</u>
Total Liability	-	-	-	<u>(70,740)</u>	<u>(70,740)</u>

A finance lease was entered into in March 2019 for IT equipment with a principal value of £89,106 and an effective interest rate of 2.79%. The liability was secured over the asset to which it relates.

### 16. Deferred Income

	2022 £	2021 £
Balance as at 1 April	-	220,716
Amounts released to income during the year	-	(220,716)
Amounts deferred in year	-	359,308
Balance as at 31 March	<u>-</u>	<u>359,308</u>

Deferred income relates to monies to which the company is not yet entitled to at year end. The deferred income is released to the SOFA when all entitlement criteria has been met.



## Culture and Leisure NL Ltd (formerly Culture NL Limited)

### 17. Tangible fixed assets

	Leasehold Improvements	Furniture & Fittings	Plant & Equipment	Computer Equipment	Total Assets
	£	£	£	£	£
Cost at 1 April 2021	4,449,204	213,300	1,918,468	577,067	7,158,039
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Donation to North Lanarkshire Council	(4,449,204)	(213,300)	(1,918,468)	(577,067)	(7,158,039)
Gross book value as at 31 March 2022	-	-	-	-	-
Depreciation at 1 April 2021	3,729,286	168,725	1,316,098	492,330	5,706,438
Depreciation provided for year	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-
Donation to North Lanarkshire Council	(3,729,286)	(168,725)	(1,316,098)	(492,330)	(5,706,438)
Cumulative Depreciation as at 31st March 2022	-	-	-	-	-
Net book value as at 31 March 2022	-	-	-	-	-
Net book value as at 31 March 2021	719,918	44,575	602,370	84,738	1,451,601

Included within Computer Equipment, a finance lease was entered into in March 2019 for IT equipment with a principal value of £89,106, the carrying value of this asset at 31 March 2021, when donated to North Lanarkshire Council, was £53,463.

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## 18. Restricted Funds

	Opening	Incoming	Resources	Donation	Closing	Narrative
	Balance	Resources	Expended	To NLC	Balance	
	01/04/21				31/03/22	
	£	£	£	£	£	
Reigart (Reigart Contractors Ltd)	13,646	-	-	(13,646)	-	Reigart is to contribute to care and maintenance of the Reigart Suite and support educational activities.
MacMillian (MacMillan Cancer Research)	51,945	-	-	(51,945)	-	Macmillan is to provide education and comfort to sufferers and their families and friends.
Ballet (NLC)	10,640	-	-	(10,640)	-	Ballet development of a future ballet project.
Summerlee Science Festival (James Howat Trust & New Park Educational Trust)	5,280	-	-	(5,280)	-	Delivery of a science festival.
VACMA (CREATIVE SCOTLAND)	1,000	-	-	(1,000)	-	A scheme to award small grants to artists/craft-makers who LIVE or WORK (studio practice) in the local authority area.
Archives Conservation (Prof Kirstie Blair)	2,000	-	-	(2,000)	-	Conservation of some of the archives.
Heritage Centre (MGB Howatson Bequest)	4,800	-	-	(4,800)	-	Heritage centre facility improvements
4 USB MICROPHONES (MGS)	6	-	-	(6)	-	Project to enable the recording and broadcast of talks and other online during COVID lockdown.
WEBSITE DEVELOPMENT (NHLF)	10,000	-	-	(10,000)	-	Digital Confidence Funding to develop the museum collections website.
SUMMERLEE REOPENING (MGS)	4,781	-	-	(4,781)	-	Equipment to assist complying with COVID guidance after the reopening of Summerlee Museum.
SUMMERLEE COVID 19 (NHLF)	26,225	-	-	(26,225)	-	Equipment to assist complying with COVID guidance after the reopening of Summerlee Museum.
P.A.V.R. FUND (SCOT GOV)	170,127	-	-	(170,127)	-	The purpose of this fund is 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.
SUMMERLEE ORGAN FUND(ex CC410)	1,615	-	-	(1,615)	-	Donations to help with the upkeep of the Organ in Summerlee.
Projects General	-	-	(2,604)	2,604	-	This is the Saturday Sports scene project which provides diversionary activities across 4 sites in North Lanarkshire. The funder in this area is North Lanarkshire Council.
Projects NHS	-	-	(16)	16	-	There are a number of specific projects which the NHS have continued to fund since 2011 and these include Active Health, Adult and Child Weight Management, Walking Football and Mental Health.

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

						The areas they have chosen to support take a holistic approach to health and look at prevention, rehabilitation and inclusion as key aspects to reaching goals and outcomes. Walking Football and Mental Health are programmes to help support people live healthier and more independent lives.
Programmes	-	-	(150)	150	-	The majority of this is specific funding received from North Lanarkshire Council to deliver the Cumbernauld 10K.
<b>Totals</b>	<b>302,064</b>	<b>-</b>	<b>(2,770)</b>	<b>(299,294)</b>	<b>-</b>	

### 19. Movement in reserves - Group

	Unrestricted Fund			Restricted Fund £	Total Funds £
	Designated Fund £	General Fund £	Pension Reserve £		
Opening reserves at 1 April 2021	196,834	8,138,495	(16,203,000)	302,064	(7,565,607)
Add surplus/(deficit) for the year	-	(412,604)	-	(2,770)	(415,374)
Donation to North Lanarkshire Council	(196,834)	(7,725,891)	16,203,000	(299,294)	(7,980,982)
Reserves at 31 March 2022	-	-	-	-	-

The Designated Fund for Leisure was created to cover the depreciation on assets which were purchased from in the years 2006/07 to 2014/15. This designated fund was released annually over the useful life of the assets.

The Designated Fund for Culture was allocated to fund the staffing and organisational costs associated with the review and restructuring required to respond to cost associated with future savings and the replacement of IT systems and equipment. These sums were not utilised as anticipated ahead of the insourcing to North Lanarkshire Council therefore they have been transferred back to the General Fund.

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

### 20. Movement in reserves - Company

	Unrestricted Fund			Restricted Fund	Total Funds £
	Designated Fund £	General Fund £	Pension Reserve £	£	
Opening reserves at 1 April 2021	196,834	8,138,899	(16,203,000)	302,064	(7,560,203)
Add (deficit) for the year	-	(412,597)	-	(2,770)	(415,367)
Donation to North Lanarkshire Council	(196,834)	(7,731,302)	16,203,000	(299,294)	(7,975,571)
Reserves at 31 March 2022	-	-	-	-	-

The Designated Fund for Leisure was created to cover the depreciation on assets which were purchased from in the years 2006/07 to 2014/15. This designated fund is released annually over the useful life of the assets and will be fully utilised by 2023/24.

The Designated Fund for Culture was allocated to fund the staffing and organisational costs associated with the review and restructuring required to respond to cost associated with future savings and the replacement of IT systems and equipment. These sums were not utilised as anticipated ahead of the insourcing to North Lanarkshire Council therefore they have been transferred back to the General Fund.

### 21. Designated Funds

	Operational Commitments £	Assets & Infrastructure £	Total £
Opening funds at 1 April 2021	24,234	172,600	196,834
Donation to North Lanarkshire Council	(24,234)	(172,600)	(196,834)
Closing funds at 31 March 2022	-	-	-

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

### 22. Analysis of net assets between funds - Group

	Unrestricted Funds			Restricted	Totals
	General	Pension	Designated	Funds	
	2022	2022	2022	2022	2022
	£	£	£	£	£
<b>Fund balances at 31 March 2022 are represented by:</b>					
Tangible fixed assets	-	-	-	-	-
Investments	-	-	-	-	-
Current assets	-	-	-	-	-
Current liabilities	-	-	-	-	-
Long Term Liability	-	-	-	-	-
Pension Fund Liability	-	-	-	-	-
	-	-	-	-	-

### 23. Analysis of net assets between funds – Group

	Unrestricted Funds			Restricted	Totals
	General	Pension	Designated	Funds	
	2021	2021	2021	2021	2021
	£	£	£	£	£
<b>Fund balances at 31 March 2021 are represented by:</b>					
Tangible fixed assets	952,703	-	196,834	302,064	1,451,601
Investments	-	-	-	-	-
Current assets	15,054,647	-	-	-	15,054,647
Current liabilities	(7,815,450)	-	-	-	(7,815,450)
Long Term Liability	(53,405)	-	-	-	(53,405)
Pension Fund Liability	-	(16,203,000)	-	-	(16,203,000)
	8,138,495	(16,203,000)	196,834	302,064	(7,565,607)

### 24. Analysis of net assets between funds - Company

	Unrestricted Funds			Restricted	Totals
	General	Pension	Designated	Funds	
	2022	2022	2022	2022	2022
	£	£	£	£	£
<b>Fund balances at 31 March 2022 are represented by:</b>					
Tangible fixed assets	-	-	-	-	-
Investments	-	-	-	-	-
Current assets	-	-	-	-	-
Current liabilities	-	-	-	-	-
Long Term Liability	-	-	-	-	-
Pension Fund Liability	-	-	-	-	-
	-	-	-	-	-

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## 25. Analysis of net assets between funds – Company

	Unrestricted Funds			Restricted	Totals
	General	Pension	Designated	Funds	
	2021	2021	2021	2021	2021
	£	£	£	£	£
<b>Fund balances at 31 March 2021 are represented by:</b>					
Tangible fixed assets	952,703	-	196,834	302,064	1,451,601
Investments	100	-	-	-	100
Current assets	15,005,767	-	-	-	15,005,767
Current liabilities	(7,761,266)	-	-	-	(7,761,266)
Long Term Liability	(53,405)	-	-	-	(53,405)
Pension Fund Liability	-	(16,203,000)	-	-	(16,203,000)
	<b>8,143,899</b>	<b>(16,203,000)</b>	<b>196,834</b>	<b>302,064</b>	<b>(7,560,203)</b>

## 26. Notes to the statement of cash flows - Group

### Reconciliation of net income to net cash inflow from operating activities

	2022	2021
	£	£
Net expenditure for the year	7,565,608	(332,190)
Adjustments for:		
Depreciation charges	-	796,039
Dividends, interest and rents from investments	(6,105)	(8,948)
Interest Payable	-	53,373
Asset disposals	1,451,601	-
Net pension adjustment FRS102	(16,203,000)	3,347,000
Decrease in stocks	58,327	39,898
Decrease in debtors	1,595,829	1,898,194
(Decrease)/increase in creditors	(7,815,450)	900,651
<b>Net cash (used in)/provided from operating activities</b>	<b>(13,353,191)</b>	<b>(6,694,017)</b>

### Notes to the statement of cash flows (continued)

#### Reconciliation of net cash flow to movement in net debt

Increase/(Decrease) in cash in the year	(13,400,501)	5,949,872
Net Funds at the start of the year	13,400,501	7,450,628
Net Funds as at 31 March 2022	-	13,400,500

#### Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	-	13,400,500
Total Cash and Cash Equivalents	-	13,400,500

# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## 27. Notes to the statement of cash flows - Company

### Reconciliation of net income to net cash inflow from operating activities

	2022	2021
	£	£
Net expenditure for the year	7,560,204	(321,804)
Adjustments for:		
Depreciation charges	-	796,039
Dividends, interest and rents from investments	(6,105)	(8,948)
Interest Payable	-	53,373
Asset disposals	1,451,601	-
Net pension adjustment FRS102	(16,203,000)	3,347,000
Decrease in stocks	38,873	27,742
Decrease in debtors	1,589,467	1,776,861
(Decrease)/increase in creditors	(7,761,266)	1,084,684
<b>Net cash (used in)/provided from operating activities</b>	<b>(13,330,226)</b>	<b>6,754,947</b>

### Notes to the statement of cash flows

#### Reconciliation of net cash flow to movement in net debt

Increase / (Decrease) in cash in the year	(13,377,436)	6,010,802
Net funds at the start of the year	13,377,436	7,366,634
Net Funds as at 31 March 2022	-	13,377,436

#### Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	-	13,377,436
Total Cash and Cash Equivalents	-	13,377,436

## 28. Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land & Buildings	Other	Total	Total
	2022	2022	2022	2021
	£	£	£	£
Operating leases which expire:				
In Year one	-	-	-	92,940
In the second to fifth years inclusive	-	-	-	2,578
	-	-	-	95,518

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

### 29. Pension scheme

Certain of the Company's employees belong to the Strathclyde Pension Fund which is part of the Multi-Employer Local Government Pension Scheme (LGPS), of which the Company is an admitted body. This is a defined benefit scheme that provides benefits based on the final pensionable salary, the assets of which are held in a separate trustee administered fund. In accordance with FRS102 – Retirement Benefits the Company is required to disclose certain information relating to the scheme. The recognition and measurement requirements of FRS102 have been adopted within the accounts.

The last full actuarial valuation was carried out as at 31 March 2021. The following information is based on updated information. This actuarial valuation of the scheme was carried out by independent actuaries at 31 March 2021 using the following assumptions. This includes the effect of the McCloud judgement.

	31 March 2022	31 March 2021
Rate of increase in salaries	-	2.8%
Rate of increase in pensions in payment	-	3.5%
Discount rate	-	2.1%

	31 March 2022		31 March 2021	
	Males	Males	Males	Females
Post Retirement Mortality				
Current Pensioners	-	-	19.8 years	22.9 years
Future Pensioners	-	-	21.2 years	24.6 years

The Fair value of employer assets are:

	31 March 2022	31 March 2021
	£	£
Equities	-	90,893,000
Bonds	-	31,675,000
Property	-	12,394,000
Cash	-	2,754,000
Total	<u>-</u>	<u>137,716,000</u>

The amounts recognised in the balance sheet are as follows:

	31 March 2022	31 March 2021
	£	£
Present value of funded obligations	-	(153,919,000)
Fair value of plan assets	-	137,716,000
Net Liability	<u>-</u>	<u>(16,203,000)</u>



# Culture and Leisure NL Ltd (formerly Culture NL Limited)

## Pension scheme (continued)

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

	31 March 2022	31 March 2021
	£	£
Opening Defined Benefit Obligation	-	118,522,000
Service cost	-	6,257,000
Interest cost	-	2,791,000
Contribution by Members	-	1,023,000
Actuarial (Gains)/Losses	-	26,740,000
Past service cost (including curtailments)	-	593,000
Liabilities Assumed in a Business Combination	-	-
Benefits Paid	-	(2,007,000)
Closing defined benefit obligation	<u>-</u>	<u>153,919,000</u>

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

	31 March 2022	31 March 2021
	£	£
Opening plan assets	-	109,590,000
Interest income	-	2,550,000
Actuarial (losses)/gains	-	25,256,000
Contributions by employer	-	3,744,000
Contributions by members	-	1,023,000
Assets Acquired in a Business Combination	-	-
Benefits paid	-	(2,007,000)
Other experience	-	(2,440,000)
Closing plan assets	<u>-</u>	<u>137,716,000</u>

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

	31 March 2022	31 March 2021
	£	£
Current service cost	-	6,257,000
Past service cost	-	593,000
Interest on obligation	-	2,791,000
Interest on plan assets	-	(2,550,000)
Total	<u>-</u>	<u>7,091,000</u>

Included within other comprehensive income is the actuarial gains and losses disclosed above in relation to the changes in the fair value of plan assets and liabilities

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

### Pension scheme (continued)

The history of experience gains and losses are as follows:

	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
	£	£	£	£	£
Present value of liabilities	-	153,919,000	118,522,000	58,359,000	48,822,000
Percentage of the present value of liabilities	-	0%	0%	0%	0%
Value of assets	-	137,716,000	109,590,000	55,295,000	50,934,000
(Deficit) / Surplus	-	(16,203,000.00 )	(8,932,000.00 )	(3,064,000.00)	2,112,000.00
Experience gains / (losses) arising on the scheme liabilities	-	-	-	-	-
Actuarial (gains)/losses recognised in SOFA	-	(3,924,000)	(8,963,000)	3,065,000	(8,369,000)
Present value of liabilities	-	153,919,000	118,522,000	58,359,000	48,822,000
Percentage of the present value of liabilities	-	(2.50)%	(9.10)%	5.25%	(17.14)%

### Recognised in Other Comprehensive Income

	31 March 2022	31 March 2021
	£	£
Changes in financial assumptions	-	(34,205,000)
Changes in demographic assumptions	-	4,248,000
Other experience	-	777,000
Return on assets excluding amounts in net interest	-	25,256,000
Actuarial revaluation in business combination	-	-
	<u>-</u>	<u>(3,924,000)</u>

### 30. Related party transactions

At a committee meeting on January 31 2020 approval was given to insource the delivery of Culture, Sport and Leisure Services to North Lanarkshire Council (NLC). This transfer of services took place on April 1 2021; all assets and liabilities of Culture & Leisure NL Ltd were donated to NLC for £nil consideration.

North Lanarkshire Council (NLC), the sole member of Culture & Leisure NL Ltd, made a contribution as per the service specification of £nil to the Company (2020/21 £26,470,223 for the lease of the facilities occupied by the Company for a peppercorn rent). The transactions with NLC to 31st March 2022 were as follows; the Company incurred costs from NLC of £nil, 2020/21 £3,058,205, which included transactions such as SLA's, medical referrals, internal hires, events, CEEF, CRA. The Company invoiced NLC in the year £nil (2020/21 £26,823,767) this includes the management fee mentioned above, also swimming programmes and coaching for schools, along with other income such as hospitality, room hire, social work NL access passes and archiving services. Independent Examiners fees of £1,850 + VAT in relation to the independent examination for the year ended 31 March 2022 will be paid by NLC on behalf of CLNL.

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

No Directors of the Company were members of North Lanarkshire Council during the period ended 31 March 2022.

	Leisure 2022	Culture 2022 £	Total Group 2022	Total Group 2021 £
<b>NLC Paid CLNL For Management Fee</b>	-	-	-	<b>26,239,641</b>
Other , Hall hire, catering, coaching etc.	-	-	-	<b>584,126</b>
	-	-	-	<b>26,823,767</b>
<b>CNL Paid NLC for SLA's, fleet support, CEEF, internal hires, medical referrals etc Office Accommodation, CRA</b>	-	-	-	<b>1,367,568</b>
	-	-	-	<b>1,690,637</b>
	-	-	-	<b>3,058,205</b>
<b>CLNL owed NLC - Creditor</b>	-	-	-	<b>596,813</b>
<b>NLC owed CLNL - Debtors</b>	-	-	-	<b>128,701</b>

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

### 31. Consolidated Statement of Financial Activities for the year ended 31 March 2021 (incorporating the income and expenditure account)

	Note	General Fund 2021 £	Pension Fund 2021 £	Designated Fund 2021 £	Total Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<b>Income and endowments</b>								
Incoming resources from trading activities								
Other trading activities:								
Catering & Trading CICs		246,573	-	-	246,573	-	246,573	2,454,556
Rental income		201,737	-	-	201,737	-	201,737	394,854
Merchandising		20,347	-	-	20,347	-	20,347	268,210
Income from investments	2	8,948	-	-	8,948	-	8,948	43,258
<i>Total income and endowments from trading activities</i>		<b>477,605</b>	-	-	<b>477,605</b>	-	<b>477,605</b>	<b>3,160,878</b>
Income from charitable activities								
Advancement of culture, health, education and sport	4	28,639,418	-	-	28,639,418	607,788	29,247,206	31,818,787
Other Income								
Grant funding - furlough	3	8,989,866	-	-	8,989,866	145,117	9,134,983	427,366
<b>Total income and endowments</b>		<b>38,106,889</b>	-	-	<b>38,106,889</b>	<b>752,905</b>	<b>38,859,794</b>	<b>35,407,031</b>

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

### 31. Consolidated Statement of Financial Activities for the year ended 31 March 2021 (incorporating the income and expenditure account)

	Note	General Fund 2021 £	Pension Fund 2021 £	Designated Fund 2021 £	Total Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<b>Expenditure on:</b>								
Raising funds:								
Catering & Trading CICs	5 & 12	1,548,538	-	-	1,548,538	-	1,548,538	2,678,656
Rental	5	105,689	-	-	105,689	-	105,689	-
Merchandising	5	18,386	-	-	18,386	-	18,386	126,061
<i>Total costs of raising funds</i>		<b>1,672,613</b>	-	-	<b>1,672,613</b>	-	<b>1,672,613</b>	<b>2,804,717</b>
<hr/>								
Charitable activities	7							
Advancement of culture, health, education and sport		33,524,754	3,347,000	102,600	36,974,354	545,017	37,519,371	36,521,675
<b>Total Expenditure</b>		<b>35,197,367</b>	<b>3,347,000</b>	<b>102,600</b>	<b>38,646,967</b>	<b>545,017</b>	<b>39,191,985</b>	<b>49,286,377</b>
<hr/>								
Net movement in funds and net income for the year	19	2,909,522	(3,347,000)	(102,600)	(540,078)	207,888	(332,190)	(13,879,346)
Actuarial (loss)/gain on defined benefit pension scheme	28	-	(3,924,000)	-	(3,924,000)	-	(3,924,000)	8,963,000
Transfer between Funds		3,657,285	-	(3,657,285)	-	-	-	-
<b>Net movement in funds</b>		<b>6,566,807</b>	<b>(7,271,000)</b>	<b>(3,759,885)</b>	<b>(4,464,078)</b>	<b>207,888</b>	<b>(4,256,190)</b>	<b>(4,916,346)</b>
<hr/>								
Fund balances brought forward at 1 April 2020	22	1,571,688	(8,932,000)	3,956,719	(3,403,593)	94,176	(3,309,417)	1,606,929
<b>Total funds carried forward at 31 March 2021</b>	21	<b>8,138,495</b>	<b>(16,203,000)</b>	<b>196,834</b>	<b>(7,867,671)</b>	<b>302,064</b>	<b>(7,565,607)</b>	<b>(3,309,417)</b>

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

### 32. Parent Statement of Financial Activities for the year ended 31 March 2021 (incorporating the income and expenditure account)

	Note	General Fund 2021 £	Pension Fund 2021 £	Designated Fund 2021 £	Total Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<b>Income and endowments</b>								
Incoming resources from trading activities								
Other trading activities:								
Catering - Leisure		228,889	-	-	228,889	-	228,889	715,884
Rental income		103,848	-	-	103,848	-	103,848	394,854
Merchandising		20,347	-	-	20,347	-	20,347	268,210
Income from Investments	2	8,948	-	-	8,948	-	8,948	43,258
<i>Total income and endowments from trading activities</i>		<b>362,032</b>	-	-	<b>362,032</b>	-	<b>362,032</b>	<b>1,422,206</b>
Income from charitable activities								
Advancement of culture, health, education and sport	4	28,639,418	-	-	28,639,418	607,788	29,247,206	31,818,787
Other Income								
Grant funding - furlough	3	8,989,866	-	-	8,989,866	145,117	9,134,983	427,366
<b>Total income and endowments</b>		<b>37,991,316</b>	-	-	<b>37,991,316</b>	<b>752,905</b>	<b>38,744,221</b>	<b>33,668,359</b>
<b>Expenditure on:</b>								
Raising funds:								
Catering		1,528,268	-	-	1,528,268	-	1,528,268	901,540
Merchandising		18,385	-	-	18,385	-	18,385	126,061
<i>Total costs of raising funds</i>	6	<b>1,546,653</b>	-	-	<b>1,546,653</b>	-	<b>1,546,653</b>	<b>1,027,601</b>

## Culture and Leisure NL Ltd (formerly Culture NL Limited)

### 32. Parent Statement of Financial Activities for the year ended 31 March 2021 (incorporating the income and expenditure account)

Note	General Fund 2021 £	Pension Fund 2021 £	Designated Fund 2021 £	Total Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Charitable activities							
7							
Advancement of culture, health, education and sport	33,524,754	3,347,000	102,600	36,974,354	545,017	37,519,371	36,565,102
<b>Total Expenditure</b>	<b>35,071,407</b>	<b>3,347,000</b>	<b>102,600</b>	<b>38,521,007</b>	<b>545,017</b>	<b>39,066,024</b>	<b>47,552,688</b>
Net movement in funds and net income for the year	2,919,909	(3,347,000)	(102,600)	(529,691)	207,888	(321,803)	(13,884,329)
28	-	(3,924,000)	-	(3,924,000)	-	(3,924,000)	8,963,000
Actuarial (loss)/gain on defined benefit scheme							
Transfer between Funds	3,657,285	-	(3,657,285)	-	-	-	-
<b>Net movement in funds</b>	<b>6,577,194</b>	<b>(7,271,000)</b>	<b>(3,759,885)</b>	<b>(4,453,691)</b>	<b>207,888</b>	<b>(4,245,803)</b>	<b>(4,921,329)</b>
Fund balances brought forward at 1 April 2020	1,566,705	(8,932,000)	3,956,719	(3,408,576)	94,176	(3,314,400)	1,606,929
24							
<b>Total funds carried forward at 31 March 2021</b>	<b>8,143,899</b>	<b>(16,203,000)</b>	<b>196,834</b>	<b>(7,862,267)</b>	<b>302,064</b>	<b>(7,560,203)</b>	<b>(3,314,400)</b>
23							