

East Ayrshire Leisure Trust
A Scottish Charitable Incorporated Organisation

Annual Report and Accounts
For the year ended 31st March 2018

Charity Number SC043987

East Ayrshire Leisure Trust

Contents

	Page
Message from the Board	1
Message from the Chief Executive	3
Trustees' Report	4
Independent Auditor's Report	18
Statement of Financial Activities	21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Accounts	24

East Ayrshire Leisure Trust

Message from the Board

I am delighted to introduce the fifth Annual Report and Accounts for East Ayrshire Leisure Trust, covering the financial year 2017-18. The Trust has once again shown a strong financial performance whilst also receiving an excellent report from our External Auditors, with no issues reported.

Our visual arts programme has continued to excel, with exhibitions of national significance being showcased at the Dick Institute in Kilmarnock. I AM HERE, a Crafts Council Touring Exhibition, featured stunning pieces of contemporary jewellery and wearable art by the most significant European makers from the last 5 decades.

Rachel Maclean, one of the country's most exciting, young, contemporary artists, was also featured in the Dick Institute programme with her stunning and thought-provoking exhibition, "Feed Me".

Another particular highlight in the cultural calendar was "Pop Art in Print" which brought together over 70 iconic Pop Art works from the Victoria & Albert Museum and featured artists such as Andy Warhol, Roy Lichtenstein and Ed Ruscha.

Our in-house performing arts programme continues to go from strength to strength with our fabulous East Ayrshire Youth Theatre (EAYT). Our talented youngsters brought all-time favourites "Oliver" and "The Wizard of Oz" to the stage in first-class productions. And, as ever, our annual pantomime attracted sell-out audiences, with Dick Whittington ensuring families from far and wide got their festivities off to a spectacular start!

The Grand Hall rocked with 1,300 visitors for The Libertines in September and Manchester's legendary rockers, Happy Mondays brought their "Twenty Four Hour Party People – Greatest Hits Tour" to Kilmarnock's Grand Hall for an unforgettable sell-out gig in December.

Our Imprint Book Festival celebrated its 10th anniversary this year. Over the past decade we have welcomed literary heavyweights such as Val McDermid, Kirsty Wark, Sandy Toksvig, Tony Robinson, James Kelman, Christopher Brookmyre to name but a few, and this year was no exception with a fabulous line-up including Kilmarnock's own Booker nominated Graeme Macrae Burnet, John Niven and Graeme Obree.

We have continued to participate in VisitScotland's Quality Assurance Scheme which officially grades our tourist attractions and facilities and helps us to meet, and exceed, the high standards which our customers and visitors expect. In 2017-18 we were delighted to not only maintain all previous ratings, but also to expand our portfolio of 4-star rated facilities with the addition of the Ayrshire Athletics Arena, our premier athletics and sports training facility, which was accredited for the first time.

As well as introducing a new Fitness Membership Scheme, we also began a brand new Sports Coaching programme for children aged 3-14 years old. Sessions including badminton, gymnastics, football and athletics were hugely popular and took place across our range of leisure centres. Once again the Ayrshire Athletics Arena hosted the West Districts Championships, in partnership with Scottish Athletics. We also welcomed back Roon The Toon, the 10k road race, to the Ayrshire Athletics Arena for a 2nd year. A jogging group and a Strength and Flex fitness class were established to support participation in the lead up to the event. Numbers of participants increased from the inaugural year and it looks set to become a regular and popular feature in the race calendar.

Dean Castle Country Park officially reopened to the public in October after an extensive redevelopment project. Working in partnership with East Ayrshire Council and funded by the Heritage Lottery Fund (HLF) and East Ayrshire's Renewable Energy Fund, the redevelopment included a major refurbishment of the visitor centre which houses the café and shop, a new residential centre, redesigned playpark, extended path networks, landscape redevelopment and rural life centre.

We celebrated the reopening of the Country Park with Illuminight; a truly spectacular fire and light show with stunning visuals, state of the art lighting, installations and music. Illuminight, brought to us by Unique Events and Black Light productions, welcomed over 38,000 visitors to the Country Park and will help to put Kilmarnock firmly on the tourism map.

East Ayrshire Leisure Trust

Message from the Board

The extended closure of the Dean Castle Country Park impacted on our target for attendance figures, however, a full programme of events and activities are in place to address this over the coming year.

Staff at Dean Castle Country Park have been working with Alzheimer Scotland on a Growing Memories project which involved working with local people with dementia to create a wildflower meadow in the Country Park. For people who can no longer tend their own garden, this was a wonderful opportunity for them to re-connect with nature.

We look forward to the next phase of redevelopment works scheduled for the Castle which will help establish the Dean Castle Country Park as a 5 star visitor attraction. The project, due to run between 2018 and 2021 also secured funding from Historic Environment Scotland, with the remainder of the costs being met by East Ayrshire Council. The funding will allow essential stonework restoration to the external fabric of the castle buildings to be carried out, alongside the internal modernisation and redisplay of our world class museum collections and exhibition areas.

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 2017/18. This report summarises progress in our fifth year of operation. Significant progress has been made by East Ayrshire Leisure to ensure we are providing quality facilities, venues and programmes for the benefit of locals and visitors alike, whilst also ensuring our staff are provided with the opportunity to develop, learn and grow with the organisation.

The results for 2017/18 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 challenging environment, with Culture, Countryside and Sports departments undergoing service reviews which have included changes to remits and opening hours.

2017/18 was the 2nd year of our 2016-19 Business Plan which focusses on 4 key strategic objectives:

- 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 is provided within this report.

Set within the context of reducing budgets, East Ayrshire Leisure has begun to adopt a more commercial focus and service reviews, alongside programming, will take account of this requirement and new direction. However, as a charitable organisation and provider of culture, countryside and sport facilities for the benefit of East Ayrshire residents, we remain committed to providing services which are affordable or free of charge.

In 2017 we received the results of our first ever Customer and Staff satisfaction surveys. It is clear from the results that our customers greatly value the services we provide and our staff continue to be a credit to the organisation. Ratings for all our venues were extremely high with satisfaction rates of more than 90% recorded for most of our facilities. The response rate for our staff satisfaction was also very good, and great strides have been made in addressing some of the issues which were raised, including better communication and a stronger commitment to professional development.

I would like to take this opportunity to thank all of our staff for their ongoing dedication to East Ayrshire Leisure. Many services areas have experienced significant changes to staff teams, opening hours and remits but the passion and enthusiasm the staff continue to show in the delivery of our services is a credit to the organisation.

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 services across the range of Culture, Countryside and Sport remits.

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 2018

The Trustees are pleased to present their Annual Report and Accounts for the year ended 31st March 2018. 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

- 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 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;

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 benefits 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 highly motivated, customer-focussed and skilled work force
- 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.

- 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 wide range of facilities across East Ayrshire; our key venues and tourist attractions are highlighted below:

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.

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2018

Cumnock Town Hall

Designed by Robert Ingram and built in 1883/4, Cumnock Town Hall has undergone extensive restoration, designed to restore it to its former glory using traditional materials and to update facilities to cater for the needs of its 21st century users. The newly refurbished facility hosts a variety of shows as well as being available to hire for meetings, shows, weddings and parties.

Dean Castle & Country Park (4 star visitor attraction)

The newly redeveloped 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.

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.

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

Our 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.

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 and Outreach

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

Highlights this year included the I AM HERE engagement programme for young people aged 16-25 years which was delivered in partnership with National Museums of Scotland. Participants were given the opportunity to experiment with the processes and techniques used to create the wearable art and portable objects in the exhibition, using alternative materials such as plastics, wood and paper.

The Imprint schools programme continues to provide our pupils with the fantastic opportunity to meet renowned authors and learn more about their work and the writing process. This year we welcomed a fantastic mix of authors

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2018

– from Ross Collins and storytimes for the little ones, to Spy Quest with David Goutcher and a writing masterclass for senior pupils with Martin Stewart.

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. Approximately 900 pupils participated in our Burns, Romans and Egyptian themed workshops.

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 sports clubs throughout East Ayrshire.

EAST AYRSHIRE LEISURE'S STRUCTURE

THE BOARD OF TRUSTEES

A Board of up to 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		
Elena Whitman (Chair)	18 th May 2017	
Neil McGhee	13 th March 2013 (reappointed 18 th May 2017)	
Iain Linton	25 th June 2015 (resigned 18 th May 2017) and reappointed 2 nd November 2017	
Ian Grant	18 th May 2017	
Clare Maitland	18 th May 2017	
Jim Roberts	18 th May 2017	2 nd November 2017
Douglas Reid (Chair until May 2017)	13 th March 2013	18 th May 2017
Eoghann MacColl	25 th June 2015	4 th May 2017
Hugh Ross	27 th October 2015	4 th May 2017
Chris McAleavey (ex officio)	27 th August 2015	Resigned 17 th May 2018
Joe McLachlan (ex officio)	27 th August 2015	
Robert McCulloch (ex officio)	17 th May 2018	
Independent Trustees		
Robin Hume	13 th June 2013 (Re-appointed 27 th August 2015)	
Jean Brown	13 th June 2013	
June Minnery	13 th June 2013 (Re-appointed 27 th August 2015)	
Jackie Livingston	1 st July 2015	
Robbie Mann	8 th September 2016	
Elizabeth Young (Vice Chair)	13 th June 2013 (Re-appointed 27 th August 2015)	Resigned 19 th September 2017

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.

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.

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2018

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)

Jackie Biggart (People & Finance Manager)

Anneke Freel (Countryside Services Manager)

Adam Geary (Cultural Services Manager)

Dianne Reid (Marketing & Development Manager)

Chris Murphy (Sport & Community Venues Manager)

ADMINISTRATIVE INFORMATION

Registered Office

Dick Institute
14 Elmbank Avenue
Kilmarnock
KA1 3BU
www.eastayrshireleisure.com
01563 554710

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

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2018

FINANCIAL REVIEW

The period to 31st March 2018 was the Trust's fifth year of activity. In the period, East Ayrshire Leisure reported an unrestricted deficit of £617,160.

At 31st March 2018, the actuarial valuation of the pension scheme resulted in a net pension asset of £450,000 this being recognised in the Balance Sheet. The valuation has resulted in an actuarial gain of £4,659,000 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 2016. The policy was amended from 5% of incoming resources (approx. £400k) to a range of 3-5% (approx. £210k – 350k) 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

East Ayrshire Leisure receives funding from East Ayrshire Council to support the delivery of an agreed range of services. Significant savings have been generated since the inception of the Trust and a Best Value Review has confirmed savings required during the term of our new Business Plan for 2019-22.

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 2018/19 is set out below:

	2018/19
	£
Baseline Budget (excl Savings)	4,684,420
Savings Target (following Best Value Review)	(190,750)
Baseline Budget (after Savings)	4,493,670

RISK MANAGEMENT

East Ayrshire Leisure has well-established Risk Management procedures which allow the Board to manage 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 2017/18 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.

Managing our risk effectively is essential in achieving our strategic outcomes and targets, creating confidence among service users and the public, and ensuring effective governance. Effective Risk Management will also enable us to deliver service improvements taking account of prevailing circumstances.

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 may see new community facilities built that will 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 & PERFORMANCE

Our current 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. 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:

- I.1 Increase customer satisfaction
- I.2 Increase attendance levels/ticket sale through programme development both in person and online
- I.3 Achieve new quality standards and/or maintain current accreditation standards
- I.4 Maintain and sustain high level partnerships that support service delivery and improvements
- I.5 Introduce a system to audit, monitor and improve environmental efficiency across our core facilities

KEY POINTS:

Results from the Customer Satisfaction Survey in 2017 formed our baseline:

Ratings of 'very good' or 'good'

	Quality of staff	Range of facilities available	Quality of facilities/locations	Opening hrs	Programme of activities
Culture	95%	96%	96%	77%	83%
Countryside	69%	95%	93%	82%	70%
Sport	95%	92%	90%	83%	87%

Overall audience figures have shown a reduction against targets. This has been due to reductions in opening hours that were introduced as a result of recent service reviews. We have, however, continued to provide a high quality service and attracted new audiences. Highlights included Lloyd Cole at Cumnock Town Hall, Happy Mondays at Grand Hall and Question Time being filmed in the Grand Hall and Cumnock Town Hall played host to the opening night of the Cumnock Tryst. Our first ever Killie Comic Con attracted 2,000 people and our Burns Birthday event in Mauchline saw 600 people attending during weekend. Sports coaching activities, fitness class attendances and membership activities continue to grow.

Dick Institute was shortlisted as *Best Family Venue* at the Scottish Hospitality Awards 2017. It was also nominated by customers and has been shortlisted as one of Scotland's Six Hidden Gems as one of 28 selected from across Scotland. This initiative is managed by the Society of Antiquaries of Scotland.

Dean Castle Country Park was shortlisted as *Best Family Day Out* at the Scottish Hospitality Awards 2017.

East Ayrshire Leisure and the Galleon Leisure Centre have established a joint initiative to appoint Keep Scotland Beautiful to carry out an audit of all core venues. This audit will provide detailed information of existing environmental performance and an action plan to carry out improvements. The work with Keep Scotland Beautiful will also provide training on how to complete our Climate Change Declaration Report and provide us with on-line resources to improve our energy efficiency

East Ayrshire Leisure is represented on the East Ayrshire Council Climate Challenge Group who co-ordinate and lead environmental best practice across the service areas.

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.

A wide range of participatory programmes including library learning programmes and art workshops at our galleries have been developed this year. Talks and workshops are an increasingly important element of our programme. We developed new Gaelic Visual Art workshops which were attended by 25 young people; funded by Bord Na Gaidhlig the participants engaged in a year-long visual art programme. Bookbug and writing workshops continue to feature strongly in our programmes. Our Homewords Library service continues to increase its reach with more than 1,450 people now using the service regularly. Action on Hearing Loss Sessions took place across various libraries.

EventScotland funding was awarded to develop the Year of Young People cross art form and libraries programme in 2018.

2 new partnerships and initiatives for young people were established in 2017/18 within the Country Park. Both of these initiatives involved young people who have become disengaged from school and a behavioural change evaluation has taken place will be used to expand the scope of future projects.

We have continued to review the accessibility of our venues and looking to start major improvements at Dean Castle, look to improve stage access at Cumnock Town Hall and make accessibility improvements to how people access and engage with the library at the Dick Institute. Our new mobile libraries were also introduced which received national coverage for ease of access.

An accessibility audit was carried out at the Country Park to inform the development project which now includes many facilities to improve access to the Visitor Centre and Rural Life Centre. This includes a changing places toilet and an accessible bedroom.

We work with community groups and schools to provide opportunities for cycling at the AAA through use of the All Ability Bikes for those that have additional support needs. We also offer concessionary discount on our gym and fitness memberships for adults with a disability which allows access to our gyms, swimming pools, athletics track and fitness classes. The first Frame Football match took place this year at Grange Leisure Centre with Grange Frame Football Club playing against Partick Thistle Frame Football Club from Glasgow.

3. TO ENHANCE THE EAST AYRSHIRE TOURISM OFFER

3.1 Increase visitor attendance at our key tourist attractions

3.2 Work with local groups to add value to the tourism offer

Illuminight 2017 was an overwhelming success. 18% of ticket sales were from outwith Ayrshire from locations across the UK, establishing the event as an important addition to the national calendar of events. Illuminight 2017 was also rated 'top thing to do in Scotland this weekend' by the Herald.

Our Accredited tourism venues and Leisure facilities have all achieved 4 Star status with the addition of Ayrshire Athletics Arena this year. VisitScotland carried out an advisory visit to Dean Castle Country Park to provide an action plan to enable the venue to reach the 5* status at its next scheduled assessment in 2018.

East Ayrshire Leisure has provided support to Kilmaurs Community Council in the organisation of their annual walking festival in September. More than 300 people attended the walks and activities over the weekend

Cultural Services worked with Kilmarnock Engineering and Science Society to develop an exhibition for the Baird Institute which opened in September. Artwork by Netherthird Primary School and Cumnock Academy will also be exhibited.

4. TO BE RECOGNISED AS AN EMPLOYER OF CHOICE

4.1 Increase levels of staff satisfaction from 2016/17 baseline.

4.2 Increase the number of volunteering, placement and apprenticeship opportunities.

We carried out our first Staff Satisfaction survey in 2017 and an action plan was produced to address any areas of concern. The action plan is reviewed quarterly by SMT and the Extended Management Team, with progress being updated and monitored regularly.

We continue to work with a large number of volunteers across all service areas, take part in National Volunteer Week and school placements are supported on an ongoing basis throughout the school year. The Dean Castle Country Park 'Friends of Dean' Group was launched in as part of National Volunteer Week and now meet regularly throughout the year.

£10,000 was secured from the Heritage Lottery Fund as part of the 2017 year of History, Heritage and Archaeology. This grant was used to appoint 2 volunteer apprentices who will benefit from training and support in traditional rural skills.

We have facilitated work placements at Dean Castle Country Park and Annanhill Golf Course and hosted 2 volunteer conservation holidays with 17 young people from across Europe. 15 people continue to actively volunteer through our highly successful Textile Team based at Dean Castle.

Cultural Services work with a small group of volunteers who assist on a weekly basis with the visual art classes and with EAYT.

Young Hub Leaders have been volunteering through the Community Sports Hubs (Auchinleck, Grange, St Joseph's, Stewarton and The Academy, i.e. Ayrshire Athletics Arena and Kilmarnock Academy) supporting clubs and programmes and generating ideas to engage their peers in activities. Volunteers assist with the delivery of Run, Jump and Throw and Easter holiday programme as well as the promotion of our athletics pathway for children to access club athletics.

ONLINE VISITORS

Eastayrshireleisure.com

Our website was launched early 2014 and has continued to attract a significant number of visitors throughout the life of our Business Plan. Sessions have been decreasing however during the 2017-18 period, and reviews of the site, including the customer journey have taken place. Plans to redevelop the site and make it more mobile responsive and easy to navigate are underway.

Social Media

Our East Ayrshire Leisure and additional facility Facebook pages have continued to attract significant increases, as has our Twitter account. Engagement levels across all platforms is extremely high.

Partnerships

We continue to work with a huge number of partners, all of whom help contribute to the wonderful programmes and projects we deliver. A selection of partners we have worked with throughout 2017-18 are highlighted below:

- Creative Scotland to support major Nathan Coley commission

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2018

- National Galleries of Scotland to develop Rachel MacLean exhibition
- Kilmarnock Harriers to deliver community athletics programme at the Ayrshire Athletics Arena and Roon the Toon
- Kilmarnock Harriers and Active Schools to co-ordinate and deliver East Ayrshire Schools Sportshall Athletics competition and annual East Ayrshire Schools Cross Country at Ayrshire Athletics Arena
- East Ayrshire Council and Golazo to host the First Tour of Ayrshire
- Scottish Sporting Futures, Xchange Scotland and NOMADs to support funding for staff training and volunteering opportunities.
- EAC Revenues and Benefits Team and DWP as part of Universal Credit Working party for the roll out of UC providing access for work coaches and customers to access computers in libraries
- Supported 44 sports clubs across 5 Community Sports Hubs
- University of the West of Scotland (UWS) sports coaching students to support our Sports Coaching Programme

FUTURE DEVELOPMENTS

In the remaining year of our current Business Plan there will be several major initiatives 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 Trust's work and amalgamation 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.
- The Library facilities at the Dick Institute will be updated and modernised along with the provision of a coffee outlet for library and museum visitors.
- Dean Castle will close to the public to allow a major programme of internal and external improvement and refurbishment to take place.

TRUSTEES RESPONSIBILITIES STATEMENT

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 18th September 2018 and signed on its behalf by:

.....
Trustee

.....
John Griffiths
Chief Executive

East Ayrshire Leisure Trust
Independent Auditor's Report
For the year ended 31st March 2018

Opinion

We have audited the financial statements of East Ayrshire Leisure Trust (the charity) for the year ended 31st March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

East Ayrshire Leisure Trust
Independent Auditor's Report
For the year ended 31st March 2018

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Use of our report

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

Our audit work has been undertaken so that we might state to the charity's trustees, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by

East Ayrshire Leisure Trust
Independent Auditor's Report
For the year ended 31st March 2018

law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

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:.....

East Ayrshire Leisure Trust
Statement of Financial Activities
For the year ended 31st March 2018

	Notes	Unrestricted Fund 2018	Restricted Funds 2018	2018	2017
		£	£	£	
Income from:					
Charitable activities	3	6,839,900	612,960	7,452,860	7,338,098
Investments	3	521	-	521	2,948
Total income		6,840,421	612,960	7,453,381	7,341,046
Expenditure on:					
Charitable activities	4	7,353,581	623,132	7,976,713	7,844,302
Other (net interest defined benefit pension scheme)	8	104,000	-	104,000	32,000
Total expenditure		7,457,581	623,132	8,080,713	7,876,302
Net income/(expenditure)		(617,160)	(10,172)	(627,332)	(535,256)
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	8	4,659,000	-	4,659,000	(2,548,000)
Net movement in funds		4,041,840	(10,172)	4,031,668	(3,083,256)
Reconciliation of funds:					
Total funds brought forward		(3,038,895)	153,832	(2,885,063)	198,193
Total funds carried forward	16	1,002,945	143,660	1,146,605	(2,885,063)

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 24 to 40 form part of these financial statements.

East Ayrshire Leisure Trust
Balance Sheet
As at 31st March 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	9	71,572	103,082
Heritage assets	10	34,920	34,920
		<u>106,492</u>	<u>138,002</u>
Current assets			
Stocks and work in progress	11	17,592	12,161
Debtors	12	879,726	851,278
Cash at bank and in hand		1,342,070	852,069
		<u>2,239,388</u>	<u>1,715,508</u>
Liabilities			
Creditors: Amounts falling due within one year	13	(1,649,275)	(1,131,573)
Net current assets		<u>590,113</u>	<u>583,935</u>
Net assets excluding pension scheme asset/(liability)		<u>696,605</u>	<u>721,937</u>
Defined benefit pension scheme asset/(liability)	8	450,000	(3,607,000)
Total net assets/(liabilities)		<u><u>1,146,605</u></u>	<u><u>(2,885,063)</u></u>
The funds of the charity:			
Restricted income funds	16	143,660	153,832
Unrestricted funds	16	552,945	568,105
Pension reserve		450,000	(3,607,000)
Funds		<u><u>1,146,605</u></u>	<u><u>(2,885,063)</u></u>

The financial statements were approved and authorised for issue by the Board on

.....

Trustee

Chief Executive

The notes on pages 24 to 40 form part of these financial statements

East Ayrshire Leisure Trust
Statement of Cash Flow for the year ended 31st March 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	17	489,480	(893,079)
Cash flows from investing activities:			
Investment income		521	2,948
Purchase of property, plant and equipment		-	(64,395)
Net cash provided by/(used in) investing activities		521	(61,447)
Change in cash and cash equivalents in the reporting period		490,001	(954,526)
Cash at the beginning of the reporting period		852,069	1,806,595
Cash at the end of the reporting period		1,342,070	852,069

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2018

East Ayrshire Leisure Trust is a Scottish Charitable Incorporated Organisation, recognised as a charity for tax purposes by HMRC and registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC043987. Details of the principal address can be found on page 10 of these financial statements.

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

Basis of accounting

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

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.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charity's financial statements unless otherwise stated.

I. Accounting Policies

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 2018

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 5.

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.

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.

Unrestricted funds

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

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2018

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 31st March 2019. 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 this scheme, the charity reported unrestricted funds of £552,945.

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 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 2018 bank interest received £521 (2017: £2,948).

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2018

Income from charitable activities is as follows:

	2018	2018	2018	31st March
	Operating	Restricted	Total	2017
	Fund	Fund		
	£	£	£	£
Chief Executive & People & Finance	5,114,797	-	5,114,797	5,205,563
Marketing & Development	617	-	617	363
Cultural	535,886	-	535,886	511,406
Countryside services	118,589	-	118,589	159,441
Sport & Community Venues	1,070,011	-	1,070,011	1,119,213
Projects	-	612,960	612,960	342,112
Total income from provision of facilities and services	6,839,900	612,960	7,452,860	7,338,098

A management service fee of £5,111,940 was received from East Ayrshire Council for the year (2017: £5,202,840).

Income on charitable activities was £7,452,860 (2017: £7,338,098) of which £6,839,900 was unrestricted (2017: £6,995,986) and £612,960 (2017: £342,112) was restricted. All other income was unrestricted.

4. Charitable expenditure

	Chief				Sport &				
	Executive	Marketing &	Countryside	Community	Venues	Projects	Total	2017	
	& People	Development	Services	Venues	Projects	Projects	£	£	£
	& Finance	£	£	£	£	£	£	£	£
Employee costs	1,202,484	232,125	1,799,357	624,871	1,621,820	46,570	5,527,228	5,617,579	
Property costs	17,273	-	255,464	141,957	326,941	7,060	748,694	717,022	
Supplies and Services	65,029	64,193	490,867	116,525	126,432	569,502	1,432,548	1,237,922	
Transport Costs	1,834	-	10,340	25,421	424	-	38,018	45,801	
Support Services	212,400	-	-	-	-	-	212,400	212,400	
Governance	17,825	-	-	-	-	-	17,825	13,578	
Total	1,516,844	296,318	2,556,028	908,774	2,075,617	623,132	7,976,713	7,844,302	

Expenditure on charitable activities was £7,976,713 (2017: £7,844,302) of which £7,353,581 was unrestricted (2017: £7,582,823) and £623,132 (2017: £261,479) was restricted.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2018

5. Analysis of governance and support costs

	General Support	Governance	2018 £	2017 £
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	11,000
Consultants fees	-	-	-	1,128
Accountancy fees	6,825	-	6,825	1,450
	<u>180,225</u>	<u>50,000</u>	<u>230,225</u>	<u>225,978</u>

East Ayrshire Leisure receives support services from East Ayrshire Council. The total cost of support services provided by the Council in 2018 was £212,400 (2017 £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.

6. Staff Costs and Numbers

	2018 £	2017 £
Wages and salaries	3,853,846	4,133,123
Social security costs	298,504	313,387
Other pension costs	1,130,293	874,903
Other staff costs	244,585	296,166
	<u>5,527,228</u>	<u>5,617,579</u>

14 members of staff were made redundant during the year (2017: 9). 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 as follows:

	2018	2017
£70,000 - £79,999	-	-
£80,000 - £89,999	1	1

The senior management team comprises six staff members (2017: 6 staff members). The total employee benefits (including employers contributions) of the senior management team were £375,118 (2017: 364,174).

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2018

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

	2018	2017
	Number	Number
East Ayrshire Leisure Trust		
Full-time (permanent)	106	116
Part-time (permanent)	86	112
	<u>192</u>	<u>228</u>

During the year trustees received no remuneration (2017: nil). Trustee expenses totalled £81 (2017: 95). No trustees received payment for professional or other services supplied to the charity (2017: nil).

7. Operating Surplus

	2018	2017
	£	£
The operating surplus is stated after charging/(crediting)		
Auditors' remuneration (including expenses) for audit	11,000	11,000
for other services	6,825	750
Operating lease rentals	11,496	10,941

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 2017 and following this valuation employer's contributions have been set at 19.3% for the years ended 31st March 2019, 2020 and 2021.

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 2018	31st March 2017
	£'000	£'000
Opening defined benefit obligation	23,242	16,195
Current service cost	1,178	862
Past service cost (including curtailments)	34	58
Interest cost on defined benefit obligation	642	597
Contributions by members	196	200
Actuarial losses/(gains)	(3,270)	5,624
Benefits paid	(320)	(290)
Unfunded benefits paid	(1)	(4)
	<u>21,701</u>	<u>23,242</u>

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2018

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

	31st March 2018	31st March 2017
	£'000	£'000
Opening fair value of plan assets	19,635	15,395
Interest income on plan assets	538	565
Contributions by members	196	200
Contributions by the employer	713	689
Contributions in respect of unfunded benefits	1	4
Actuarial (loss)/gain	1,389	3,076
Benefits paid	(320)	(290)
Unfunded benefits paid	(1)	(4)
	<u>22,151</u>	<u>19,635</u>

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

	31st March 2018	31st March 2017
	£'000	£'000
Current service cost	(1,178)	(862)
Past service cost (including curtailments)	(34)	(58)
Total service cost	(1,212)	(920)
Net interest		
Interest income on plan assets	538	565
Interest cost on defined benefit obligation	(642)	(597)
Total net interest	(104)	(32)
Total defined benefit cost recognised in net income/expenditure per the SOFA	(1,316)	(952)

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

	31st March 2018	31st March 2017
	%	%
Equities	62	73
Bonds	23	12
Property	11	10
Cash	4	5

The estimated employer contributions for the year to 31 March 2019 are £637,000.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2018

The principal actuarial assumptions used in the calculations are:

	31st March 2018	31st March 2017
	% per annum	% per annum
Pension Increase Rate	2.3	2.4
Salary Increase Rate	3.5	4.4
Discount Rate	2.7	2.7

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2016 model with an allowance for smoothing of recent mortality experience and long term rates 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	21.4 years	23.7 years
Future Pensioners	23.4 years	25.8 years

9. Fixed Assets

	Furniture & Equipment	Total
	£	£
Cost		
As at 1 st April 2017	157,582	157,582
Additions	-	-
As at 31 st March 2018	<u>157,582</u>	<u>157,582</u>
Depreciation		
As at 1 st April 2017	54,500	54,500
Charge	31,510	31,510
As at 31 st March 2018	<u>86,010</u>	<u>86,010</u>
Net book value		
As at 31 st March 2017	103,082	103,082
As at 31 st March 2018	<u>71,572</u>	<u>71,572</u>

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2018

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 2017	34,920	34,920
Additions	-	-
As at 31 st March 2018	<u>34,920</u>	<u>34,920</u>
Net book value		
As at 31 st March 2017	34,920	34,920
As at 31 st March 2018	<u>34,920</u>	<u>34,920</u>

11. Stock

	2018	2017
	£	£
Goods for re-sale	17,592	12,161
	<u>17,592</u>	<u>12,161</u>

12. Debtors

	2018	2017
	£	£
Amounts due from East Ayrshire Council	714,089	737,879
Trade debtors	61,233	53,300
Other debtors and prepayments	104,404	60,099
	<u>879,726</u>	<u>851,278</u>

13. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Amounts owed to East Ayrshire Council	697,183	149,804
Trade creditors	71,998	97,992
Accruals and deferred income	610,640	525,430
Taxation and social security	269,454	358,347
	<u>1,649,275</u>	<u>1,131,573</u>

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2018

14. Deferred income

Deferred income comprises advanced ticket sales.

	2018	2017
	£	£
Balance as at 1 st April 2017	91,460	65,480
Amounts released to income during 2017/18	(91,460)	(65,480)
Amounts deferred in year	145,671	91,460
	<u>145,671</u>	<u>91,460</u>
Balance as at 31 st March 2018	<u><u>145,671</u></u>	<u><u>91,460</u></u>

15. Financial assets and liabilities

	2018	2017
	£	£
Financial assets at amortised cost	2,137,777	1,649,654
Financial liabilities at amortised cost	(1,234,150)	(681,766)
	<u>903,627</u>	<u>967,888</u>
	<u><u>903,627</u></u>	<u><u>967,888</u></u>

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

Financial liabilities comprise amounts owed to East Ayrshire Council, trade creditors and accruals.

16. Reserves

Funds	Unrestricted Funds	Restricted Funds	2018 Total	2017 Total
	£	£	£	£
Balance at 31 st March 2018				
Represented by:				
Fixed assets	106,492	-	106,492	138,002
Net current assets	446,453	143,660	590,113	583,935
Retirement benefit scheme asset/(liability)	450,000	-	450,000	(3,607,000)
	<u>1,002,945</u>	<u>143,660</u>	<u>1,146,605</u>	<u>(2,885,063)</u>
	<u><u>1,002,945</u></u>	<u><u>143,660</u></u>	<u><u>1,146,605</u></u>	<u><u>(2,885,063)</u></u>

Unrestricted Fund

	Opening Balance at 1st April 2017	Incoming	Outgoing	Transfers	Actuarial Loss	Closing Balance at 31st March 2018
	£	£	£	£	£	£
Unrestricted fund	282,525	6,840,421	(6,741,711)	(45,000)	-	336,235
Designated funds	285,580	-	(113,870)	45,000	-	216,710
Pension reserve	(3,607,000)	-	(602,000)	-	4,659,000	450,000
	<u>(3,038,895)</u>	<u>6,840,421</u>	<u>(7,457,581)</u>	<u>-</u>	<u>4,659,000</u>	<u>1,002,945</u>
	<u><u>(3,038,895)</u></u>	<u><u>6,840,421</u></u>	<u><u>(7,457,581)</u></u>	<u><u>-</u></u>	<u><u>4,659,000</u></u>	<u><u>1,002,945</u></u>

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2018

Designated funds were established for the following:	2017	Incoming	Outgoing	Transfer	2018
	£	£	£	£	£
Depreciation (to fund depreciation on fixed assets)	74,580	-	(19,600)	(7,360)	47,620
Fixed assets	43,640	-	-	-	43,640
People & Finance Administration Resources	730	-	(730)	-	-
Marketing & Development Staff	42,630	-	(17,630)	(25,000)	-
Libraries Fit Out	90,000	-	(9,500)	-	80,500
Homewards Van Balance	2,500	-	-	(2,500)	-
Annanhill Golf Course	20,000	-	(8,650)	(11,350)	-
Sport and CV Staffing	11,500	10,000	(21,500)	-	-
Sport & CV Staffing - temporary facilities	-	-	(7,360)	7,360	-
Website Development	-	-	(1,100)	25,000	23,900
Promotion of New Mobile Libraries	-	-	-	2,500	2,500
Keep Scotland Beautiful	-	-	(3,750)	5,000	1,250
DCCP Play Area	-	-	-	6,350	6,350
PFS Equipment	-	10,000	(10,000)	-	-
Youth Theatre	-	15,000	(12,480)	-	2,520
Training & Development	-	10,000	(1,570)	-	8,430
Total designated funds	285,580	45,000	(113,870)	-	216,710

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2018

Restricted Funds	Opening Balance	2018 Incoming Resources	2018 Resources Expended	2018 Transfers	2018 Closing Balance
	£	£	£	£	£
Creative place	24,571	15,000	(39,571)	-	-
Ayrshire Libraries forum	4,426	-	(90)	-	4,336
Wifi	11,500	-	(11,500)	-	-
Textile team	771	-	(132)	-	639
Burns Birthday in Mauchline	-	8,000	(8,000)	-	-
The McKie Collection	2,847	14,878	(20,214)	-	(2,489)
Irvine Valley Trails	59,614	41,527	(23,930)	-	77,211
Make Some Noise	17,529	-	(4,350)	-	13,179
Dean Castle Countryside Park (DCCP)– Development Project	-	400,000	(400,000)	-	-
DCCP Opening Events	-	81,232	(81,232)	-	-
GLAIF	2,998	700	(3,698)	-	-
I AM HERE	11,027	2,168	(13,195)	-	-
Kilmarnock Green Infrastructure	15,000	-	-	-	15,000
River Ayr Way	1,549	-	-	-	1,549
Wild About the Farm	2,000	(10)	(1,990)	-	-
Bat Bothy	-	2,000	(1,309)	-	691
Traditional Rural Skills	-	10,000	(7,918)	-	2,082
Growing Memories	-	9,903	(1,631)	-	8,272
WWI Memorial Artwork	-	2,000	-	-	2,000
Museums Database	-	6,480	-	-	6,480
Year of Young People	-	9,370	(60)	-	9,310
Gaelic Visual Arts	-	5,400	-	-	5,400
Youthlink	-	1,257	(1,257)	-	-
Woodland Management	-	3,055	(3,055)	-	-
Totals	153,832	612,960	(623,132)	-	143,660

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.

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.

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.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2018

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.

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.

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.

The Bat Bothy Project has secured £2000 through the Tesco Bags of Help scheme. Working with Xchange Scotland, this unique facility to encourage roosting and hibernating bats with the Country Park will be built by volunteers from across Europe.

As part of the Year of History, heritage and Archaeology, a grant of £10,000 was secured from the Heritage Lottery Fund. This grant will be used to create 2 volunteer apprenticeships, provide a range of rural skills training for volunteers and to purchase tools and equipment to enable traditional rural skills to be carried out at the Country Park.

£9,903 has been awarded to East Ayrshire Leisure to develop a remote volunteering project in partnership with Alzheimer's Scotland. This project will provide all the equipment necessary for people suffering from dementia to grow wildflowers within their own homes. These will then be used to create a wildflower meadow at the Country Park. A celebration day will be organised in Summer 2018 where all volunteers and their families will be invited to a tea party at the Country Park.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2018

£2,000 has been awarded to support the purchase and planting of trees and shrubbery associated with the WWI memorial artwork, which has been developed by Pidgin Perfect in collaboration with Scottish makar Jackie Kay, Loanhead Primary School and adults who took part in a poetry workshop.

Museums Database - East Ayrshire Leisure cares for approximately 250,000 objects within the museums it manages on behalf of East Ayrshire Council. Currently these collections are documented on a mixture of ageing and basic database systems. As we progress through the actions outlined within our Accreditation plan, including a full, basic inventory of all collections, plus our work with our Recognised collections, it is clear that we require a modern, future-proof database for use across the museum service, with opportunities for working with external partners in a more co-ordinated and efficient way. The total project cost is £21,600, of which Museums Galleries Scotland has awarded 75% of project costs. The task to procure, install and begin to populate the new database will be complete by the project end-date of 31 Dec 2019.

GENERATION Z - A co-designed programme of events throughout 2018. The launch event features Tom Foster of Judge Dredd fame, fully immersive Virtual Reality experiences, an interactive gaming tournament and a host of other drop in activities, GENERATION Z is a FREE festival for fans of all ages. GENERATION Z is funded by EVENTSCOTLAND.

Magic at the Museum – TIME TRAVELLERS -Time travellers from all frontiers are invited to join us for an exciting multi-sensory arts experience on the theme of TIME TRAVEL! Travellers will arrive at the Dick Institute in the year 2018, to undertake an EPIC journey through storytelling, drama, puppet making and film. Meet award winning children’s author Janis MacKay who will tell you all about ‘The Reluctant Time Traveller’. Funded by Museums Galleries Scotland.

GAELIC VISUAL ARTS - The Dick Institute’s *Gaidhlig Gailearaidhean* will see a second series of workshops facilitated in Gaelic in the galleries, aimed at promoting the use of Gaelic and the development of Gaelic language skills utilising visual arts and culture. Funded by Bord Na Gaidhlig and Creative Scotland

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

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the SOFA)	(627,332)	(535,256)
Adjustments for:		
Interest received	(521)	(2,948)
Depreciation	31,510	31,510
Net cost in respect of pensions	602,000	259,000
(Increase)/decrease in stock	(5,431)	(3,770)
(Increase)/decrease in debtors	(28,448)	280,491
Increase/(decrease) in creditors	517,702	(922,106)
Net cash provided by (used in) operating activities	489,480	(893,079)

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2018

Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash in hand	1,342,070	852,069
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	1,342,070	852,069

18. Operating lease commitments

At 31st March 2018, the Trust had future minimum lease payments under non-cancellable operating leases as follows:

	2018		2017	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Within one year	1,000	2,464	2,000	8,370
Within two to five years	-	1,673	1,000	1,125
	<u>1,000</u>	<u>4,137</u>	<u>3,000</u>	<u>9,495</u>

19. Related parties

East Ayrshire Council (EAC) made a contribution in line with the Services Agreement of £5,111,940 (2017: £5,202,840). 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 (2017: £212,400).

The relevant transactions and balances with East Ayrshire Council were:

2017/18				2016/17			
Income from EAC	Payments to EAC	Due from	Due to	Income from EAC	Payments to EAC	Due from	Due to
£	£	£	£	£	£	£	£
6,016,027	989,962	714,089	697,183	5,556,784	812,933	737,879	149,804
<u>6,016,027</u>	<u>989,962</u>	<u>714,089</u>	<u>697,183</u>	<u>5,556,784</u>	<u>812,933</u>	<u>737,879</u>	<u>149,804</u>

20. Contingent Liabilities

There are four employer liability cases ongoing and one public liability case outstanding. (2017: one employer liability case and no 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.