

East Ayrshire Leisure Trust
A Scottish Charitable Incorporated Organisation

Annual Report and Accounts
For the year ended 31st March 2017

Charity Number SC043987

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East Ayrshire Leisure Trust

Message from the Board

We are delighted to introduce the fourth Annual Report and Accounts for East Ayrshire Leisure Trust covering the financial year 2016/17. East Ayrshire Leisure has continued to show strong financial performance and has made excellent progress against the new Business Plan objectives.

As ever, we have held many exhibitions, events, workshops and activities across all our venues throughout the year. One highlight was the 'Picasso At Play' exhibition which we hosted at the Baird Institute in Cumnock. Picasso is regarded as one of the greatest artists of the 20th Century and the fascinating exhibition provided a glimpse into his personality as well as the processes behind creating many of his famous works. I AM HERE, a Crafts Council Touring Exhibition, came to the Dick Institute early 2017 and featured contemporary jewellery by the most significant European makers from the last 5 decades.

We celebrated 10 years of the River Ayr Way this year and a series of events marked the special anniversary, ranging from the 'Failford Dusk Walk' to 'Ayr Beach Tidal Teaser' culminating in the annual River Ayr Way Ultra-Marathon (41 miles). 2016 also saw the introduction of relay team entries to this unique and challenging event.

East Ayrshire Youth Theatre (EAYT) continued to excel, bringing a first-class production of 'Peter Pan' to the Palace Theatre stage and were extremely proud to be the first amateur group in Scotland to premier the smash-hit production 'Made In Dagenham.'

The Ayrshire Athletics Arena in Kilmarnock has continued to play host to some of the region's most prestigious sporting events, delivering 25 athletics-based events and, once again, provided the perfect setting for the Scottish Athletics West District Track and Field Championships. Working in partnership with the Kilmarnock Harriers and East Ayrshire Council, the Ayrshire Athletics Arena was home to the town's first "Roon the Toon" 10k road race attracting 1200 runners from across the country.

Our Imprint Book Festival returned in October with a sparkling array of Scotland's literary talent showcased in author talks, events and kids' activities. Author of much-loved international bestseller 'Chocolat', Joanne Harris kicked off the festival. Ajay Close and Lucy Ribchester entertained with their suffragette stories and Hugh McIlvanney shared tales of his remarkable career with Graham Speirs. Our annual event celebrating one of Burns's most famous works, 'Chiefly In the Scottish Dialect' brought celebrated writer, poet and musician Andrew Grieg from Orkney.

A highlight in the cultural calendar was the performance by ground-breaking rock band Primal Scream at Kilmarnock's Grand Hall. This year's pantomime, Beauty & The Beast attracted rave reviews and record figures at the Palace Theatre.

Throughout 2016-17 all our venues have either maintained or enhanced their VisitScotland star rating; we were thrilled that the Dick Institute was upgraded to a 4-star visitor attraction. The Palace Theatre was accredited for the first time and was also designated as a 4-star arts venue, enhancing our portfolio of quality attractions. Also in 2016, East Ayrshire Leisure became part of VisitScotland's 'I Know' programme, becoming the first Ayrshire organisation to sign up to the initiative which provides local information on a range of key topics. This new approach enhances and complements the many ways in which we provide information to visitors.

Councillor Reid stepped down as Chair of East Ayrshire Leisure on 18th May 2017. He would like to pass on his thanks to the Board of Trustees for their continued work and support and wishes the Trust, and his successor, all the best for the future. He would also like to thank East Ayrshire Leisure's

East Ayrshire Leisure Trust
Message from the Board

Senior Management Team and staff for their ongoing commitment to providing the best possible services for East Ayrshire residents and visitors.



Councillor Elena Whitham
Chair, East Ayrshire Leisure Trust

East Ayrshire Leisure Trust

Message from the Chief Executive

Welcome to East Ayrshire Leisure's Annual Report and Accounts for 2016/17. This report summarises East Ayrshire Leisure's progress in its fourth year of operation. Significant progress has been made in developing East Ayrshire Leisure and ensuring that a strong partnership with East Ayrshire Council remains in place.

The results for 2016/17 show that once again East Ayrshire Leisure is operating well and achieving its targets. The effects of reducing budgets has meant that we continue to operate in a changing environment, with many of our facilities undergoing review, a change to opening hours or subject to community asset transfer (CAT), and as a result we have now lost a good number of long-serving staff. We have, however, despite this challenging financial climate met all our financial targets, and both income and attendances to our facilities have increased. We also secured just over £1.7 million in external funding for various projects, across all service areas.

We introduced a new Business Plan this year and whilst we continue to deliver the vision and values of the previous plan, we are focussing on 4 key strategic objectives for the 2016-19 period:

- To be recognised as a provider of high quality/valued services and facilities
- To enhance people's health and wellbeing through participation
- To enhance the tourism offer to East Ayrshire
- To be recognised as an employer of choice

We have already made great strides in meeting these objectives and will continue to drive forward new initiatives and developments which will continue to enhance the organisation and the services we provide for the people of East Ayrshire and beyond. A summary of our achievements to date are outlined within this report.

It is clear from our customers that they greatly value the services we provide and our staff continue to be a credit to the organisation. This has been highlighted through the introduction of our staff recognition award scheme. I would like to take this opportunity to thank them all for their ongoing dedication to East Ayrshire Leisure and the passion and enthusiasm they continue to show in the delivery of our services.

None of our achievements would be possible without the support of our partners, of whom there are many, and in particular our main funder, East Ayrshire Council (EAC). We will continue to work closely with them all to ensure the continued provision of new and innovative services, events, opportunities and high quality Leisure Services.

I would also like to thank our Board of Trustees for their continued support, commitment and dedication given to East Ayrshire Leisure throughout the year.



John Griffiths
Chief Executive

**East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2017**

The Trustees are pleased to present their Annual Report and Accounts for the year ended 31st March 2017. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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).

EAST AYRSHIRE LEISURE TRUST – THE ORGANISATION

East Ayrshire Leisure Trust is a Scottish Charitable Incorporated Organisation recognised by the Office of the Scottish Charity Regulator (OSCR), registration number SC043987. The organisation took responsibility for a wide range of cultural, countryside, sports and community facilities and services across East Ayrshire on 1st July 2013.

GOVERNING DOCUMENT

The East Ayrshire Leisure Trust Constitution was approved by the Board of Trustees on 13th March 2013.

East Ayrshire Leisure's initial Business Plan covered the period 2013-16, and during this period the Trust became established as an independent organisation. Our current Business Plan covers the period 2016-19 and will be subject to regular monitoring and review including the submission of an Annual Performance Report to East Ayrshire Council.

OUR PURPOSE

East Ayrshire Leisure Trust has the following purpose:

- 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 the whole community with the aim of improving quality of life;
- To advance education;
- To advance health;
- To advance citizenship and/or community development (which may include the promotion of civic responsibility, volunteering, the voluntary sector and/or and the efficiency and effectiveness of charities);
- To relieve those in need by reason of age, ill health, disability, financial hardship or other disadvantage;
- To promote, establish, operate and/or support other similar schemes and projects which further charitable purposes;

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OUR VISION

East Ayrshire Leisure's vision reflects the vision of the Community Planning Partnership i.e. to help East Ayrshire become:

“An area full of life, with a strong cultural, sporting and natural identity which reflects the unique character of the place and its people; an area where cultural, sporting and countryside activities play a central role in social, economic and urban/rural development; an area where new and creative initiatives across the cultural, sporting and countryside fields flourish, for the benefit of both residents and visitors.”

OUR MISSION

“To provide and support high quality, innovative, cultural, sports, countryside and community services for the benefit of East Ayrshire residents and visitors to the area, which meet the council's social, cultural, environmental and economic objectives.”

OUR VALUES

East Ayrshire Leisure's core values are based on being:

- Collaborative and Creative
- Innovative and Inspirational
- Proactive and Professional
- Open and Honest
- Passionate and Proud

The principles by which we operate and carry out our business are driven by a desire to do what is best for the community and in so doing:

- We will be driven by a commitment to deliver high quality services for the people of East Ayrshire
- Creativity and innovation will be at the heart of our thinking
- We will build partnerships and thrive on collaboration
- We will invest in the formation of a highly motivated, customer focused and skilled workforce
- We will promote equality, access and diversity across our programmes
- We will deliver safe services and manage finances efficiently and effectively

EAST AYRSHIRE LEISURE SERVICES

East Ayrshire Leisure is responsible for managing a range of facilities and services across a broad Culture, Countryside, Sport and Community Venues remit.

The range of facilities managed by East Ayrshire Leisure has been subject to change since July 2013 as the Council has undertaken a programme of Community Asset Transfer and Asset Rationalisation.

Brief Service Descriptions

- **Cultural Services**
This service manages Libraries, Museums and Heritage, Galleries, the Palace Theatre/Grand Hall Complex and Cumnock Town Hall. The service is responsible for museum collection management, arts and cultural development including visual and performing arts, reader development including Imprint Book Festival and local and family history services.
- **Countryside Services**
This service manages Dean Castle Country Park, the River Ayr Way and footpath networks across East Ayrshire. The service is responsible for Countryside Access, events, programme development at Dean Castle Country Park outdoor education and golf.
- **Sport & Community Venues**
This service manages Sports and Leisure Centres, Games Hall, Community Halls, Sports Pitches and the Ayrshire Athletics Arena. The service is responsible for programme development, community sports hubs, sports development and events encompassing athletics, swimming and fitness.
- **Marketing & Development**
This service manages all publicity and promotional activity, communications, public relations, branding, corporate identity, web development and digital communication and strategy, market research, customer feedback and complaints handling, sponsorship and fundraising.
- **People & Finance**
This service is responsible for administration, OSCR compliance, financial management/budget monitoring, Human Relations, Information Management, Health and Safety, Freedom of information, credit control, cash receipting and staff training and development.
- **Agreements with East Ayrshire Council**
A series of agreements underpin East Ayrshire Leisure's relationship with the Council. Services Agreements are in place to cover support services that the Council provides for East Ayrshire Leisure i.e. Health and Safety, Internal Audit, Payroll etc. A Services and Finance Agreement is in place to cover the services which the Council expects us to deliver, including the facilities for which East Ayrshire Leisure is responsible.

In addition, a Collections Agreement covers how the Council's museum collections will be managed by East Ayrshire Leisure and an Asset Transfer Agreement covers the ownership of assets required to support the delivery of services which are the responsibility of East Ayrshire Leisure.

Key venues and visitor attractions

We manage a huge range of facilities across East Ayrshire; our key venues and tourist attractions are highlighted below:

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Annanhill Golf Course

Situated on the outskirts of Kilmarnock in scenic surroundings, this parkland course, with tree lined fairways has a par of 71 measuring 5954 yards.

Ayrshire Athletics Arena

Designed and built to the highest standard, this premier athletics and sports training facility boasts a UK Athletics Class A outdoor athletics facility with Mondo surface and 6 lane 63m indoor training area with strength and conditioning area. It has been designed to meet the highest of training and competition requirements for a wide range of athletes, sports clubs, schools and community groups and our athletics event calendar has grown year on year.

Baird Institute (4 star visitor attraction)

First opened in 1891, the Baird Institute has world class collections of Mauchline Ware, Cumnock Pottery, artefacts of local and social history and contemporary exhibitions. The Keir Hardie Room presents the life and career of the founder of the Labour Party with an interactive audio-visual screen, a large collection of his personal belongings and souvenirs of his travels

Burns House Museum and Library (4 star visitor attraction)

The Burns House Museum and Library is in the centre of historic Mauchline, where stories of Robert Burns and his friends and family can be found in every nook and cranny. The Burns House Museum offers the chance to visit the room where Burns and his wife Jean Armour lived, see original Burns manuscripts and objects that tell the story of his life and work.

Dean Castle & Country Park (4 star visitor attraction)

Dean Castle Country Park is East Ayrshire's only Country Park and provides a great day out all year round with woodland walks, an urban farm, adventure playground, visitor centre with shop and tearoom and a fantastic 14th century castle housing world class collections. The Country Park also hosts a number of large scale events every year as well as a programme of outdoor learning activities. The Country Park received HLF funding with major redevelopment taking place to turn it into a 5 star visitor attraction. The Dean Castle was used as a film location for Season 2 of Outlander and now exists on Visitscotland's promotional material for tourists.

Dick Institute (4 star visitor attraction)

The Dick Institute is one of the most important cultural venues in the south-west of Scotland, featuring the largest museum, galleries and Library in Ayrshire with a range of arts and literary events throughout the year.

With a programme of nationally important exhibitions, events and innovative works by leading and contemporary artists, filmmakers and young people as well as permanent displays of the museum's diverse collections including natural sciences, archaeology and local and social history.

Sport and Leisure Centres: Auchinleck, Doon Valley, Grange, Loudoun, St Joseph's, Stewarton

Our Sport and Leisure Centres offer a wide range of activities and facilities for all the family including fitness suites with a wide range of equipment, FIFA *I synthetic grass pitches, swimming pools and a range of fitness classes and activities. Many of our venues also house a variety of versatile halls suitable for staging competitions and larger events as well as badminton, football, netball as well as seated events such as shows, presentations, conferences and events.

Palace Theatre & Grand Hall Complex (4 star arts venue)

Ayrshire's premier entertainment venue offers a wonderfully varied programme throughout the year including comedy, music, drama, dance, variety and much more.

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River Ayr Way

The River Ayr Way is designated as one of Scotland's Great Trails and is included in the family of long to medium distance routes in Scotland. It is 44 miles from the source of the River Ayr in Glenbuck to the sea at Ayr. 22 miles of the route is managed by East Ayrshire Leisure, with the rest being managed by South Ayrshire Council.

Education & outreach

As well as our public events and activities, we also offer a large amount of outreach events for schools and educational establishments.

Highlights this year included our celebration of Burns's Birthday; the hugely popular annual workshops for primary schools took place during January with participating schools taking part in a dramatisation of 'Tam O'Shanter', dressing up in costumes from Burns's era and finding out more about objects in common use at that time, through handling sessions with museum curators.

The Imprint schools programme continues to thrive, giving pupils the opportunity to meet renowned authors and learn more about their work and the writing process. We welcomed 'Badger the Mystical Mutt' and Clydebuilt Puppet Theatre's 'The Gingerbread Man' for younger pupils as well as the wonderful Mairi Hedderwick, author of the acclaimed Katie Morag books (and CBeebies TV series). Danny Weston, author of supernatural thrillers and award-winning Ross MacKenzie entertained the more senior pupils.

The annual Pantomania Day gives primary children the opportunity to explore how panto is produced and to learn the traditions of panto, dress up, create slapstick routines and explore theatrical make-up.

As well as special events and activities, schools are invited to engage with us through a year-long programme such as 'Discover Stories' at the library, tours of our galleries and museums, and environmental education and outdoor learning.

Outdoor learning continues to be a focus for the Countryside Team who work with schools throughout East Ayrshire and welcome schools to the Country Park. Due to the development works at the Country Park in the last year, the Countryside Ranger Service has encouraged schools to work in their local greenspaces and developed a number of John Muir projects in local parks.

We also continue to host sports days at Ayrshire Athletics Arena and Stewarton Sports Centre, offering pupils the opportunity to experience sports in a fun, yet competitive, environment. Qualified coaches and staff provide a positive experience for all participants and those showing an interest and talent can develop their skills through our additional activities, many of which have direct links to professional clubs.

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EAST AYRSHIRE LEISURE'S STRUCTURE

THE BOARD OF TRUSTEES

A Board of 13 Trustees is responsible for providing strategic direction for the organisation. The 13 Trustees comprise:

- 6 Independent Trustees – one of whom is a Trade Union nominee
- 5 Councillor Trustees, nominated by East Ayrshire Council
- 2 Council Officer Trustees nominated by East Ayrshire Council to act as Trustees, but without voting rights.

Trustees	Appointment date	Resignation date
Partner Trustees		
Douglas Reid (Chair until May 2017))	13 th March 2013	18 th May 2017
Neil McGhee	13 th March 2013 (reappointed 18 th May 2017)	
Iain Linton	25 th June 2015	18 th May 2017
Eoghann MacColl	25 th June 2015	4 th May 2017
Hugh Ross	27 th October 2015	4 th May 2017
Ian Grant	18 th May 2017	
Elena Whitman	18 th May 2017	
Jim Roberts	18 th May 2017	
Clare Maitland	18 th May 2017	
Chris McAleavey (ex officio)	27 th August 2015	
Joe McLachlan (ex officio)	27 th August 2015	
Independent Trustees		
Elizabeth Young (Vice Chair)	13 th June 2013 (Re-appointed 27 th August 2015)	
Jean Brown	13 th June 2013	
Robin Hume	13 th June 2013 (Re-appointed 27 th August 2015)	
June Minnery	13 th June 2013 (Re-appointed 27 th August 2015)	
Eddie Rutherford	13 th June 2013	17 th May 2016
Jackie Livingston	1 st July 2015	
Robbie Mann	7 th September 2016	

The Board meets regularly throughout the year and is supported by a Performance and Audit Sub-Committee made up of 5 Trustees. In addition, development sessions are also held to support Trustee training and to allow discussion to focus on key issues i.e. Business Planning and specific service areas.

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Trustee training is available on an as required basis in addition to induction training for new Trustees. Development sessions to enhance Trustees knowledge of service areas are organised throughout the year.

MANAGEMENT ARRANGEMENTS

The Chief Executive and Senior Management Team are responsible for the day to day management of East Ayrshire Leisure's operations. A Scheme of Delegation is in place to allow responsibilities for key tasks to be allocated to appropriate staff. Staff salaries and terms of conditions of employment follow those of East Ayrshire Council and this is expected to continue.

Senior Management Team

John Griffiths (Chief Executive)
Adam Geary (Cultural Services Manager)
Chris Murphy (Sport and Community Venues Manager)
Anneke Freel (Countryside Services Manager)
Jackie Biggart (People & Finance Manager)
Dianne McGregor (Marketing and Development Manager)

ADMINISTRATIVE INFORMATION

Registered Office	Dick Institute 14 Elmbank Avenue Kilmarnock KA1 3BU www.eastayrshireleisure.com 01563 554300
Auditor	Scott Moncrieff Exchange Place 3 Semple Street Edinburgh EH3 8BL
Solicitors	East Ayrshire Council London Road Headquarters Kilmarnock KA3 7BU
Bankers	Royal Bank of Scotland 8 John Finnie Street Kilmarnock KA1 1DD
Charity Number	SC043987

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FINANCIAL REVIEW

The period to 31st March 2017 was the Trust's fourth year of activity. In the period, East Ayrshire Leisure reported an unrestricted deficit of £615,889.

At 31st March 2017, the actuarial valuation of the pension scheme resulted in a net pension liability of £3,607,000 this being recognised in the Balance Sheet. The valuation has resulted in an actuarial loss of £2,548,000 being recognised in the Statement of Financial Activities in the period. The balance on the pension fund will change annually according to economic conditions and the trustees will keep the position under review.

RESERVES POLICY

The Board approved a revised Financial Reserves Policy in March 2016. The policy was amended from 5% of incoming resources (approx. £400k) to a range of 3-5% (approx. £215k – 400k) as the target for unrestricted funds not committed. This target has been achieved and the appropriate level of reserves is now in place.

FINANCIAL PROFILE UPDATE

East Ayrshire Leisure receives funding from East Ayrshire Council to support the delivery of an agreed range of services. Significant savings were generated from the transfer to Trust services and it is expected that further savings will be required during the term of our new Business Plan for 2016-19.

East Ayrshire Leisure also generates income from charges for services and has the ability to submit bids for funding from a wide range of external bodies. Trust staff will bid for funds to support and develop service quality and delivery wherever appropriate opportunities and resources are available.

The agreed baseline budget for 2017/18 is set out below:

	2017/18 £
Baseline Budget (excl Savings)	5,069,480
Balance of Savings Target	(241,000)
Baseline Budget	4,828,480
Savings Target (following Best Value Review)	(293,080)
Baseline Budget (after Savings)	4,535,400

RISK MANAGEMENT

The Board manages risk in a pro-active manner and priorities areas of concern. The Risk Register is reviewed regularly as part of the Trustees consideration of the quarterly performance report. Key risks in 2016/17 included: significant reduction in funding received from East Ayrshire Council, partners and external stakeholders not seeing East Ayrshire Leisure as a partner of choice, failure to deliver Business Plan targets and the loss of external funding, a lack of capital investment or maintenance, reduction in facilities and loss of income.

ASSETS AND RESOURCES

Properties

East Ayrshire Leisure has 25 year leases in place for each of its properties. These properties continue to be in the ownership of East Ayrshire Council and the Council remain responsible for repair and maintenance.

The stock of properties is currently under review and the Council's Asset Rationalisation and Community Asset Transfer programmes, alongside East Ayrshire Leisure's own service review and redesign proposals will see the number of properties managed by East Ayrshire Leisure reduce through 2016-19.

The Council has a major capital investment programme and there are projects being developed, particularly new school campuses that will see new community facilities built that may become the responsibility of East Ayrshire Leisure in due course.

Equipment

East Ayrshire Leisure has access to a wide range of specialist equipment and vehicles that support service delivery, including mobile libraries, grounds maintenance equipment, computers and sports equipment. Ownership of equipment did not transfer in July 2013 and rests with East Ayrshire Council. Inventories that clearly show ownership of equipment are now being kept as items purchased by East Ayrshire Leisure belong to East Ayrshire Leisure, not the Council.

Museum Collections

East Ayrshire Council owns significant museum collection assets which are held within its museums, libraries and archives and is responsible for the management and maintenance of any assets given on loan. East Ayrshire Leisure has been granted licence to use these assets through the Collections Agreement and will maintain and preserve them on behalf of the Council.

ACHIEVEMENT AND PERFORMANCE

Our new Business Plan covers the period of financial years 2016-2019 and the Board's priorities are highlighted in the Action Plan. Progress towards the targets set in the Action Plan is reviewed on a quarterly basis and fully reported annually.

Our Business Plan for 2016-19 outlines 4 key strategic objectives with specific actions to address them. Significant progress has been made in year one of the new Business Plan and details of how we have achieved our objectives to date, or initiatives we are currently developing, are outlined below:

I. TO BE RECOGNISED AS A PROVIDER OF HIGH QUALITY SERVICES AND FACILITIES THAT ARE WELL USED.

Actions to achieve this:

- 1.1 Increase customer satisfaction
- 1.2 Increase attendance levels/ticket sales through programme development both in person and online
- 1.3 Achieve new quality standards and/or maintain current accreditation standards
- 1.4 Maintain and sustain high level partnerships that support service delivery and improvements
- 1.5 Introduce a system to audit, monitor and improve environmental efficiency across our core facilities

KEY POINTS:

Customer Satisfaction

- Customer Satisfaction surveys have been carried out across the full range of facilities and action plan will be drawn up to implement improvements from 2017 onwards

Attendances

- A wide range of exhibitions/events/activities delivered across all areas have helped to support a 4% increase in attendance during the year. Examples include 'Art of Collection'; 'Angels, Myths and Fables'; 'I Am Here'; and 'Beauty and the Beast' panto at the Palace, Imprint Book Festival across our libraries, and school holiday programme at the Country Park.

Online attendances

- Future Museum (www.futuremuseum.co.uk) visits have shown a 9% increase this year
- www.eastayrshireleisure.com visits have shown a 3% increase above the target for this year

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Twitter

	<u>2016/17</u>	<u>2015/16</u>	
Followers	2,478	1,863	33% increase
Impressions	836,100	428,000	95% increase

Facebook

	<u>2016/17</u>	<u>2015/16</u>	
Page Likes	20,317	12,841	58% increase

Accreditation

- All of our venues have either enhanced or maintained the venue star rating. The Palace Complex was accredited for the first time and was awarded 4 stars. The Dick Institute was awarded 4 stars (previously 3 stars)
- UKactive membership achieved and East Ayrshire Leisure is now an employer partner with the Chartered Institute for the Management of Sport and Physical Activity

Partnerships

- Ayrshire College now operating practical aspects of horticultural and arboriculture courses from Dean Castle Country Park
- Futuremuseum will be expanded to include Inverclyde Council
- Informal partnership in place with Scottish Rural College Conservation Society
- Working with ACDI to develop programme within Auchinleck Boswell Centre and surrounding communities
- Local Record Centre Partnership has been established with North and South Ayrshire Councils to develop an on-line biological record centre for the region
- New informal partnership has been established with the Scottish Rural College Conservation Society which involves them carrying out conservation tasks within the Country Park
- Working in partnership with sports club partners and local groups to develop sporting provision and opportunities within trust facilities: ACDI, Ayrshire Gymnastics, Ayrshire Sportsability, East Ayrshire Athletics Partnership, Grange Frame Football, Footsteps Dancing, Kilmarnock Harriers McCulloch ATA, Senjokai Karate Club, Stewarton Tennis Club, Stewarton Trampoline Club, Stewarton United, Ucan- Learn, Work, Live, Urban Gymnastics, Stewarton Academy and Stewarton Parents Association.
- Establishment of Landscape Partnership to develop a landscape scale heritage project in East Ayrshire. Partnership includes Community Action Planning steering group representatives,

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East Ayrshire Council, Scottish Natural Heritage, Central Scotland Green Network Trust, the Forestry Commission and other local and national stakeholders

- Continued partnership with South Lanarkshire Council and East Renfrewshire Council in the implementation of the Whitelee Access Action Plan
- Establishment of the Ayrshire Strategic Route Network Partnership to develop an Ayrshire wide path network
- Continued partnership with Culture Republic on Market Research and Audience Development initiatives
- Working with University West of Scotland to provide 'Children's University' with learning destinations

Environmental Efficiency

An audit has been carried out across core venues to determine current waste management arrangements and an action plan will be delivered in 2017/18 for implementation.

Energy costs will be reduced by utilising the following:

- (a) Audit – Ensure the accuracy of energy costs
- (b) Monitor – Examine energy use to detect and prevent waste
- (c) Improve – Increase the efficiency of energy use

2. TO ENHANCE PEOPLE'S HEALTH & WELLBEING THROUGH PARTICIPATION.

Actions to achieve this:

- 2.1 Increase general participation /attendance levels across service areas
- 2.2 Increase opportunities for/numbers of young people (12-25) using our services.
- 2.3 Maximise access to our facilities and programmes for people with physical, sensory or learning disabilities.
- 2.4 Increase opportunities for/numbers of older people (60+) using our services.

KEY POINTS:

Attendance

- Cultural visitors/attendance has increased by 3% during 2016/17
- Sport visitors/attendance has shown a 0.3% decrease on the target figure for 2016/17
- Countryside visitors/attendance has shown a 6% increase on the target figure for 2016/17

Opportunities for 12-25 year olds

- New programme focus aimed at engaging this age range through Make Some Noise, Gaelic Project, Youth Theatre and Ayrshire Youth Arts Network.

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- Cumnock Youth Arts network workshops and events have helped to support a targeted programme of young people's theatre and performance. It has attracted 526 young people.
- Introduced 3D printing capability at the Dick Institute library.
- 115 volunteer days were carried out with young people between 12 – 25 working on conservation project at the Country Park. This included 9 young people from Willowbank School.
- 126 weekly sessions are on offer for those age 12 plus to participate in a wide range of sport and fitness activities. Sessions are delivered directly by East Ayrshire Leisure or in partnership with local sports clubs and organisations.
- Engaged with a wide range of national governing bodies of sport and SportScotland to further develop programme delivery and opportunities available within trust facilities to participate in recreational or structured sport and physical activity.

Programmes for people with physical, sensory or learning disabilities

- Working with Willowbank School to develop an outdoor learning area within Dean Castle Country Park which has been specifically adapted for mixed ability needs and will be used to support young people to achieve a John Muir Award. A funding application of £2K is being prepared.
- Introduction of Frame Football at Grange Leisure Centre in partnership with Vibrant Communities and Grange Frame Football Club.
- Development of the Mental Health Badminton Group in partnership with the New Farm Community Sports Hub and NHS Ayrshire & Arran.
- Work with Alzheimer's Scotland to develop a remote volunteering programme for people suffering from dementia.
- Carried out community consultation regarding new play facilities at Dean Castle Country Park in partnership with East Ayrshire Council's Access Design Officer and Jupiter Play DDA specialist.

Increase opportunities for/numbers of older people (60+) using our services.

- The Homewords library service is working with 700 individuals and 5 care homes
- Working with History Group in Cumnock for regular programme of talks at The Baird Institute and also at Doon Valley Museum.
- Working extensively with groups across the Palace Theatre and Grand Hall and libraries, supporting 60+ programmes including Opportunities In Retirement groups, Chit Chat Clubs, IT workshops across library network
- Walking Football sessions at Muirkirk, Patna, Catrine and Muirkirk Games Halls

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3. TO ENHANCE EAST AYRSHIRE'S TOURISM OFFER

Actions to achieve this:

- 3.1 Increase visitor attendance at our key tourist attractions
- 3.2 Work with local groups to add to the tourism offer

KEY POINTS:

Increase attendance at tourist attractions

- With funding from East Ayrshire Council, major upgrades to the East Ayrshire side of the River Ayr Way took place in 2016. This work will be completed with an overhaul of the signage and interpretation in 2017.
- Dean Castle programme of works currently being developed having raised over £2m from external sources.
- £125,000 was approved from the Scottish Rural Development Programme as contribution to the DCCP Green Network Strategy. This is part of a £5 million redevelopment project at the Country Park
- East Ayrshire Leisure is represented on the Kilmarnock Town Centre Stakeholder Group to develop a programme of improvements and activities that will contribute to the tourism offer in Kilmarnock.

Working with local groups

- Worked with Dalmellington Community Council, Irvine Valley Regeneration Partnership and Kilmaurs Community Council in the organisation of the Annick Valley, Irvine Valley and Dalmellington Walking Festivals which attracted over 1200 over the 3 weekends.
- The Dunaskin Heritage Trust has been supported through a programme of Countryside Ranger led walks from April to October.
- Cumnock History Group, Mauchline Burns Club, Doon Valley Community Council to add value to our heritage offer.
- Working with the Kilmarnock Action Plan Group to develop a programme of events towards the end of October.
- Work has started with Cumnock Town Centre Action Plan Group on a programme of development for Woodroad Park.
- East Ayrshire Leisure is supporting New Cumnock Action Plan group in the development of their new allotment and community garden project.
- Ongoing support given to Stewarton Woodlands Action Group and Stewarton Action Plan Steering Group in the development of the green network around Stewarton.

**East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2017**

- Support given to Nethergate Community Farm in the development of their social enterprise to promote sustainable farming as an economic and tourism offer.
- Worked with the Irvine Valley Regeneration Partnership to carry out community consultation exercises to inform the Irvine Valley Trails Project.
- Working with the Culture & Heritage Attraction Group and the Tourism Industry Leader Group
- Worked with the East Ayrshire Tourism Advisory Group on the Tourism Action Plan

4. TO BE RECOGNISED AS AN EMPLOYER OF CHOICE

Actions to achieve this:

- 4.1 Increase staff satisfaction from 2016/17 baseline
- 4.2 Increase the number of volunteering, placement and apprenticeship opportunities
- 4.3 Advance staff through training and development

KEY POINTS:

Increase staff satisfaction from 2016/17 baseline

- Employee survey was carried out and will provide a baseline position for future performance. An Action Plan will also be drawn up for implementing improvements
- Staff Recognition Award was successfully launched; many nominations were received highlighting excellence by staff.
- Absence levels for the year is 8.45 which is above the acceptable 8 working days lost per employee. This is primarily due to long term absence.

Volunteering, placement and apprenticeship opportunities

- 102 placements from secondary and tertiary education were supported in 2016/17
- 499 volunteer days were recorded within the Country Park in 2016/17. This included 58 regular volunteers, as well as people attending one off volunteering events
- Youth Theatre maintains 3 volunteers.
- Textile Team at Dean Castle 10-16 volunteers.

**East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2017**

Staff training & development

- The East Ayrshire General Employee Review (EAGER) process allows employees and their managers to work together to review performance, address any ongoing support and development needs required to allow an employee to work to their full potential. 91% of EAGER's were completed across the organisation.
- A Training & Development Officer was appointed
- Bespoke e-learning modules and training courses have been developed for the organisation.

FUTURE DEVELOPMENTS

In the remaining two years of our current Business Plan there will be several major projects that will impact on the Trust and the services we deliver.

- The Council's Best Value Review of Leisure Services will be implemented bringing a more commercial focus to the Trusts work and integration with the Kilmarnock Leisure Centre Trust which operates the Galleon Centre in Kilmarnock.
- New community and sports facilities will be available for public use at the William McIlvanney Campus in Kilmarnock and the Trust will manage usage outside school hours.
- Work at Dean Castle Country Park will be completed and new and improved facilities throughout the park will be managed by the Trust.
- The Library facilities at the Dick Institute will be updated and modernised along with the provision of a small coffee outlet for library and museum visitors.
- The Trust will continue to support the Councils Community Asset Transfer and Asset Rationalization Programmes which will further rationalize the range of facilities the Trust is responsible for managing and increase the number of facilities directly managed by Community groups across East Ayrshire.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 charity 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 charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions for the charity's constitution. They are also responsible for safeguarding the assets of the charity 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 charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

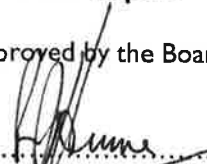
Disclosure of Information to Auditors

To the knowledge and belief of each of the persons who are Trustees at the time the report is approved:

- So far as the Trustee is aware, there is no relevant information of which the charity's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information, and to establish that the charity's auditor is aware of the information.

Trustees' Report

Approved by the Board on 19th September, 2017 and signed on its behalf by:


.....

Robin Hume
Trustee


.....

John Griffiths
Chief Executive

**East Ayrshire Leisure Trust
Independent Auditor's Report
For the year ended 31st March 2017**

We have audited the financial statements of East Ayrshire Leisure Trust for the period ended 31st March 2017 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)'.

This report is made solely to the charity's Trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee (Scotland) Investment Act 2005 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 20, the Trustees are responsible for the preparation of the financial statements which give a true and fair view.

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 regulations made under that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2017 and of its incoming resources and application of resources, 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**East Ayrshire Leisure Trust
Independent Auditor's Report
For the year ended 31st March 2017**

Matters on which we are required to report by exception

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

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



Nick Bennett
Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date: 19 September 2017

East Ayrshire Leisure Trust
Statement of Financial Activities
For the year ended 31st March 2017

	Notes	Unrestricted Fund 2017	Restricted Funds 2017	2017	2016
		£	£	£	
Income from:					
Charitable activities	3	6,995,986	342,112	7,338,098	7,957,216
Investments	3	2,948	-	2,948	5,548
Total income		6,998,934	342,112	7,341,046	7,962,764
Expenditure on:					
Charitable activities	4	7,582,823	261,479	7,844,302	8,114,540
Other (net interest defined benefit pension scheme)	8	32,000	-	32,000	94,000
Total expenditure		7,614,823	261,479	7,876,302	8,208,540
Net income/(expenditure)		(615,889)	80,633	(535,256)	(245,776)
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	8	(2,548,000)	-	(2,548,000)	2,333,000
Net movement in funds		(3,163,889)	80,633	(3,083,256)	2,087,224
Reconciliation of funds:					
Total funds brought forward		124,994	73,199	198,193	(1,889,031)
Total funds carried forward	16	(3,038,895)	153,832	(2,885,063)	198,193

The Statement of Financial Activities includes all gains and losses recognised in the year. None of the charity's activities were acquired or discontinued during the above period.

The notes on pages 26 to 41 form part of these financial statements.

East Ayrshire Leisure Trust
Balance Sheet
As at 31st March 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	9	103,082	70,197
Heritage assets	10	34,920	34,920
		138,002	105,117
Current assets			
Stocks and work in progress	11	12,161	8,391
Debtors	12	851,278	1,131,769
Cash at bank and in hand		852,069	1,806,595
		1,715,508	2,946,755
Liabilities			
Creditors: Amounts falling due within one year	13	(1,131,573)	(2,053,679)
		583,935	893,076
		721,937	998,193
Defined benefit pension scheme liability			
	8	(3,607,000)	(800,000)
		(2,885,063)	198,193
The funds of the charity:			
Restricted income funds	16	153,833	73,199
Unrestricted funds (excluding pension reserve)	16	568,104	924,994
Pension reserve		(3,607,000)	(800,000)
		(2,885,063)	198,193

The financial statements were approved and authorised for issue by the Board on *19 September 2017*


 Robin Hume
 Trustee


 John Griffiths
 Chief Executive

The notes on pages 26 to 41 form part of these financial statements

East Ayrshire Leisure Trust
Statement of Cash Flow for the year ended 31st March 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	17	(893,079)	331,896
Cash flows from investing activities:			
Investment income		2,948	5,548
Purchase of property, plant and equipment		(64,395)	(71,387)
Net cash provided by/(used in) investing activities		(61,447)	(71,387)
Change in cash and cash equivalents in the reporting period		(954,526)	266,057
Cash at the beginning of the reporting period		1,806,595	1,540,538
Cash at the end of the reporting period		852,069	1,806,595

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

1. Accounting Policies

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

Basis of preparation

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

East Ayrshire Leisure Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the 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.

Incoming resources

Income from leisure, cultural and related activity is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it.

Revenue grants, including those from government, are recognised in the Statement of Financial Activities (SoFA) in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Such income is deferred when the charity has to fulfil conditions before becoming entitled to it.

Management fees and other incoming resources are recognised in the period to which they relate.

Investment income is recognised in the period in which it is receivable.

Expenditure recognition and allocation of expenditure

Expenditure is recognised when a liability is incurred.

Where possible, expenditure has been charged direct to charitable expenditure or governance cost. Where this is not possible the expenditure is allocated on the basis of time spent by staff on each activity.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs are provided by East Ayrshire Council and include HR, legal, finance. The bases on which support costs have been allocated are set out in note 6.

Tangible Fixed Assets and Depreciation

It is the policy of the charity to capitalise expenditure of a capital nature in excess of £5,000.

Assets donated to the charity are included in the Balance Sheet and Statement of Financial Activities at cost.

Depreciation is charged to write off the cost less the estimated residual value of fixed assets by equal instalments over their estimated useful lives as follows:

Furniture and equipment: 5 years

Heritage Assets

Heritage Assets includes tangible fixed assets which are of historic, artistic or scientific importance that are held to advance preservation and conservation objectives of the charity. Heritage Assets are presented separately in the Balance Sheet from other Tangible Fixed Assets. Heritage Assets are reported at cost. Depreciation has not been provided on heritage assets due to these assets having indefinite long useful lives.

Lease commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

Stock

Stocks are valued at the lower of cost and net realisable value in the ordinary course of activities.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Debtors

Trade debtors are amounts due from customers for services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally 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.

Cash and cash equivalents

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

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

Financial assets and financial liabilities

Financial instruments are recognised in the statements 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 payments 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 FRS102. 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 asset to expire, or when the charitable 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.

Pensions

East Ayrshire Leisure Trust operates a defined benefit scheme in respect of its employees. The assets of the scheme are held in external funds managed by professional investment managers.

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.

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.

VAT

The charity is partially exempt from VAT. Irrecoverable VAT is charged to the Statement of Financial Activities as an expense.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

Unrestricted funds

Surplus revenue funds held within unrestricted funds are carried forward to meet the cost of future activities mainly of a revenue nature.

Commitments for specific activities and needs in the future are dealt with by making allocations to designated funds.

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the appropriate fund, together with a fair allocation of management support costs where this is considered appropriate.

Taxation

The charity has charitable status and is therefore exempt from taxation under Sections 466 to 493 Corporation Tax Act 2010 (CTA 2010).

Going concern

The financial statements have been prepared on the basis of accounting policies that are consistent with the treatment of the charity as a going concern. The current funding agreement with East Ayrshire Council covers up to the 31 March 2018. In the Trustee's opinion, the charity will be able to continue for the foreseeable future. East Ayrshire Leisure participates in a defined benefit retirement scheme, excluding the deficit on this scheme (£3,607,000), the charity reported unrestricted funds of £568,104.

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.

The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Defined benefit pension 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. 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

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

denominated in the currency which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

3. Income

Investment income

Investment income comprises bank interest. In 2017 bank interest received £2,948 (2016: £5,548).

Income from charitable activities is as follows:

	2017	2017	2017	31st March
	Operating	Restricted	Total	2016
	Fund	Fund		£
	£	£	£	
Chief Executive & People & Finance	5,205,563	-	5,205,563	6,004,243
Marketing & Development	363	-	363	1,560
Cultural	511,406	-	511,406	507,893
Countryside services	159,441	-	159,441	219,128
Sport & Community Venues	1,119,213	-	1,119,213	1,155,262
Projects	-	342,112	342,112	69,130
Total income from provision of facilities and services	6,995,986	342,112	7,338,098	7,957,216

A management service fee of £5,202,840 was received from East Ayrshire Council for the year (2016: £6,001,260).

Income on charitable activities was £7,338,098 (2016: £7,957,216) of which £6,995,986 was unrestricted (2016: £7,888,086) and £342,112 (2016: £69,130) was restricted. All other income was unrestricted.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

4. Charitable expenditure

	Chief Executive & People & Finance	Marketing & Development	Cultural	Countryside Services	Sport & Community Venues	Projects	Total	2016
	£	£	£		£	£	£	£
Employee costs	874,601	247,805	1,880,369	690,744	1,897,646	26,414	5,617,579	5,660,649
Property costs	15,263	-	227,658	77,427	396,554	120	717,022	893,143
Supplies and Services	59,333	102,751	540,718	124,292	181,373	229,455	1,237,922	1,278,104
Transport Costs	2,821	-	13,428	23,601	461	5,490	45,801	51,407
Support Services	212,400	-	-	-	-	-	212,400	212,400
Governance	13,578	-	-	-	-	-	13,578	18,837
Total	1,177,996	350,556	2,662,173	916,064	2,476,034	261,479	7,844,302	8,114,540

Expenditure on charitable activities was £7,844,302 (2016: £8,114,540) of which £7,582,823 was unrestricted (2016: £8,040,200) and £261,479 (2016: £74,340) was restricted.

5. Analysis of governance and support costs

	General Support	Governance	2017	2016
			£	£
Health and Safety	4,400	-	4,400	4,400
Internal Audit	-	4,000	4,000	4,000
Human Resources	65,000	-	65,000	65,000
Corporate Infrastructure	40,000	-	40,000	40,000
Finance	54,000	-	54,000	54,000
Legal and Procurement Services	10,000	35,000	45,000	45,000
Audit fees		11,000	11,000	10,815
Consultants fees	1,128		1,128	3,892
Accountancy fees	1,450		1,450	4,130
	175,978	50,000	225,978	231,237

East Ayrshire Leisure receives support services from East Ayrshire Council. The total cost of support services provided by the Council in 2017 was £212,400 (2016 £212,400). The governance element of the support costs provided by the Council are calculated based on time spent throughout the year on governance activities.

The costs associated with trustee indemnity insurance are met by East Ayrshire Council.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

6. Staff Costs and Numbers

	2017	2016
	£	£
Wages and salaries	4,133,123	4,148,289
Social security costs	313,387	240,658
Other pension costs	874,903	957,334
Other staff costs	296,166	314,368
	<u>5,617,579</u>	<u>5,660,649</u>

9 members of staff were made redundant during the year and received lump sum payments totalling £145,329. The cost of these redundancies is fully funded by East Ayrshire Council.

Employees receiving salaries, including benefits in kind, of more than £60,000 were are follows:

	2017	2016
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-

The senior management team comprises six staff members (2016: 5 staff members). The total employee benefits (including employers contributions) of the senior management team were £364,174 (2016: 315,349)

The average number of employees during the period was made up as follows:

	2017	2016
	Number	Number
East Ayrshire Leisure Trust		
Full-time (permanent)	116	112
Part-time (permanent)	112	125
	<u>228</u>	<u>237</u>

During the year trustees received no remuneration (2016: nil). Trustee expenses totalled £95 (2016: 139). No trustees received payment for professional or other services supplied to the charity (2016: nil).

7. Operating Surplus

	2017	2016
	£	£
The operating surplus is stated after charging/(crediting)		
Auditors' remuneration (including expenses) for audit	11,000	10,815
for other services	750	3,350
Operating lease rentals	10,941	8,815

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

8. Pension Costs

East Ayrshire Leisure Trust is an admitted body of the Strathclyde Pension Fund. 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 31st March 2014 and following this valuation employer's contributions increased to 19.3% for the years ended 31st March 2015, 2016, 2017 and 2018 respectively.

As sponsoring authority, East Ayrshire Council has guaranteed to accept liability for any unfunded costs which may arise with regard to the Trust relating to their membership in the Strathclyde Pension Fund, should they cease to exist.

The movement in the defined benefit obligation over the year is as follows:

	31st March 2017	31st March 2016
	£'000	£'000
Opening defined benefit obligation	16,195	17,188
Current service cost	862	956
Past service cost (including curtailments)	58	-
Interest cost on defined benefit obligation	597	581
Contributions by members	200	184
Actuarial losses/(gains)	5,624	(2,436)
Benefits paid	(290)	(278)
Unfunded benefits paid	(4)	-
	<u>23,242</u>	<u>16,195</u>

The movement in the fair value of plan assets in the year is as follows:

	31st March 2017	31st March 2016
	£'000	£'000
Opening fair value of plan assets	15,395	14,506
Interest income on plan assets	565	487
Contributions by members	200	184
Contributions by the employer	689	599
Contributions in respect of unfunded benefits	4	-
Actuarial loss/gain	3,076	(103)
Benefits paid	(290)	(278)
Unfunded benefits paid	(4)	-
	<u>19,635</u>	<u>15,395</u>

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2017

Amounts recognised in net income/expenditure (per SOFA):

	31st March 2017	31st March 2016
	£'000	£'000
Current service cost	(862)	(956)
Past service cost (including curtailments)	(58)	-
Total service cost	(920)	(956)
Net interest		
Interest income on plan assets	565	487
Interest cost on defined benefit obligation	(597)	(581)
Total net interest	(32)	(94)
Total defined benefit cost recognised in net income/expenditure per the SOFA	(952)	(1,050)

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

	31st March 2017	31st March 2016
	%	%
Equities	73	72
Bonds	12	16
Property	10	12
Cash	5	0

The estimated employer contributions for the year to 31 March 2018 are £653,000.

The principal actuarial assumptions used in the calculations are:

	31st March 2017	31st March 2016
	% per annum	% per annum
Pension Increase Rate	2.4	2.2
Salary Increase Rate	4.4	4.2
Discount Rate	2.7	3.6

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2012 model assuming current rates of improvements have peaked and will converge to a long term rate of 1.5% p.a. for males and 1.25% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	22.1 years	23.6 years
Future Pensioners	24.8 years	26.2 years

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9. Fixed Assets

	Furniture & Equipment	Total
	£	£
Cost		
As at 1 st April 2016	93,187	93,187
Additions	64,395	64,395
As at 31 st March 2017	<u>157,582</u>	<u>157,582</u>
Depreciation		
As at 1 st April 2016	22,990	22,990
Charge	31,510	31,510
As at 31 st March 2017	<u>54,500</u>	<u>54,500</u>
Net book value		
As at 31 st March 2016	70,197	70,197
As at 31 st March 2017	<u>103,082</u>	<u>103,082</u>

10. Heritage Assets

In 2014/15, the Trust procured a silver gilt sculpture of Lord Eglinton. This asset was fully funded by external providers.

	Heritage Assets	Total
	£	£
Cost		
As at 1 st April 2016	34,920	34,920
Additions	-	-
As at 31 st March 2017	<u>34,920</u>	<u>34,920</u>
Net book value		
As at 31 st March 2016	34,920	34,920
As at 31 st March 2017	<u>34,920</u>	<u>34,920</u>

11. Stock

	2017	2016
	£	£
Goods for re-sale	<u>12,161</u>	<u>8,391</u>

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12. Debtors

	2017	2016
	£	£
Amounts due from East Ayrshire Council	737,879	987,675
Trade debtors	53,300	70,437
Other debtors and prepayments	60,099	73,657
	<u>851,278</u>	<u>1,131,769</u>

13. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Amounts owed to East Ayrshire Council	149,804	380,231
Trade creditors	97,992	223,665
Accruals and deferred income	525,430	1,026,840
Taxation and social security	358,347	422,943
	<u>1,131,573</u>	<u>2,053,679</u>

14. Deferred income

Deferred income comprises advanced ticket sales.

	2017	2016
	£	£
Balance as at 1 st April 2016	65,480	37,506
Amounts released to income during 2016/17	(65,480)	(37,506)
Amounts deferred in year	91,460	65,480
	<u>91,460</u>	<u>65,480</u>

15. Financial assets and liabilities

	2017	2016
	£	£
Financial assets at amortised cost	1,649,654	2,866,428
Financial liabilities at amortised cost	(681,766)	(1,565,256)
	<u>967,888</u>	<u>1,301,172</u>

Financial assets comprise amounts due from East Ayrshire Council, trade debtors, other debtors and cash and bank balances.

Financial liabilities comprise amounts due from East Ayrshire Council, trade creditors and accruals.

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16. Reserves

Funds	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Balance at 31 st March 2017				
Represented by:				
Fixed assets	138,002	-	138,002	105,117
Net current assets	430,103	153,832	583,935	893,076
Retirement benefit scheme deficit	(3,607,000)	-	(3,607,000)	(800,000)
	<u>(3,038,895)</u>	<u>153,832</u>	<u>(2,885,063)</u>	<u>198,193</u>

Unrestricted Fund	Opening Balance at 1st April 2016 £	Incoming £	Outgoing £	Transfers £	Actuarial Loss £	Closing Balance at 31st March 2017 £
Unrestricted fund	825,844	6,998,934	(7,097,933)	(444,320)	-	282,525
Designated funds	99,150		(257,890)	444,320	-	285,580
Pension reserve	(800,000)		(259,000)		(2,548,000)	(3,607,000)
	<u>124,994</u>	<u>6,998,634</u>	<u>(7,614,823)</u>	<u>-</u>	<u>(2,548,000)</u>	<u>(3,038,895)</u>

Designated funds were established for the following:	2016 £	Incoming g £	Outgoing g £	Transfer £	2017 £
Security measures at Annanhill	15,000	-	(15,000)	-	-
Libraries SIRSI upgrade	15,000	-	(15,000)	-	-
Housebound van fit out and design/promotion	5,000	-	(5,000)	-	-
Mauchline Library Wi-fi install	4,650	-	(4,650)	-	-
Fortress security alarm installations	4,500	-	(4,500)	-	-
Pole vault equipment	20,000	-	-	(20,000)	-
Floor machine for Palace Theatre	5,000	-	(5,000)	-	-
Depreciation (to fund depreciation on fixed assets)	30,000	63,820	(19,240)	-	74,580
Fixed assets	-	48,000	(4,360)	-	43,640
People & Finance Administration Resources	-	20,000	(19,270)	-	730
Marketing & Development Staff	-	101,000	(58,370)	-	42,630
Libraries Fit Out	-	90,000	-	-	90,000
Homewards Van Balance	-	2,500	-	-	2,500
Sport and CV Staffing	-	99,000	(87,500)	-	11,500
Annanhill Golf Course	-	20,000	-	-	20,000
Fireworks Display	-	-	(20,000)	20,000	-
Total designated funds	99,150	444,320	(257,890)	-	285,580

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Restricted Funds	Opening Balance	2017 Incoming Resources	2017 Resources Expended	2017 Transfers	2017 Closing Balance
	£	£	£	£	£
Unsigned Unlimited	(1,639)	1,639	-	-	-
Creative place	24,571	-	-	-	24,571
Ayrshire Libraries forum	4,506	-	(80)	-	4,426
Scotland Creates (Legacy of Lace)	15,325	-	-	(15,325)	-
Wifi	11,500	-	-	-	11,500
Textile team	677	237	(143)	-	771
Still Future II	4,307	2,500	(6,807)	-	-
Countryside Festival	1,549	-	-	(1,549)	-
Burns Birthday in Mauchline	-	8,000	(8,000)	-	-
The McKie Collection	10,175	-	(7,328)	-	2,847
Read Write Count	2,228	-	(2,228)	-	-
Irvine Valley Trails	-	79,027	(19,413)	-	59,614
Make Some Noise	-	19,409	(1,880)	-	17,529
Dean Castle Countryside Park – Development Project	-	200,000	(200,000)	-	-
GLAIF	-	3,300	(302)	-	2,998
I AM HERE	-	11,000	(15,298)	15,325	11,027
Kilmarnock Green Infrastructure	-	15,000	-	-	15,000
River Ayr Way	-	-	-	1,549	1,549
Wild About the Farm	-	2,000	-	-	2,000
Totals	73,199	342,112	(261,479)	-	153,832

Unsigned Unlimited is project funded by Creative Scotland to help young people to network and perform and learn about the music industry. The young people in the project often feature in our event programme.

Creative Place is funded from Creative Scotland to bring high quality events and exhibitions to Kilmarnock, supporting regeneration and tourism.

Ayrshire Libraries Forum is a network partnership of the three Ayrshire councils, Ayrshire NHS, school, prison and higher education libraries to be used towards the upkeep of Ayrshire Working Lives website.

Scotland Creates (Legacy of Lace) is funding received from National Museums Scotland on behalf of the Esmee Fairbairn Foundation, to engage young people in museums through development of exhibitions and associated events.

The WiFi project is funded by the Scottish Library and Information Council. Additional funding was awarded in the year to complete the library Wifi rollout across our part-time libraries not covered by Phase I of the project, including Newmilns, Bellfield and Drongan.

Textile team is a team of volunteers that were originally funded by HLF to carry out restoration and repair of textiles. The remaining funding supports the group to continue with its work.

Still Future II is a new exhibition featuring the work of nine Scottish artists. It has received funding from Creative Scotland and resulted in a major new exhibition at the Dick Institute during 2016.

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Following the completion of the Countryside Festival in 2015, there was an outstanding balance of £1,549 from the Awards for All grant. Awards for All have agreed that this money can be retained and used as part of the funding package for the upgraded River Ayr Way Signage and Interpretation project. This is scheduled for completion in 2017/18.

The Burns Birthday in Mauchline was funded by EventsScotland to provide a celebration of Burns in our Burns House Museum and Library in Mauchline. The event enabled us to present workshops, events and educational activities for schools.

The McKie Collection funded by Museum Galleries Scotland is to support the digitisation of the McKie collection. A new post will be appointed for 18 months to deliver the project.

Read Write Count is a Scotland wide initiative to improve literacy and numeracy skills for young people.

Funding was received from the Renewable Energy Fund to appoint a project officer to implement the Irvine Valley Trails Project over a 3 year period.

Make Some Noise is a music project funded by Creative Scotland and aimed at young people in a foster, looked-after, kinship or young caring environment and designed to help build self-esteem and provide a range of creative learning opportunities.

DCCP Development Project received funding from the Renewable Energy Fund. This will be drawn down annually for 3 years. This funding is specifically targeted at the biodiversity, paths, volunteering and activities aspects of the project.

Gaidhlig Gailearaidhean at the Dick Institute is a new set of visual art workshops led in Gaelic, and funded by Bòrd Na Gaidhlig

I AM HERE is a major retrospective exhibition of European studio jewellery from the Crafts Council in London. The Dick Institute is the only Scottish venue to host the exhibition, and it is funded by Creative Scotland. The significant engagement programme with 600 Primary 7 pupils, is developed and delivered in partnership with the National Museum of Scotland.

Kilmarnock Green Infrastructure Project has received a funding package of £50,000 to design and development stage of the 18 mile cycle route in and around Kilmarnock. A project officer is being recruited for 1 year to take this forward. The initial £15,000 has been received from East Ayrshire Council's Parks Development Fund with the outstanding being confirmed from the Central Scotland Green Network Fund.

As part of a public vote, Wild About the Farm has received £2,000 from the Tesco Bags of Help. This grant will be used to introduce hedges, lades and reed beds into the Urban Farm at Dean Castle Country Park. This work will be carried out with volunteers and students from Ayrshire College.

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17. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the SOFA)	(535,256)	(245,776)
Adjustments for:		
Interest received	(2,948)	(5,548)
Depreciation	31,510	18,630
Net cost in respect of pensions	259,000	451,000
(Increase)/decrease in stock	(3,770)	(344)
(Increase)/decrease in debtors	280,491	22,936
Increase/(decrease) in creditors	(922,106)	90,998
Net cash provided by (used in) operating activities	893,079	331,896
Analysis of cash and cash equivalents		
	2017 £	2016 £
Cash in hand	852,069	1,806,595
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	852,069	1,806,595

18. Operating lease commitments

At 31st March 2017, the Trust had future minimum lease payments under non-cancellable operating leases as follows:

	2017		2016	
	Land and buildings £	Other £	Land and buildings £	Other £
Within one year	2,000	8,370	-	9,941
Within two to five years	1,000	1,125	-	9,496
	<u>3,000</u>	<u>9,495</u>	<u>-</u>	<u>19,437</u>

19. Related parties

East Ayrshire Council made a contribution in line with the Services Agreement of £5,202,840 (2016: £6,001,620). Facilities were leased to East Ayrshire Leisure for a peppercorn rent. East Ayrshire Council also provided various support functions including Legal, Finance and IT for which the charity was charged £212,400 (2016: £212,400).

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The relevant transactions and balances with East Ayrshire Council were:

2016/17				2015/16			
Income from EAC	Payments to EAC	Due from	Due to	Income from EAC	Payments to EAC	Due from	Due to
£	£	£	£	£	£	£	£
5,556,784	812,933	737,879	149,804	6,508,547	790,266	987,675	380,231
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20. Contingent Liabilities

There is one employer liability case ongoing and no public liability cases outstanding. (2016: two public liability cases).

Employer and public liability cases are handled via East Ayrshire Council's insurer (Zurich). If it is determined that the Trust is liable, it will need to pay the first £500 and the remainder will be covered by the insurer. Until the Assessor has completed its work, the Trust accepts no liability for these claims.

21. Post Balance Sheet Event

None

22. Non-Audit Services

In common with many other charities of a similar size, the charity's auditor assists with the preparation of the financial statements. This service is commissioned by East Ayrshire Council.

