

**East Ayrshire Leisure Trust**  
**A Scottish Charitable Incorporated Organisation**

Annual Report and Accounts  
For the year ended 31<sup>st</sup> March 2019

Charity Number SC043987

## East Ayrshire Leisure Trust Contents

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## East Ayrshire Leisure Trust

### Message from the Chair

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I am delighted to introduce the sixth Annual Report and Accounts for East Ayrshire Leisure Trust, covering the financial year 2018-19. The Trust has continued to show a strong performance both financially and in service delivery. We have also received another excellent report from our External Auditors, with no issues reported.

As ever, we have had a packed programme of events, activities and exhibitions, and some of my personal highlights are outlined below.

Our events calendar kicked off in April with the Spring Festival in our newly redeveloped Dean Castle Country Park where we celebrated the arrival of spring and local rural skills in our brand new Rural Life Centre, in the heart of the park. Later in the year visitors also got to try out some food tasting, craft workshops, explore our brand new trails and meet rare British farm breeds at the Harvest Festival.

East Ayrshire Youth Theatre (EAYT) never fail to impress, and their in-the-round production of Wizard of Oz in the Grand Hall was no exception, providing audiences with a unique and spectacular theatre experience.

"Pennylands Camp 22 – hidden histories of Ayrshire" exhibition opened at the Baird Institute in Cumnock. This fascinating exhibition told the story of a former WW2 camp situated in Auchinleck, displaying objects from archaeological digs of the site and extracts from oral history interviews which captured recollections of members of the local community.

Our visual arts programme continued to excel in May with "Generation Z"; a programme of events co-curated by a group of young people which featured Tom Foster of Judge Dredd fame, fully immersive virtual reality and a gaming tournament. In June the Dick Institute welcomed "Bricktropolis", a spectacular, interactive Lego brick show which was brought to us by Bright Bricks, the only accredited Lego brick builder in the UK. Visitors experienced 20 stunning models of world-famous buildings ranging from Stonehenge to the glittering skyscrapers of Dubai, before the exhibition left Kilmarnock for its global tour.

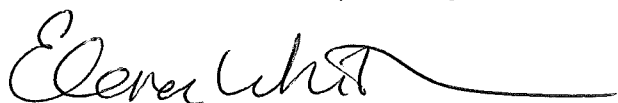
"Michael Morpurgo, A Lifetime in Stories", highlighted the work of one of Britain's best loved story-makers and gave us an insight into the author responsible for some of the most loved children's books. This unique exhibition showcased the notebooks and manuscripts that went on to become classics including War Horse and Private Peaceful.

Kilmarnock streets once again became the destination for the annual 10k road race Roon The Toon. Organised by Kilmarnock Harriers and supported by East Ayrshire Leisure and East Ayrshire Council, this event attracts runners from across the country to the Ayrshire Athletics Arena and Kilmarnock in general. We also introduced a programme of running events and activities this year to help encourage more people to take up running, from our 'Couch to 5k' and our 'Roon the Park' 5k, Junior 5k and family fun run. Our Run Jump Throw sessions, Athletics Camps and Sports Coaching programmes continue to thrive, encouraging our younger customers to excel and progress in their chosen sport.

Due to the extensive refurbishment works at the Dean Castle, the significant museum collections of early musical instruments, arms and armour and tapestries were moved to the Dick Institute where a rolling programme of displays means visitors can continue to enjoy them.

After the huge success of our inaugural Illuminight, the specular light and sound installation experience returned to Dean Castle Country Park at the end of 2018 for an even bigger and better event. With new sights, routes, dazzling effects and more hands-on activities the park was transformed into a truly enchanting and magical place.

We can't wait to see what next year brings and look forward to welcoming you all throughout 2019-20!



Councillor Elena Whitham

Chair, East Ayrshire Leisure Trust

## **East Ayrshire Leisure Trust**

### **Message from the Chief Executive**

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Welcome to East Ayrshire Leisure's Annual Report and Accounts for 2018/19. This report summarises our performance during the Trust's sixth year of operation.

2018/19 was the third year of our 2016-19 Business Plan and we have continued to deliver outstanding services which not only meet the targets set out in the plan but also met the agreed savings targets set out with East Ayrshire Council.

We have continued to promote and develop wide ranging programmes across our broad leisure remit and our attendance figures and customer feedback indicate high levels of satisfaction with all the services we provide. In 2018/19 our income levels from public activities fell short of our targets thanks to difficult trading conditions and the impact of austerity measures on many of our customers. The Trust always seeks to provide an appropriate balance between the level of charges for activities and the requirement to ensure that facilities and activities are accessible and affordable.

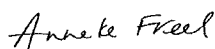
Throughout the year staff and Trustees have worked to ensure that high quality services and activities were available across East Ayrshire and I would like to thank them for the commitment and flexibility shown whilst we have re-organised services and delivered efficiency savings. I would also like to thank East Ayrshire Council, our main partner and funder, for its ongoing support and commitment to Leisure Services.

I will retire from the role of Chief Executive in May 2019 bringing to an end 22 years of service to Leisure provision in East Ayrshire and a career spanning over 38 years. It has been a privilege to serve the people of East Ayrshire as both Head of Leisure Services and then as Chief Executive of East Ayrshire Leisure.

Our staff work tirelessly across all service areas, whether front-facing or behind the scenes, and I have always been impressed by the commitment, dedication and innovative approach that they give to their work. I would like to thank all staff, past and present, for the contribution to services which I believe are a credit to the area and are well supported and appreciated by residents and visitors alike.



**John Griffiths**  
**Chief Executive**



**Anneke Freel**  
**Interim Senior Officer**

**East Ayrshire Leisure Trust**  
**Trustees Report**  
**For the year ended 31<sup>st</sup> March 2019**

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The Trustees are pleased to present their Annual Report and Accounts for the year ended 31st March 2019. 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 13<sup>th</sup> 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 and Community Venues, 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 & Outdoor Activities Services**

This service manages Dean Castle Country Park, the River Ayr Way, Ayrshire Athletics Arena, Annanhill Golf Course and footpath networks across East Ayrshire. The service is responsible for walking, cycling and access to the countryside, outdoor events, programme development at outdoor venues, outdoor learning and outdoor activities.

#### **- Sport & Fitness**

This service manages Sports and Leisure Centres, Games Hall and Sports Pitches. The service is responsible for programme development, community sports hubs, sports development and events encompassing swimming and fitness.

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**- 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 (4 star Leisure Facility)

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.

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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 21<sup>st</sup> 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.



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**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 and one is currently vacant
- 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.

<b>Trustees</b>	<b>Appointment date</b>	<b>Resignation date</b>
<b>Partner Trustees</b>		
Elena Whitman (Chair)	18 <sup>th</sup> May 2017	
Neil McGhee	13 <sup>th</sup> March 2013 (reappointed 18 <sup>th</sup> May 2017)	
Iain Linton	25 <sup>th</sup> June 2015 (resigned 18 <sup>th</sup> May 2017) and reappointed 2 <sup>nd</sup> November 2017	
Ian Grant	18 <sup>th</sup> May 2017	
Clare Maitland	18 <sup>th</sup> May 2017	
Chris McAleavey (ex officio)	27 <sup>th</sup> August 2015	Resigned 17 <sup>th</sup> May 2018
Joe McLachlan (ex officio)	27 <sup>th</sup> August 2015	
Robert McCulloch (ex officio)	17 <sup>th</sup> May 2018	
<b>Independent Trustees</b>		
Robin Hume	13 <sup>th</sup> June 2013 (Re-appointed 27 <sup>th</sup> August 2015)	
Jean Brown	13 <sup>th</sup> June 2013	
June Minnery	13 <sup>th</sup> June 2013 (Re-appointed 27 <sup>th</sup> August 2015)	
Jackie Livingston	1 <sup>st</sup> July 2015	
Robbie Mann	8 <sup>th</sup> 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.

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.

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**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)	Retired 19 <sup>th</sup> May 2019
Anneke Freel (Interim Senior Officer)	Appointed 7 <sup>th</sup> May 2019
Anneke Freel (Countryside & Outdoor Activity Services Manager)	until 7 <sup>th</sup> May 2019
Jackie Biggart (Head of Corporate Services)	
Adam Geary (Cultural Services Manager)	
Chris Murphy (Sport & Fitness Manager)	

**ADMINISTRATIVE INFORMATION**

**Registered Office**

Dick Institute  
14 Elmbank Avenue  
Kilmarnock KA1 3BU  
[www.eastayrshireleisure.com](http://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

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## **FINANCIAL REVIEW**

The period to 31<sup>st</sup> March 2019 was the Trust's sixth year of activity. In the period, East Ayrshire Leisure reported an unrestricted deficit of £1,315,177.

At 31<sup>st</sup> March 2019, the actuarial valuation of the pension scheme resulted in a net pension liability of £1,625,000 this being recognised in the Balance Sheet. The valuation has resulted in an actuarial loss of £1,026,000 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. Unrestricted funds not committed at the end of the financial year were slightly below target but have returned within range by end of Quarter 1 of 2019/20 financial year.

## **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 2019/20 is set out below:

	<b>2019/20</b>
	<b>£</b>
<b>Baseline Budget (excl Savings)</b>	4,923,490
<b>Savings Target (following Best Value Review)</b>	(190,750)
<b>Baseline Budget (after Savings)</b>	4,732,740

## **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 2018/19 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 has reduced the number of properties managed by East Ayrshire Leisure.

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:

### **1. 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 sale 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

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KEY POINTS:

East Ayrshire Leisure's overall attendance / participation figure is 17.2 % up on the 2018/19 target with attendance figures across service areas being mixed:

Attendance figures within our Cultural Services have fallen by 3.5%, which can be attributed to a variety of reasons; Dean Castle was closed due to the refurbishment programme, however the collections were moved to the Dick Institute and launched with a new exhibition. The Dick Institute's library was closed for 16 weeks and fully closed for 6 days during this year, which naturally caused a fall in visitors to the venue. The refurbished building was accompanied by an extensive marketing campaign which was a huge success and the new café quickly became a popular part of the visitor experience.

Attendance within Sport and Fitness is up by 4% for 2018/19. Programme improvements and introduction of new activities through our fitness membership and sports offering has supported increase in attendances.

Countryside and Outdoor Activity attendances has increased in 2018/19 by over 28%, predominantly due to the successful reopening of Dean Castle Country Park. However, Ayrshire Athletics Arena also saw an increase of nearly 20% throughout the year.

Accreditation levels have been maintained for all our venues. The Palace Theatre was nominated for 2 awards in the Great British Pantomime Awards; Best Dame and Best Musical Arrangement and our hospitality service was the Silver Bar None award winner.

We have continued to work with a large and varied group of partners to help deliver a range of projects on all scales, including Ayrshire Roads Alliance with Sustrans Scotland, Museums Galleries Scotland, HLF with Historic Scotland, Scottish Books Trust, Event Scotland, Bord Na Gaidhlig as well as all local Councils within Ayrshire and our colleagues within East Ayrshire Council.

**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:

Our Year of Young People event 'Generation Z' involved a core group of young people in devising and delivering the events and involved over 80 young people. East Ayrshire Youth Theatre continues to go from strength to strength with their performance of Hairspray selling out.

Our school workshops including Egyptians, Burns and Romans remain ever popular and our Curriculum for Excellence based programme continues to receive outstanding feedback from participating schools.

The Athletics Coaching Programme continues to be fully booked and work is ongoing with Kilmarnock Harriers to ensure that this programme forms a pathway to club membership and athletics development.

Our Digital Storytelling project funded by the Scottish Book Trust is enabling us to reach those most isolated through working in communities with partners in Kilmarnock Station Railway Heritage Trust and Vibrant Communities.

Funding was secured from the Scottish Natural Heritage to develop a Natural Leaders Project aimed at S4 and S5 pupils in Auchinleck, Cumnock, Doon and Kilmarnock Academies. This project involves young people identifying local greenspaces of note, developing management plans and achieving Local Nature Reserve status for these sites.

Action on Hearing Loss sessions took place across our libraries and we also supported the MacMillan Cancer Awareness 'Move More' project through our library network. Homewords, our mobile library service continues to provide a vital service and visited 1,500 people during the year.

The Growing Memories project worked with over 200 participants. The growing memories wildlife garden has been established at the Country Park using wildflowers that have been grown in care environments across East Ayrshire. Work is now ongoing with Alzheimer Scotland and Dementia Scotland.

### **3. TO ENHANCE THE EAST AYRSHIRE TOURISM OFFER**

The refurbishment at the Dick Institute and inclusion of a new café has greatly enhanced the tourism offer of this significant and historic attraction. Likewise, Dean Castle Country Park has had a very successful first year back in business following the extensive development project and visitor figures continuing to rise. The £5M Dean Castle restoration project is now underway (due to be completed in 2021)

We continue to build on and develop the work we do with local groups to add value to our tourism offer. Examples include working with Cumnock History group to develop exhibitions at the Baird Institute, working with Kilmarnock Station Railway heritage group to support the Digital Storytelling project and Countryside and Outdoor Services continued to support local community groups in the organisation of walking festivals, with particular success in the Irvine Valley where the event shows growth every year.

### **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. Progress has been made against the key areas which were identified, mainly addressing issues with communication, staff morale and staff feeling valued at work, with each of these areas showing percentage increases in satisfaction. Our EAGER (employment review process) has been completed by 90% of staff and training delivery has focussed on Competency Based Interviews, Preparation for Interview, Leadership and Management Programme, developing a bespoke training package for Information Governance, developing bespoke training for Job Evaluation and Customer Services.

Development Sessions have been delivered in Information Governance, Managing Attendance, Managing Performance, Drugs and Alcohol Policy and our Homeworking Policy.

Our staff newsletter is issued quarterly and highlights success stories, staff recognition and addresses any issues, which need to be prioritised by staff.

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 continues to meet every 2 weeks with a core group of 15 volunteers taking part in a range of activities including maintenance, conservation tasks and event management.

We also continue to expand on our range of apprenticeships, interns and volunteering opportunities across the Trust.

## **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. We recognise however that the site requires to be updated to stay abreast of changing technology and enhance our online offer and visitor experience. The new site will be launched in 2019. When developing the brief for the new site, Google analytics, analysis from web developers and comments from both customers and staff were all considered. The new site will be easy to navigate and fully mobile responsive, with ctas, venue information and what's on information all having prominence.

- 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 and plans are underway to expand across additional platforms.

- 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 2018-19 are highlighted below:

- EventScotland, Mauchline Burns Club and Mauchline Primary School in the development and delivery of Burns's Birthday
- Museum Galleries Scotland, HLF and Historic Environment Scotland on the Dean Castle project
- Scottish Book Trust, Kilmarnock Station Railway Heritage Trust and EAC Vibrant Communities to deliver the Digital Storytelling project
- Bord Na Gaidhlig, Creative Scotland and Sgoil na Coille Nuaidh to deliver the year- long Gaelic Visual Arts project
- Tesco Bags of Help, Loanhead Primary School, community individuals and poet Jackie Kay in the development of the Holehouse Commemorative Gardens redevelopment
- Scottish Libraries and Information Council - Digital Champions Network in the development of our new digital programme
- Creative Scotland, Ayrshire Young Carers and Vibrant Communities in the ongoing delivery of the MAKE SOME NOISE music project
- Xchange Scotland partnership has resulted in East Ayrshire Leisure taking the lead on the European Volunteering Programme
- Worked in partnership with Ayrshire Roads Alliance and Sustrans Scotland to develop the Kilmarnock Infinity Loop
- Partnership developed with Xchange Scotland resulting in East Ayrshire Leisure taking the lead on European Volunteering Programme
- Liaising with Kilmarnock Harriers and Scottish Athletics to re-establish the Ayrshire Athletics Partnership
- Developing partnership with Ayrshire College to establish "Leisure Ambassador" programme; work place experiences for students with personal development and training opportunities

**East Ayrshire Leisure Trust**  
**Trustees Report**  
**For the year ended 31<sup>st</sup> March 2019**

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- Continuing to develop relationship with Scottish Leisure Networking Group
- Partnership with Stewarton Academy, Ayrshire College and Scottish Rural College to develop new SVQ level 4 qualification in Rural Skills

## **FUTURE DEVELOPMENTS**

The current Business Plan covered the period 2016-19, however, East Ayrshire Council agreed to extend the Plan for a further year to allow operational continuity during the period following the Chief Executive's retirement and subsequent organisational change and development. Key priorities for this interim arrangement are:

- Facility Review which includes a review of all leisure facilities and services within each community across East Ayrshire; a Sports Facility Review, with a particular focus on facilities in Kilmarnock and facilities within the school estate; and a review of Cultural facilities, particularly those within the proposed Cultural Quarter of Kilmarnock
- Organisational redesign to include employee and customer engagement to encourage community groups, staff, individuals, Trustees and local councillors to contribute to and agree a vision for East Ayrshire Leisure
- Business Plan development - When developing the new business plan, both staff and customer consultation exercises will take place. This will allow us to define the trust's objectives, mission and vision whilst shaping an organisation which meets local and national demand, satisfies the needs of each and develops an engaged and empowered workforce.



## **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 17 September 2019 and signed on its behalf by:



.....



.....

**Trustee**

Anneke Freel

**Interim Senior Officer**

## **Opinion**

We have audited the financial statements of East Ayrshire Leisure Trust (the 'charity') for the year ended 31 March 2019 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 31 March 2019 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 31<sup>st</sup> March 2019**

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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 15, the trustees are responsible for the preparation of the financial statements which 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](http://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).

**East Ayrshire Leisure Trust**  
**Independent Auditor's Report**  
**For the year ended 31<sup>st</sup> March 2019**

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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 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: *12 November 2019*

**East Ayrshire Leisure Trust**  
**Statement of Financial Activities**  
**For the year ended 31<sup>st</sup> March 2019**

	Notes	Unrestricted Fund 2019	Restricted Funds 2019	2019	2018
		£	£	£	
<b>Income from:</b>					
Charitable activities	3	6,919,467	108,879	7,028,346	7,452,860
Investments	3	1,181	-	1,181	521
<b>Total income</b>		<b>6,920,648</b>	<b>108,879</b>	<b>7,029,527</b>	<b>7,453,381</b>
<b>Expenditure on:</b>					
Charitable activities	4	8,234,825	152,046	8,386,871	7,976,713
Other (net interest defined benefit pension scheme)	8	1,000	-	1,000	104,000
<b>Total expenditure</b>		<b>8,235,825</b>	<b>152,046</b>	<b>8,387,871</b>	<b>8,080,713</b>
<b>Net income/(expenditure)</b>		<b>(1,315,177)</b>	<b>(43,167)</b>	<b>(1,358,344)</b>	<b>(627,332)</b>
<b>Other recognised gains/(losses):</b>					
Actuarial gains/(losses) on defined benefit pension schemes	8	(1,026,000)	-	(1,026,000)	4,659,000
<b>Net movement in funds</b>		<b>(2,341,177)</b>	<b>(43,167)</b>	<b>(2,384,344)</b>	<b>4,031,668</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,002,945	143,660	1,146,605	(2,885,063)
<b>Total funds carried forward</b>	<b>16</b>	<b>(1,338,232)</b>	<b>100,493</b>	<b>(1,237,739)</b>	<b>1,146,605</b>

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 22 to 41 form part of these financial statements.

**East Ayrshire Leisure Trust**  
**Balance Sheet**  
**As at 31<sup>st</sup> March 2019**

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	9	40,062	71,572
Heritage assets	10	34,920	34,920
		<u>74,982</u>	<u>106,492</u>
<b>Current assets</b>			
Stocks and work in progress	11	21,026	17,592
Debtors	12	671,642	879,726
Cash at bank and in hand		685,025	1,342,070
		<u>1,377,693</u>	<u>2,239,388</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	13	(1,065,414)	(1,649,275)
<b>Net current assets</b>		<u>312,279</u>	<u>590,113</u>
<b>Net assets excluding pension scheme asset/(liability)</b>		<u>387,261</u>	<u>696,605</u>
<b>Defined benefit pension scheme asset/(liability)</b>	8	(1,625,000)	450,000
<b>Total net assets/( liabilities)</b>		<u><u>(1,237,739)</u></u>	<u><u>1,146,605</u></u>
<b>The funds of the charity:</b>			
Restricted income funds	16	100,493	143,660
Unrestricted funds	16	286,768	552,945
Pension reserve	16	(1,625,000)	450,000
<b>Funds</b>		<u><u>(1,237,739)</u></u>	<u><u>1,146,605</u></u>

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

17 September 2019



Trustee



Interim Senior Officer

The notes on pages 22 to 41 form part of these financial statements

**East Ayrshire Leisure Trust**  
**Statement of Cash Flows for the year ended 31<sup>st</sup> March 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	17	<b>(658,226)</b>	<b>489,480</b>
<b>Cash flows from investing activities:</b>			
Investment income		1,181	521
Purchase of property, plant and equipment		-	-
<b>Net cash provided by/(used in) investing activities</b>		<b>1,181</b>	<b>521</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(657,045)</b>	<b>490,001</b>
<b>Cash at the beginning of the reporting period</b>		<b>1,342,070</b>	<b>852,069</b>
<b>Cash at the end of the reporting period</b>		<b>685,025</b>	<b>1,342,070</b>

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2019**

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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 when the charity has entitlement to the funds, any performance conditions attached to the items of income has been met, it is probable that the income will be received and the amount can be measured reliably.

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, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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 31<sup>st</sup> March 2019**

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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 Statement of Financial Activities when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future 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 31<sup>st</sup> March 2019**

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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<sup>st</sup> March 2020. 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 £255,472.

**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 2019 bank interest received £1,181 (2018: £521).

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2019**

**Income from charitable activities is as follows:**

	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>31<sup>st</sup> March</b>
	<b>Operating</b>	<b>Restricted</b>	<b>Total</b>	<b>2018</b>
	<b>Fund</b>	<b>Fund</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Chief Executive & People & Finance	4,836,012	-	4,836,012	5,114,797
Marketing & Development	1,412	-	1,412	617
Cultural	1,022,609	-	1,022,609	535,886
Countryside services	318,803	-	318,803	118,589
Sport & Community Venues	740,631	-	740,631	1,070,011
Projects (Restricted income)	-	108,879	108,879	612,960
<b>Total income from provision of facilities and services</b>	<b>6,919,467</b>	<b>108,879</b>	<b>7,028,346</b>	<b>7,452,860</b>

A management service fee of £4,829,955 was received from East Ayrshire Council for the year (2018: £5,111,940).

Income on charitable activities was £7,028,346 (2018: £7,452,860) of which £6,919,467 was unrestricted (2018: £6,839,900) and £108,879 (2018: £612,960) was restricted. All other income was unrestricted.

**4. Charitable expenditure**

**2019**

	<b>Chief</b>				<b>Sport &amp;</b>				
	<b>Executive</b>	<b>Marketing &amp;</b>	<b>Countryside</b>		<b>Community</b>		<b>Total</b>	<b>2018</b>	
	<b>&amp; People</b>	<b>Development</b>	<b>Cultural</b>	<b>Services</b>	<b>Venues</b>	<b>Projects</b>			
	<b>&amp; Finance</b>						<b>£</b>	<b>£</b>	
	<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>			
Employee costs	1,722,063	209,693	2,098,054	882,523	1,255,591	40,957	6,208,881	5,527,228	
Property costs	8,295	-	373,801	189,319	78,454	-	649,869	748,694	
Supplies and Services	62,527	107,708	761,519	138,574	102,157	111,014	1,283,499	1,432,548	
Transport Costs	1,815	-	13,482	22,890	70	75	38,332	38,018	
Support Services	187,400	-	-	-	-	-	187,400	212,400	
Governance	18,890	-	-	-	-	-	18,890	17,825	
<b>Total</b>	<b>2,000,990</b>	<b>317,401</b>	<b>3,246,856</b>	<b>1,233,306</b>	<b>1,436,272</b>	<b>152,046</b>	<b>8,386,871</b>	<b>7,976,713</b>	

Expenditure on charitable activities was £8,386,871 (2018: £7,976,713) of which £8,234,825 was unrestricted (2018: £7,353,581) and £152,046(2018: £623,132) was restricted.

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2019**

2018

	Chief Executive & People & Finance	Marketing & Development	Countryside Cultural	Services	Sport & Community Venues	Projects	Total	2017
	£	£	£		£	£	£	£
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
<b>Total</b>	<b>1,516,844</b>	<b>296,318</b>	<b>2,556,028</b>	<b>908,774</b>	<b>2,075,617</b>	<b>623,132</b>	<b>7,976,713</b>	<b>7,844,302</b>

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.

**5. Analysis of governance and support costs**

	General Support	Governance	2019	2018
			£	£
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	29,000	-	29,000	54,000
Legal and Procurement Services	10,000	35,000	45,000	45,000
Audit fees	-	11,000	11,000	11,000
Consultants fees	-	-	-	-
Accountancy fees	7,890	-	7,890	6,825
	<b>156,290</b>	<b>50,000</b>	<b>206,290</b>	<b>230,225</b>

General support costs in 2018 were £180,225 and governance costs £50,000.

East Ayrshire Leisure receives support services from East Ayrshire Council. The total cost of support services provided by the Council in 2019 was £187,400 (2018 £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 31<sup>st</sup> March 2019**

**6. Staff Costs and Numbers**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,950,636	3,853,846
Social security costs	310,505	298,504
Other pension costs	1,721,251	1,130,293
Other staff costs	226,489	244,585
	<u><b>6,208,881</b></u>	<u><b>5,527,228</b></u>

2 members of staff were made redundant during the year (2018: 14).

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

	<b>2019</b>	<b>2018</b>
£70,000 - £79,999	-	-
£80,000 - £89,999	1	1

The senior management team comprises six staff members (2018: 6 staff members). The total employee benefits (including employers contributions) of the senior management team were £424,295 (2018: £411,490).

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

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
East Ayrshire Leisure Trust		
Full-time (permanent)	105	106
Part-time (permanent)	89	86
	<u><b>194</b></u>	<u><b>192</b></u>

During the year trustees received no remuneration (2018: nil). Trustee expenses totalled £110 (2018: £81). No trustees received payment for professional or other services supplied to the charity (2018: nil).

**7. Operating Surplus**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>The operating surplus is stated after charging/(crediting)</b>		
Auditors' remuneration (including expenses) for audit	11,000	11,000
for other services	7,890	6,825
Operating lease rentals	10,402	11,496

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

The pension results for 2018/19 have taken into account the financial effects of the McCloud judgement and General Minimum Pension (GMP) equalisation.

When the LGPS Scotland benefit structure was reformed in 2015, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2015 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme. In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling are expected to apply to the LGPS (and other public service schemes) as well.

Guaranteed minimum pension (GMP) was accrued by members of the Local Government Pension Scheme (LGPS) between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women. However overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension. The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men's and women's benefits. As an interim solution to avoid this problem, GMP rules were changed so that the responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes themselves for members reaching state pension age between 6 April 2016 and 5 April 2021. This new responsibility leads to increased costs for schemes (including the LGPS) and hence scheme employers. The financial effects of this in the 2018/19 accounts is an increase in past service costs of £47,000.

The financial effect of these pension issues has resulted in an increase in the net pension liability of £437,000.

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.

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2019**

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

	<b>31<sup>st</sup> March 2019</b>	<b>31<sup>st</sup> March 2018</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	21,701	23,242
Current service cost	1,272	1,178
Past service cost (including curtailments)	433	34
Interest cost on defined benefit obligation	607	642
Contributions by members	198	196
Actuarial losses/(gains)	1,754	(3,270)
Benefits paid	(268)	(320)
Unfunded benefits paid	(1)	(1)
	<hr/>	<hr/>
Closing defined benefit obligation	<b>25,696</b>	<b>21,701</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>31<sup>st</sup> March 2019</b>	<b>31<sup>st</sup> March 2018</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of plan assets	22,151	19,635
Interest income on plan assets	606	538
Contributions by members	198	196
Contributions by the employer	656	713
Contributions in respect of unfunded benefits	1	1
Actuarial (loss)/gain	728	1,389
Benefits paid	(268)	(320)
Unfunded benefits paid	(1)	(1)
	<hr/>	<hr/>
Closing fair value of plan assets	<b>24,071</b>	<b>22,151</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>31<sup>st</sup> March 2019</b>	<b>31<sup>st</sup> March 2018</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	(1,272)	(1,178)
Past service cost (including curtailments)	(433)	(34)
	<hr/>	<hr/>
<b>Total service cost</b>	<b>(1,705)</b>	<b>(1,212)</b>
<b>Net interest</b>		
Interest income on plan assets	606	538
Interest cost on defined benefit obligation	(607)	(642)
	<hr/>	<hr/>
<b>Total net interest</b>	<b>(1)</b>	<b>(104)</b>
	<hr/>	<hr/>
<b>Total defined benefit cost recognised in net income/expenditure per the SOFA</b>	<b>(1,706)</b>	<b>(1,316)</b>
	<hr/> <hr/>	<hr/> <hr/>



**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2019**

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

	<b>31<sup>st</sup> March 2019</b>	<b>31<sup>st</sup> March 2018</b>
	%	%
Equities	64	62
Bonds	24	23
Property	10	11
Cash	2	4

The estimated employer contributions for the year to 31 March 2020 are £656,000.

The principal actuarial assumptions used in the calculations are:

	<b>31<sup>st</sup> March 2019</b>	<b>31<sup>st</sup> March 2018</b>
	% per annum	% per annum
Pension Increase Rate	2.4	2.3
Salary Increase Rate	3.6	3.5
Discount Rate	2.5	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:

	<b>Males</b>	<b>Females</b>
Current Pensioners	21.4 years	23.7 years
Future Pensioners	23.4 years	25.8 years

**9. Fixed Assets**

	<b>Furniture &amp; Equipment</b>	<b>Total</b>
	£	£
<b>Cost</b>		
As at 1 <sup>st</sup> April 2018	157,582	157,582
As at 31 <sup>st</sup> March 2019	157,582	157,582
<b>Depreciation</b>		
As at 1 <sup>st</sup> April 2018	86,010	86,010
Charge	31,510	31,510
As at 31 <sup>st</sup> March 2019	117,520	86,010
<b>Net book value</b>		
As at 31 <sup>st</sup> March 2018	71,572	71,572
As at 31 <sup>st</sup> March 2019	40,062	71,572

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2019**

**10. Heritage Assets**

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

	<b>Heritage Assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
As at 1 <sup>st</sup> April 2018	34,920	34,920
As at 31 <sup>st</sup> March 2019	<u>34,920</u>	<u>34,920</u>
<b>Net book value</b>		
As at 31 <sup>st</sup> March 2018	34,920	34,920
As at 31 <sup>st</sup> March 2019	<u>34,920</u>	<u>34,920</u>

**11. Stock**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Goods for re-sale	21,026	17,592
	<u>21,026</u>	<u>17,592</u>

**12. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts due from East Ayrshire Council	528,253	714,089
Trade debtors	88,898	61,233
Other debtors and prepayments	54,491	104,404
	<u>671,642</u>	<u>879,726</u>

**13. Creditors: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts owed to East Ayrshire Council	31,941	697,183
Trade creditors	34,194	71,998
Accruals and deferred income	651,913	610,640
Taxation and social security	347,366	269,454
	<u>1,065,414</u>	<u>1,649,275</u>

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2019**

**14. Deferred income**

Deferred income comprises advanced ticket sales.

	<b>2018</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Balance as at 1 <sup>st</sup> April 2018	145,671	91,460
Amounts released to income during 2018/19	(145,671)	(91,460)
Amounts deferred in year	143,246	145,671
	<u>143,246</u>	<u>145,671</u>
Balance as at 31 <sup>st</sup> March 2019	<u>143,246</u>	<u>145,671</u>

**15. Financial assets and liabilities**

	<b>2018</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Financial assets at amortised cost	1,327,893	2,137,777
Financial liabilities at amortised cost	(574,802)	(1,234,150)
	<u>753,091</u>	<u>903,627</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**

<b>Funds 2019</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2019 Total</b>	<b>2018 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 31 <sup>st</sup> March 2019				
Represented by:				
Fixed assets	74,982	-	74,982	106,492
Net current assets	211,786	100,493	312,279	590,113
Retirement benefit scheme asset/(liability)	(1,625,000)	-	(1,625,000)	450,000
	<u>(1,338,232)</u>	<u>100,493</u>	<u>(1,237,739)</u>	<u>1,146,605</u>
	<u>1,002,945</u>	<u>143,660</u>	<u>1,146,605</u>	<u>(2,885,063)</u>
<b>Funds 2018</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2018 Total</b>	<b>2017 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 31 <sup>st</sup> 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>

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2019**

**Unrestricted  
Fund 2019**

	Opening Balance at 1 <sup>st</sup> April 2018 £	Incoming £	Outgoing £	Transfers £	Actuarial Gain/(Loss) £	Closing Balance at 31 <sup>st</sup> March 2019 £
Unrestricted fund	336,235	6,894,648	(7,039,195)	8,170	-	199,858
Designated funds	216,710	26,000	(147,630)	(8,170)	-	86,910
Pension reserve	450,000	-	(1,049,000)	-	(1,026,000)	(1,625,000)
	<u>1,002,945</u>	<u>6,920,648</u>	<u>(8,235,825)</u>	<u>-</u>	<u>(1,026,000)</u>	<u>(1,338,232)</u>

**Unrestricted  
Fund 2018**

	Opening Balance at 1 <sup>st</sup> April 2017 £	Incoming £	Outgoing £	Transfers £	Actuarial Gain/(Loss) £	Closing Balance at 31 <sup>st</sup> 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>

**Designated Funds 2019:**

	2018 £	Incoming £	Outgoing £	Transfer £	2019 £
Depreciation (to fund depreciation on fixed assets)	47,620	-	(19,240)	-	28,380
Fixed assets	43,640	-	(8,720)	-	34,920
Libraries Fit Out	80,500	-	(78,950)	-	1,550
Website Development	23,900	-	(8,430)	-	15,470
Promotion of New Mobile Libraries	2,500	-	(2,500)	-	-
Keep Scotland Beautiful	1,250	-	(1,250)	-	-
DCCP Play Area	6,350	-	(6,350)	-	-
Youth Theatre	2,520	-	(2,520)	-	-
Training & Development	8,430	-	(6,640)	-	1,790
Redundancy Costs	-	16,830	(13,380)	-	3,450
PFS Miscellaneous Expenditure	-	8,000	(7,020)	-	980
Marketing Activity	-	18,000	(17,630)	-	370
<b>Total designated funds</b>	<u>216,710</u>	<u>42,830</u>	<u>(172,630)</u>	<u>-</u>	<u>86,910</u>

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2019**

<b>Designated Funds 2018</b>	<b>2017</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfer</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
<b>Total designated funds</b>	<b>285,580</b>	<b>45,000</b>	<b>(113,870)</b>	<b>-</b>	<b>216,710</b>

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2019**

**Restricted funds**

	2018:	2018:	2018:		2019:	2019:	2019:
Opening:	Incoming:	Resources:	Closing:		Opening:	Incoming:	Resources:
Balance:	Resources:	Expended:	Balance:		Balance:	Resources:	Expended:
£	£	£	£		£	£	£
				Magic at the		1,865	(1,865)
				Museum			
				Digital		6,900	(348)
				Storyteller in			
				Residence			6,552
				Nature		5,432	-
				Therapy Breaks			5,432
				Irvine Valley		43,715	-
				Trails 2019			43,715
				onwards			
4,426	-	(90)	4,336	Ayrshire	4,336	-	(102)
				Libraries forum			4,234
17,529	-	(4,350)	13,179	Make Some	13,179	-	(2,630)
				Noise			10,549
-	6,480	-	6,480	Museums	6,480	2,000	-
				Database			8,480
-	5,400	-	5,400	Gaelic Visual	5,400	1,500	(1,918)
				Arts			4,982
15,000	-	-	15,000	Kilmarnock	15,000	-	-
				Green			15,000
1,549	-	-	1,549	Infrastructure	1,549	-	-
				River Ayr Way			1,549
771	-	(132)	639	Textile team	639	226	(865)
				The McKie			-
2,847	14,878	(20,214)	(2,489)	Collection	(2,489)	10,577	(8,088)
				Irvine Valley			
59,614	41,527	(23,930)	77,211	Trails	77,211	-	(77,211)
				Year of Young			
-	9,370	(60)	9,310	People	9,310	4,087	(13,397)
				Bat Bothy			
-	2,000	(1,309)	691	Traditional	691	22	(713)
				Rural Skills			
-	10,000	(7,918)	2,082	Growing	2,082	-	(2,082)
				Memories			
-	9,903	(1,631)	8,272	WWI	8,272	-	(8,272)
				Memorial			
-	2,000	-	2,000	Artwork	2,000	-	(2,000)
				Burns Birthday			
-	8,000	(8,000)	-	in Mauchline		6,500	(6,500)

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2019**

	2018	2018	2018		2019	2019	2019	
Opening Balance	Incoming Resources	Resources Expended	Closing Balance		Opening Balance	Incoming Resources	Resources Expended	Closing Balance
£	£	£	£		£	£	£	£
				Dean Castle				
				Countryside				
				Park (DCCP)–				
				Development				
-	400,000	(400,000)	-	Project	-	26,055	(26,055)	-
				DCCP				
				Opening				
-	81,232	(81,232)	-	Events	-	-	-	-
24,571	15,000	(39,571)		Creative place				
11,500	-	(11,500)		Wifi				
2,998	700	(3,698)		GLAIF				
11,027	2,168	(13,195)		AM HERE				
				Wild About				
2,000	(10)	(1,990)		the Farm				
-	1,257	(1,257)		Youthlink				
				Woodland				
-	3,055	(3,055)		Management				
<b>153,832</b>	<b>612,960</b>	<b>(623,132)</b>	<b>143,660</b>	<b>Totals</b>	<b>143,660</b>	<b>108,879</b>	<b>(152,046)</b>	<b>100,493</b>

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.

DIGITAL STORYTELLER IN RESIDENCE – East Ayrshire is one of only five funded Storyteller residencies across Scotland. The project seeks to work with people facing social isolation for whatever reason, to encourage participation in and the use of digital platforms to tell their own personal story. The project funds a full time storyteller in residence based at the Dick Institute but working across the region. The Arts, Libraries and Museums Development team are the lead applicant with partners in Kilmarnock Station Railway Heritage Trust and Vibrant Communities. The project is funded by the Scottish Book Trust and runs for nine months until June 2019.

Funding has been secured from Shared Care Scotland to offer free residential respite experiences for young people who have care responsibilities for family members. 2 weekend sessions will be offered to 20 young people identified in partnership with East Ayrshire Carers.

Received funding of £162,000 from the Renewable Energy Fund to appoint a project officer to implement the Irvine Valley Trails Project over a 3 year period. The Renewable Energy Fund has agreed that the shortfall in spend in the development stage grant can be reallocated to the Trails capital grant of £213,964. The Irvine Valley Trails project also received funding from the Low Carbon Travel and Transport Fund and Transport Scotland to implement a

series of routes throughout the Irvine Valley that support active travel. All funding is in place for this project and implementation will start in Autumn 2019.

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.

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.

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.

**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. Monthly workshops take place with Gaelic Artist Eoghann MacColl and young Gaelic speakers from the McIlvanney Campus. The project also supports one apprentice placement from the McIlvanney Campus. Funded by Bord Na Gaidhlig and Creative Scotland.

The design and feasibility work has been completed for the Kilmarnock Green Infrastructure Project. A further award of £85k has been made by Sustrans to prepare RIBA stage 7 designs and a landscape masterplan for the project. This will inform the capital bid to Sustrans Scotland and a further bid to the Green Infrastructure Fund administered through the Scottish Natural Heritage. A Project Board, chaired by East Ayrshire Leisure, has been established to oversee the development and implementation of this 18 mile cycle route project for Kilmarnock made up of officers from East Ayrshire Leisure, East Ayrshire Council and Ayrshire Roads Alliance.

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. Survey work has been completed for this project and work has begun with local communities to ensure that signage and interpretation is link to the towns and villages along the route. An expression of interest is being prepared for the VisitScotland Rural Paths Fund to rebrand and upgrade the signage and interpretation along the whole route. Expressions of Interest are due to be submitted by 31<sup>st</sup> October.

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 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.

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.

**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



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drop in activities, GENERATION Z is a FREE festival for fans of all ages. GENERATION Z is funded by EVENTSCOTLAND.

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.

£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.

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.

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.

Between October and December 2017, a series of events was organised to celebrate the major redevelopment project at Dean Castle Country Park. This included the very popular Illuminight Fire and Light Show which attracted 38,000 people, the Harvest and Real Ale Festival and a programme of free events for families. A grant of £30,000 was received from the Renewable Energy Fund for these events, with the remainder coming from the Heritage Lottery Fund Parks for People Project.

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

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.

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.

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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.

A grant was approved from Forestry Commission Scotland to prepare a Woodland Management plan for Dean castle Country Park, Kilmarnock and Woodroad Park, Cumnock. The Central Scotland Green Network carried out this work. A further application now needs to be made for implementation of the actions within the management plans.

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the reporting period (as per the SOFA)	(1,358,344)	(627,332)
<b>Adjustments for:</b>		
Interest received	(1,181)	(521)
Depreciation	31,510	31,510
Net cost in respect of pensions	1,049,000	602,000
(Increase)/decrease in stock	(3,434)	(5,431)
(Increase)/decrease in debtors	208,084	(28,448)
Increase/(decrease) in creditors	(583,861)	517,702
<b>Net cash provided by (used in) operating activities</b>	<b>(658,226)</b>	<b>489,480</b>
<b>Analysis of cash and cash equivalents</b>		
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash in hand	685,025	1,342,070
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
<b>Total cash and cash equivalents</b>	<b>685,025</b>	<b>1,342,070</b>

**18. Operating lease commitments**

At 31<sup>st</sup> March 2019, the Trust had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2019</b>		<b>2018</b>	
	<b>Land and buildings</b>	<b>Other</b>	<b>Land and buildings</b>	<b>Other</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	-	24,440	1,000	2,464
Within two to five years	-	97,423	-	1,673
	-	121,863	1,000	4,137

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**19. Related parties**

East Ayrshire Council (EAC) made a contribution in line with the Services Agreement of £4,829,955 (2018: £5,111,940). 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 £187,400 (2018: £212,400).

The relevant transactions and balances with East Ayrshire Council were:

2018/19				2017/18			
Income from EAC	Payments to EAC	Due from	Due to	Income from EAC	Payments to EAC	Due from	Due to
£	£	£	£	£	£	£	£
6,270,412	473,348	528,253	31,941	6,016,027	989,962	714,089	697,183
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**20. Contingent Liabilities**

There is one public liability claim, and two employer's liability claims ongoing. (2018: four employer liability case and one public liability case).

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.

