

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

**Annual Report and Accounts**  
**For the year ended 31<sup>st</sup> March 2021**

**Charity Number SC043987**

# East Ayrshire Leisure Trust

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## **East Ayrshire Leisure Trust**

### **Message from the Chair**

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I am delighted to introduce our Annual Report and Accounts for East Ayrshire Leisure Trust, covering the financial year 2020-21.

When news of the COVID-19 pandemic hit the headlines early in 2020, none of us could have predicted just how vast the impact was going to be, or indeed the extent and length of restrictions and lockdowns which were about to be enforced. Throughout the country, and indeed, the world, no-one has been unaffected by the pandemic and as a Charitable Trust we knew we had a duty of care to continue to provide Leisure Services, in whatever way possible, for our customers and communities.

Despite the pandemic causing major disruption to our service delivery and financial situation, the Trust has continued to show a strong performance and incredible adaptability and versatility throughout the year, also achieving an unqualified audit from our External Auditors.

Whilst our usual extensive programme of events, activities and exhibitions was unable to take place in our venues, East Ayrshire Leisure Trust continued to provide cultural, sporting and outdoor activities and experiences, ensuring that Leisure remained at the Heart of Our Communities. A few of my personal highlights are detailed below.

As we were unable to host Grayson Perry's *The Vanity of Small Differences* exhibition at the Dick Institute in January 2021, our staff teams pulled out all the stops to ensure we could still deliver inspiring and creative workshops to our school pupils. Working with East Ayrshire secondary school art departments they created a unique blended learning and engagement project exploring the series of 6 large colourful tapestries by the Turner Prize-winning artist. Each art department received a colourful 'exhibition in a box', full of interactive digital and physical resources: exhibition photos, art activities, an education pack, online film, google exhibition links and podcast tour by Grayson Perry. Pupils were also invited to create their own works of art in response to Perry's work, and submit them for a series of digital exhibitions shown online.

Our Dean Castle Country Park has always been a favourite location to visit but never more so than during the past year, when getting outdoors and enjoying the local countryside became vital for both mental and physical wellbeing. Work in the country park never stands still and when our Friends of The Dean volunteering group were allowed to meet again, they embarked on some amazing transformation projects, including revitalising the sensory garden, planting fruit bushes, trees, herbs, vegetables, perennials and wildflowers as well as removing the damaged concrete-based pond and refilling it with compost and plants to provide habitats for wildlife – and they contributed nearly 100 hours of their time to do it!

Golfers flocked back to Annanhill Golf Course when it re-opened in June, with players commenting on the great condition of the course and membership numbers surging. While we were unable to open our gyms and fitness classes, we provided online alternatives to keep our customers fit and healthy, and when some restrictions were lifted we were able to run outdoor fitness classes which were so well received, despite the cold, rain and miserable weather! When Doon Valley Leisure Centre re-opened, one of our regular customers – a 91 year old, was first in line to get back to the swimming pool. He said he "smiled all day" knowing he could get back to his favourite activity after 7 long months of closure.

Despite not being able to welcome the Festive Season with our normal town centre light switch-on events and annual pantomime, we were able to bring cheer through our Light-Up East Ayrshire online competition, hosted by our Panto Dame, where we awarded prizes for the most creatively lit houses and schools. Some of our most iconic buildings were lit-up in spectacular style with festive animations, with the one at Kilmarnock Cross brightening up the town centre throughout the Christmas period.

Entering a new financial year and with COVID still remaining with us for the foreseeable future, we know many challenges still face us. But we must now focus on recovery and renewal of our services, whilst continuing to support our staff and wider communities and we look forward to welcoming you all back to our venues throughout the coming year.

Councillor Clare Maitland  
**Chair, East Ayrshire Leisure Trust**

## **East Ayrshire Leisure Trust**

### **Message from the Chief Officer**

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I am delighted to present East Ayrshire Leisure Trust's Annual Report and Accounts for 2020-21; the Trust's 8<sup>th</sup> year of operation and my 2<sup>nd</sup> year as Chief Officer.

I entered into this year aware that many issues faced the organisation; not least the overall cultural and financial changes which I had outlined in my previous report and I had no doubt our staff and management teams could rise to the challenges that we faced. However, no-one could have predicted the situation we were about to find ourselves in.

When I took up the position of Chief Officer in May 2020, I was determined to build on the inspiring work already achieved in the Trust's initial years, whilst recognising that a new change in strategic direction was required to enable the organisation to develop and grow. With the arrival of the new year, we embarked on a programme of engagement with our staff, further developing the roll-out of our new Vision, Mission and Values with further Exchange sessions and public consultations scheduled. And then we went into our first Lockdown....

Following UK and Scottish Government Guidance, all East Ayrshire Leisure Trust venues closed to the public on the 18th March 2020. From this point, an agreement was reached with the joint trade unions where 72% of contracted and 100% of casual employees were put on furlough leave. However, we did not stand still and a number of services continued throughout lockdown; remaining staff pulling together to create new ways of working, taking on new and essential tasks to assist our communities, helping in emergency care provision and ensuring East Ayrshire Leisure Trust continued to provide leisure services in new and exciting ways.

Some of our staff took on entirely different roles and worked with East Ayrshire Council to deliver essential services such as delivering school lunches to households across the authority as well as boxes of groceries to those in the community who were shielding. We also had staff working within the Child Care Hubs which were critical in providing essential workers and vulnerable children with the support they needed during a very difficult time. Working in partnership with the NHS, some of our venues became Covid Testing Centres and latterly Vaccination Centres to support the mass vaccination roll-out programme.

For many of our staff, these roles were very different from their normal day to day work, but everyone handled it with enthusiasm and professionalism to deliver a seamless service.

Whilst other staff were required to continue working within their designated field, Covid presented us with a variety of challenges as we had to continually adapt to the ever-changing environment and develop new ways of working. This affected everything from the delivery of HR, to payroll and the introduction of the Coronavirus Job Retention Scheme and all associated financial procedures and regulations. We adapted to online working and online service provision, increasing our communication with staff and customers and finding new and innovative ways to keep our customers and staff engaged, creative and active.

We also used closures as an opportunity to invest in our venues, with refurbishment and maintenance programmes taking place at Annanhill Golf Course, Ayrshire Athletics Arena, the Dick Institute, Hunter Fitness Suite, Loudoun Leisure Centre, Rose Reilly Sports Centre, Rural Farm and the Lodge at Dean Castle Country Park and the River Ayr Way.

We have learnt many lessons and grown enormously as a united team throughout this year. As we now focus on reactivation and recovery of services we will also use the opportunity to embrace new ways of working and delivery of our services.

I am immensely proud of all our staff and how they have coped with the unprecedented situation that we found ourselves in and I want to thank them all for their hard work, dedication and continued commitment. I have no doubt they will continue to shine as we move together into our new future in leisure provision.

I would also like to thank all of our Trustees for the invaluable contribution they make and all of our funders, sponsors, volunteers, partners and supporters, in particular East Ayrshire Council, without whom, none of this would be possible.

Anneke Freel  
**Chief Officer**

**East Ayrshire Leisure Trust**  
**Trustees Report**  
**For the year ended 31<sup>st</sup> March 2021**

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The Trustees are pleased to present their Annual Report and Accounts for the year ended 31<sup>st</sup> March 2021. 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 1<sup>st</sup> July 2013.

**Governing Document**

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

Our Strategic Vision document covers a ten year period from 2020-2030, outlining our Key Themes and Objectives for the organisation with the accompanying 2 year Delivery Plan detailing what actions will be taken to achieve the required outputs.

**Our Vision**

“Always with a focus on continuous improvement, we will deliver inclusive, sustainable and accessible services to enable our communities and visitors to live their best life.”

**Our Mission**

In order to engage our people, partners and communities we will ensure:

- the creation of real and sustainable partnerships
- that we deliver services which meet the needs of our communities
- that we invest in, and empower our people

**Our Values**

**Being honest and demonstrating integrity at all times**

**Engaging and inclusive with our people, partners and communities**

**Striving for continuous improvement by being ambitious and aspirational in all that we do**

**Taking responsibility and being accountable for our organisation and our service delivery**

**EAST AYRSHIRE LEISURE SERVICES**

East Ayrshire Leisure is responsible for managing a range of facilities and services across a broad cultural, countryside, outdoor activities, sport, fitness and community 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.

## **CORPORATE SERVICES**

### Business Support

The Business Support team provides a range of functions to the operational teams and our employees. The human resources department provides recruitment, payroll, absence management, leave monitoring and recording services. IT support is crucial to the operation of the wider organisation, ensuring effective means of communication and accessibility, security and the integrity of the data we hold. The team are also responsible for the co-ordination and management of the box office and booking system, providing an effective and efficient customer buying experience. Our finance team demonstrates best practice for income control, credit control, accounts payable, accounts receivable and procurement to ensure compliance with statutory and audit requirements.

### Finance & Business Development

The Accountancy Team provide the full financial services for East Ayrshire Leisure Trust including all statutory financial requirements, whilst also looking at improved commercialisation and new income streams. They challenge existing ways of working and identify approaches that are more efficient. They also support the development of business cases providing assistance and challenge prior to approval.

### Hospitality Development

The Hospitality Officer, in conjunction with the operational teams, looks to enhance our programming and venue offer by exploring business opportunities that supports income generation providing bars, cafes, retail, vending solutions and catering options across all East Ayrshire Leisure Trust facilities.

### Marketing & Development

Working closely with the Relationship & Business Development and the Operational Teams to identify key priorities, the Marketing & Development team focus on customer-centric marketing and promotional campaigns to increase visitor figures and participation from local, national and international audiences. The team are responsible for all promotional activity including press, PR, social media, website, intranet, branding and visual communications.

### Relationship & Business Development

The Relationship & Business Development team maximise and develop systems and processes to improve internal and external communication to staff and customers and are also responsible for the development and implementation of the engagement strategy. They support benchmarking, performance monitoring and reporting, business planning across the Trust, and overall organisational development, whilst challenging the status quo.

## **OPERATIONAL SERVICES**

### Community & Performing Arts Development

The Community and Performing Arts Development team are responsible for Cumnock Town Hall, the Palace Theatre & Grand Hall and Community Venues across East Ayrshire. Working with a range of local, regional, national providers and commercial companies they deliver high profile events and opportunities through our full range of venues.

They ensure that our venues are at the heart of every community, supporting community development and introducing programming within every community venue. They deliver innovative and inspirational programmes across drama, music, and dance.

### Cultural Development

The team, encompassing Collection Care Development, Library Development (Operations), Library Development (Engagement), Museum Development and Visual Arts Development are responsible for the operation of museums, the conservation and care of EAC collections, statutory library provision, and the creative programming across all venues with a particular focus on museums, libraries, visual arts and exhibitions. The team work closely with local, regional, national and international agencies/providers, East Ayrshire Creative Minds Team and local community groups to

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support the promotion of East Ayrshire's Cultural Heritage, whilst developing challenging, innovative, and inspiring programmes and contemporary exhibitions that attract visitors to the area.

Leisure Development

The Leisure Development team comprises Countryside, Green Infrastructure and Volunteer Development and focuses on recreation and outdoor pursuits that introduce people to physical activity, encouraging people to enjoy the outdoors and are responsible for biodiversity, outdoor learning, open space development, outdoor events and supporting community greenspace projects. This team delivers on the strategic functions and duties within the Land Reform Scotland Act, Countryside Scotland Act and the Wildlife and Natural Environment Act on behalf of East Ayrshire Council. They are also responsible for the development and management of the strategic route network, including the River Ayr Way. They also work with all operational teams and the Relationship and Business Development team in identifying, creating, supporting and managing a range of volunteering opportunities, placements and work experiences.

Property & Estates Development

Working closely with East Ayrshire Council, the team co-ordinate the management and development of our facilities, advising on premise management and health and safety. They develop facility management plans that outline routine maintenance, identify future investment needs that can be considered as part of East Ayrshire Council's capital programme, and explore opportunities for external funding. This team includes facility and estate management and sustainable development and lead on our environmental responsibilities through the submission of our annual Climate Change Declaration.

Sports Development

The team has key service areas including: Sport Operations, Community Sport Development, Fitness Development and Activity and Coaching Development. They are responsible for programming activities within our community leisure centres, the promotion of priority sports including gymnastics and swimming, as well as working with key local partners. The team manage our gyms and our fitness programme and work with EAC Vibrant Communities in encouraging physical activity through GP referral and school sport.

The team manage and develop Community Sports Hubs throughout East Ayrshire and support effective sporting pathways between schools, education and club sport and are also responsible for outdoor sports and activities including athletics, golf and the coaching programme; developing pathways from our coaching programmes to local clubs.

**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, although the majority were closed, either fully or partially, during this financial year due to the Covid 19 pandemic.

- 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.

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- 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.

- 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 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 \*1 synthetic grass pitches, swimming pools and a range of fitness classes and activities. Many of our venues also house a variety of versatile halls suitable for staging competitions and larger events as well as badminton, football, netball as well as seated events such as shows, presentations, conferences and events.

- Palace Theatre & Grand Hall Complex (4 star Arts Venue)

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



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- River Ayr Way

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

## **EAST AYRSHIRE LEISURE'S STRUCTURE**

### **THE BOARD OF TRUSTEES**

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

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

#### **Trustees**

#### **Appointment date / resignation date**

##### **Partner Trustees**

Elena Whitman (Chair until 24 June 2021)	18 <sup>th</sup> May 2017 (reappointed 17 <sup>th</sup> September 2019) resigned 24 June 2021
Neil McGhee	13 <sup>th</sup> March 2013 (reappointed 18 <sup>th</sup> May 2017, 17 <sup>th</sup> September 2019 and 6 <sup>th</sup> October 2020) resigned 24 June 2021
Ian Grant	18 <sup>th</sup> May 2017
Clare Maitland (Chair from 24 June 2021)	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
Joe McLachlan (ex officio)	27 <sup>th</sup> August 2015
Robert McCulloch (ex officio)	17 <sup>th</sup> May 2018
John McGhee	24 June 2021
Jim Roberts	24 June 2021

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**Independent Trustees**

Robin Hume	13 <sup>th</sup> June 2013 (Reappointed 27 <sup>th</sup> August 2015, 17 <sup>th</sup> September 2019 and 6 <sup>th</sup> October 2020)
Jean Brown	13 <sup>th</sup> June 2013 (reappointed 17 <sup>th</sup> September 2019 and 6 <sup>th</sup> October 2020) resigned 1st July 2021
June Minnery	13 <sup>th</sup> June 2013 (Reappointed 27 <sup>th</sup> August 2015, 17 <sup>th</sup> September 2019 and 6 <sup>th</sup> October 2020)
Jackie Livingston	1 <sup>st</sup> July 2015 (Reappointed 6 <sup>th</sup> October 2020)
Robbie Mann	8 <sup>th</sup> September 2016 (reappointed 17 <sup>th</sup> September 2019)
James Adams	20 <sup>th</sup> July 2021
David Ross	20 <sup>th</sup> July 2021

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. Trustees are recruited following East Ayrshire Leisure's HR recruitment policies and procedures. When a vacancy arises, adverts are circulated amongst appropriate platforms, outlining the key skills, experience and knowledge required for the particular Trustee Ambassador, and candidates are assessed against the Essential Criteria outlined for each role. On appointment, Trustees will undergo induction and training sessions required for the overall role of Trustee and also any specific training required within their portfolio remit.

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**Management Arrangements**

The Chief Officer 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.

**EXECUTIVE MANAGEMENT TEAM**

Anneke Freel                      Chief Officer  
Jackie Biggart                    Head of Corporate Services

**SENIOR MANAGEMENT TEAM**

Janice Gilmour                  Development Manager, Community & Performing Arts  
Christine Keenan                Development Manager, Property & Estates  
Phillipa MacInnes                Development Manager, Cultural  
Louise Murphy                  Development Manager, Leisure  
Dianne Reid                      Relationship & Business Development Manager  
Greig Russell                      Development Manager, Sports  
Lorraine Russell                 Finance & Business Development Manager

**ADMINISTRATIVE INFORMATION**

**Registered Office**

Dick Institute  
14 Elmbank Avenue  
Kilmarnock KA1  
3BU  
[www.eastayrshireleisure.com](http://www.eastayrshireleisure.com)  
01563 554710

**Auditor**

Azets Audit Services  
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 2021 was the Trust's eighth year of activity. In the period, East Ayrshire Leisure Trust reported an unrestricted deficit of £277,344.

At 31<sup>st</sup> March 2021, the actuarial valuation of the pension scheme resulted in a net pension liability of £3,229,000 this being recognised in the Balance Sheet. The valuation has resulted in an actuarial loss of £2,472,000 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 February 2020. The policy was amended from a range of 3-5% of incoming resources (approx. £210k - £350k) to a minimum of 2% (approx. £140k) as the target for unrestricted funds not committed. This target has been achieved and the appropriate level of reserves is now in place.

## **FINANCIAL PROFILE**

East Ayrshire Leisure Trust 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 for the period 2019-22.

East Ayrshire Leisure Trust 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 2021/22 is set out below:

	<b>2021/22</b>
	<b>£</b>
Baseline Budget (excl Savings)	4,822,530
Savings Target (following Best Value Review)	(190,670)
<b>Baseline Budget (after Savings)</b>	<b>4,631,860</b>

## **RISK MANAGEMENT**

East Ayrshire Leisure Trust 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 2020-21 included: significant reduction in funding received from East Ayrshire Council, partners and external stakeholders not seeing East Ayrshire Leisure Trust 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. A new Risk Register was devised late March 2020 to address risks associated with the impact of the COVID-19 pandemic.

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 Trust 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 Trust's own service review and redesign proposals saw the number of properties managed by East Ayrshire Leisure Trust reduced through 2016-19.

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

## **EQUIPMENT**

East Ayrshire Leisure Trust 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 Trust belong to East Ayrshire Leisure Trust, 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 Trust 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**

The Strategic Vision document covering the period of financial years 2020-2030 highlights our priorities, with the accompanying Delivery Plan outlining our two-year Action Plan. Progress towards the targets set in the Delivery Plan is reviewed on a quarterly basis by the Board and fully reported annually.

The Strategic Vision outlines 6 Key Themes with specific objectives to address them. Details of how we have achieved our objectives to date, or initiatives we are currently developing, are outlined below:

**I. SHARING OUR VISION: East Ayrshire Leisure will be widely recognised and acclaimed as a leisure provider that is firmly committed to listening to our customers, local residents, visitors and partners and developing facilities and services that meet their needs. In order to achieve this theme, we have established the following Strategic Objectives:**

- To create a programme of community engagement activities which includes consultation with our customers and potential customers about existing and future facilities and services and to adopt a positive approach to feedback.
- To ensure our use of creative marketing led activities effectively promote our high quality services, maximise customer engagement and make a real difference to how people view East Ayrshire Leisure Trust.
- To work collaboratively with key partners and stakeholders in the development of programmes and activities whilst exploring innovative delivery models which ensure best value for our customers.
- To introduce customer service related performance targets

KEY POINTS & ACHIEVEMENTS:

- Community consultation on leisure provision across East Ayrshire took place via online survey
- Work began with Cumnock and District Leisure Group, Cumnock Juniors Enterprise Company and Vibrant Communities to develop a community leisure hub based around the new facilities at the Barony Campus in Cumnock
- Our marketing campaigns during this period were driven digitally through social media, YouTube, website and e-newsletters highlighting our online services and keeping customers and staff engaged and informed. Example include:
  - BorrowBox - eBooks and e-audiobooks for current library members and encouraging more library member sign ups
  - Online fitness workouts and Workout@Home programme
  - Raising awareness of works / closures at DCCP for visitors using the park for daily exercise
  - Online engagement with museum collections
- East Ayrshire's Draft Recreation Plan 2021-2024 was available online for consultation throughout Jan-March. A full engagement campaign was developed to promote and engage with local communities, landowners and stakeholders with responses from 65 local, regional and national stakeholders.
- A digital campaign to promote the spring activities at the Dean Castle Country Park, with the first social media post about the Easter Trail reaching almost 24,000
- Museum Interns were actively blogging and using social media platforms to drive visitors to futuremuseum.co.uk with very high levels of engagement
- A review of our Customer Service Standards and Customer Charter was completed and communicated to staff
- A report was presented to the Trust Board detailing a review of all performance indicators associated with the Trust, including Key Performance Indicators.

**2. LEISURE AT THE HEART OF EVERY COMMUNITY: East Ayrshire Leisure will continue to provide high quality leisure facilities that are relevant and modern and will support other leisure providers in ensuring that leisure is truly at the heart of every community regardless of who the provider is. In order to achieve this theme, we have established the following Strategic Objectives:**

- To work with community, local authority and private providers to develop a Leisure Facility Plan that identifies all leisure provision throughout East Ayrshire and maximises the opportunities for our communities to participate in leisure activity
- To work with partners to explore funding opportunities for refurbishment and development of leisure facilities
- To work with East Ayrshire Council in reviewing and refining repair and maintenance plans and schedules for all facilities within our remit which include an annual programme of planned maintenance and decoration

KEY POINTS & ACHIEVEMENTS:

- Customer feedback has been analysed and a framework for the Leisure Facility Strategy has been produced. A draft strategy will form the basis of community engagement 2021
- Regular liaison is taking place with EAC to agree maintenance priorities and to develop a system for reporting and monitoring. This will inform a maintenance programme for each venue
- Newmilns Library is being moved into Morton Hall as part of regeneration and improvement work with completion scheduled for late 2021
- An option appraisal is being developed as part of an overall place-based approach to developing a Community Leisure Hub in the Cumnock and Auchinleck area
- Refurbishment works have been completed to create a indoor group fitness class and gym space at AAA.
- All funding has been secured for the access projects within the Coalfield Communities Landscape Partnership scheme
- A 5 year management plan has been prepared for Dean Castle Country Park.
- Development and implementation of phase 2 (detailed design) of the Kilmarnock Green Infrastructure Project

**3. LIVING YOUR BEST LIFE: East Ayrshire Leisure will contribute to improving the enjoyment, quality of life, health and wellbeing of communities and visitors to East Ayrshire through an innovative, welcoming and ambitious programme of cultural, sport and outdoor activities. In order to achieve this theme, we have established the following Strategic Objectives:**

- To support the development of sustainable pathways that encourage lifelong participation in leisure activities
- To contribute to a programme of high profile regional and national events, exhibitions, programmes and projects, that are ambitious and outward facing, whilst maximising the impact on our customers and visitors
- To develop activities and services that contribute to the Scottish Government's aspirations for 'A Healthy and Active Nation' and 'A Creative, Open and Connected Nation' and that ensure that East Ayrshire Leisure is at the heart of future trends and initiatives

KEY POINTS & ACHIEVEMENTS:

- Schools' online/digital engagement programme entitled 'My Tribe' based around the Grayson Perry, Burns Night, Chinese New Year and LGBT+ History Month were marked by Collections Highlights, creative demos and workshops on our YouTube channel.
- East Ayrshire Youth Theatre returned in Aug 2020 and continued workshops online, also held online production for participants and their families
- A new Natural Health Project was initiated for Alzheimers Scotland and CAMHS to develop an outdoor programme of health promoting activities

- Completed the review of the Core Path Network which will inform the Recreation Plan
- As part of the *Bog and Burns Hill* Running Series a new virtual race for the Cairn Table was available, encouraging runners to participate on an individual basis

4. **INVESTING IN OUR PEOPLE & EMBRACING OUR VALUES: East Ayrshire Leisure will be an employer that encourages all employees and volunteers to be fully engaged in the operation and development of our business and where opportunities are provided for them to realise their potential. In order to achieve this theme, we have established the following Strategic Objectives:**

- To develop and embed our People Strategy so that employees at all levels are engaged and can contribute to the business
- To offer work placements, volunteering and apprenticeships
- To integrate our values into all aspects of our business including Review and Development programme, recruitment, training and meetings. To focus on skills, knowledge and experience in the development of our business and to ensure we invest in industry specialist training which is tailored to meet the needs of our programmes
- To ensure that our board of Trustees reflects the community we serve and the need to be both a charitable and commercial organisation

**KEY POINTS & ACHIEVEMENTS**

- We introduced Flexible Roles; Customer Experience Assistant and Corporate Services Assistant
- Our Staff Reward & Recognition Scheme has been updated to reflect our new B.E.S.T values
- A new staff Review and Development programme linked to strategic themes and organisational values has been developed.
- During these unprecedented times the frequency of the staff newsletter was increased to maintain communication with those members of staff on furlough leave and limit feelings of isolation
- Our new intranet was launched early December with development and enhancement ongoing
- 'Coffee Chats' have taken place regularly on various topics over the past year, allowing all staff access to the Chief Officer and key staff in an informal basis
- Working Groups have been established for areas of the organisation that require further scrutiny or where a Business Development idea has been approved for consideration
- 2 Modern Apprentices have been recruited to support the work of the outdoor access team, starting with maintenance of the River Ayr Way
- We introduced new Trustee Ambassador roles, with portfolios reflecting each of our Strategic Vision Themes



**5. CREATING A SOLID FOUNDATION FOR GROWTH: East Ayrshire Leisure will achieve continuous improvement in the operation of the Trust and will focus on developing and challenging existing and new business opportunities in order to fulfil our strategic and charitable objectives. In order to achieve this theme, we have established the following Strategic Objectives:**

- To review and continually improve and enhance our systems and processes to ensure that they are effective and appropriate in the transformation of our business
- To develop a collaborative approach with relevant partners to explore wider opportunities that fit within the Trust's vision and values and to explore opportunities to share resources across all of our services internally and with key stakeholders
- To maximise the return from commercial opportunities, especially around retail, hospitality and membership packages, so that we are in a position to fulfil our charitable obligations and become a sustainable organisation
- To develop an effective performance management framework

**KEY POINTS AND ACHIEVEMENTS:**

- Key employees with a clear focus on the safe management of buildings and implementation of policies and procedures have been identified to provide Development Manager's with advice and guidance on Health & Safety matters
- Funding of £20k received to contribute to the installation costs of wifi across all East Ayrshire Leisure Sport venues. Discussions are ongoing to identify appropriate venues and to quantify any additional funding requirement for all venues
- Online Bookings function is now live and is being rolled out across our services and activities, which adds to our existing online Box Office service
- In place of our Visitscotland Accreditation Scheme we completed the online COVID compliance assessment and their 'We're Good To Go' mark is on display in our venues
- A review of all feedback procedures incorporating comments, complaints, suggestions, outcomes from investigations and other key processes has taken place and a new Organisational Learning' process have been developed to ensure maximum benefit
- Development of our Hospitality function took place where possible – new services at the Dean Castle Country Park Treehouse Café and Kiosk were introduced
- We introduced our new Business Development *Big Ideas* process inviting employees to submit ideas which they believe will benefit and develop the organisation

**6. PROTECTING OUR ENVIRONMENT: East Ayrshire Leisure will be committed to environmental best practice and will use resources as efficiently and effectively as possible in the operation of our business. We will also explore new opportunities to promote sustainability and biodiversity. In order to achieve this theme, we have established the following Strategic Objectives:**

- To prepare and adopt a Climate Change Declaration on an annual basis which audits our carbon footprint and outlines priorities for carbon reduction
- To adopt the principles of Visit Scotland's Green Tourism Business Scheme to reduce the environmental impact of our business
- To implement a Sustainable Transport Strategy which encourages active travel in all of our operations and with our staff and customers

**KEY POINTS & ACHIEVEMENTS**

- A monitoring system to carry out regular monitoring of electricity, gas, water and other utility use is now in place
- Trustee Ambassador for Protecting Our Environment is being recruited to work with staff teams on the development and delivery of this key Theme

**ONLINE VISITORS**

Eastayrshireleisure.com

Our new site was launched in August 2019 and we continue to monitor performance and develop the website regularly, adapting to digital trends and business needs as appropriate. We had 129,000 sessions on the site throughout 2020-21 and whilst this shows a slight drop in number of sessions from the previous year, our social media engagement soared, as the majority of customers took to our Facebook, Twitter and Youtube channels to engage with our services during lockdown.

**Social Media**

Our East Ayrshire Leisure Trust and additional facility Facebook pages have continued to attract significant increases, as has our Twitter account. Engagement levels across all platforms was extremely high during this financial year and we plan to capitalise on this growth with future developments and plans underway to expand across additional platforms.

Some of our highlights include:

- Our virtual Pet Show reached over 100,000
- Our initial Elf Trail at DCCP post reached over 16,000 and the overall reach was 41,000
- Annanhill Golf Course reopening announcement reached nearly 9,500
- The announcement of our first newborn goat at the DCCP had a reach of almost 9,000
- Announcement about Borrowbox and Apple reading functionality reached over 4000

## **FUTURE DEVELOPMENTS**

Our Strategic Vision document and accompanying Action Plan provides a 10 year vision for East Ayrshire Leisure that provides strong and ambitious objectives, outlines clear timescales for delivery and sets a strategic direction that will develop the Trust into a more independent, resilient, innovative and inclusive organisation. Within the 2020-30 period, East Ayrshire Leisure Trust will continue to grow as a leisure provider, facilitator and partner that is recognised on both a local and national stage.

To be successful in our ambitions collectively we plan:

- To work more closely with local communities and our customers to deliver services that are valued and embedded in local life;
- To engage with local and national partners to develop collaborative approaches to service design that enhance the opportunities for leisure across East Ayrshire;
- To develop facilities that are of a high quality and to support partners across the third, public and private sector in doing the same;
- To contribute to local and national agendas through the provision of an innovative programme that encourages East Ayrshire to flourish;
- To value our people, recognise their skills and talents and empower them to be solution focused;
- To integrate commercialisation and sustainability into our business model in its widest sense to explore more efficient working practices, governance and leadership arrangements and to look to the market place for inspiration
- To be a responsible member of the community that supports a sense of place and adopts environmental best practice.

Whilst the COVID-19 pandemic has meant we've had to devise new ways of working and review our Action Plan, our guiding principles and core aims remain the same; collectively we will help enable the communities of East Ayrshire to 'Live Their Best Life.'

- As we move forward, we now have the opportunity to embrace new ways of working and look at more digital and online service delivery. We will produce a Digital Transformation Strategy, incorporating a gap analysis, to identify priorities and ensure we offer the most appropriate and innovative programmes and delivery
- We will continue to develop our Community Engagement programmes, working closely with a variety of partners to provide the most effective strategy for facility review and enhancement
- Our People Strategy will focus on further empowerment of our staff, providing more training, development and input into key documents, decision-making and project delivery
- Our Trustee Ambassador scheme will be fully embedded, providing support, guidance and recognition to all service areas and staff groups
- Working with EAC Internal Audit, a full review of our Key Performance Indicators will ensure we are collecting relevant and useful data which can inform our development and delivery. We will include analysis of our digital programmes and online presence within this, and identify new robust and consistent ways of measuring the impact our services have on our customers and within our communities
- We will continue to work with East Ayrshire Council and other national and local partners on major capital projects that support our programmes including the refurbishment of the Palace and Grand Hall Complex, the restoration of the Dean Castle and the implementation of the Kilmarnock Green Infinity Loop. We will

**East Ayrshire Leisure Trust**  
**Trustees Report**  
**For the year ended 31<sup>st</sup> March 2021**

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continue to maximise opportunities for facility enhancement to ensure that our venues and services meet the demands of local communities and supports the priorities within the East Ayrshire Community Plan.

**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 2019 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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 charity 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:

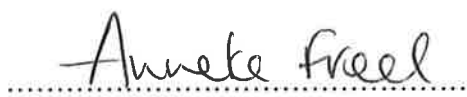
- So far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information, and to establish that the charity's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

**Trustees' Report**

Approved by the Board on 14 September 2021 and signed on its behalf by:



Clare Maitland (Chair)  
**Trustee**



Anneke Freel  
**Chief Officer**

## **Independent Auditor's Report to the Trustees of East Ayrshire Leisure Trust**

### **Opinion**

We have audited the financial statements of East Ayrshire Leisure Trust (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a 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 2021 and of its incoming resources and application of resources, including 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.

### **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 UK, 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**

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

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

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

### **Other information**

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

**East Ayrshire Leisure Trust**  
**Independent Auditor's Report**  
**For the year ended 31<sup>st</sup> March 2021**

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are required to determine whether this gives rise to a material 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 requires 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 18, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

***The extent to which the audit was considered capable of detecting irregularities including fraud***

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other

**East Ayrshire Leisure Trust**  
**Independent Auditor's Report**  
**For the year ended 31<sup>st</sup> March 2021**

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management, and from our knowledge and experience of the sector;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity;
- we assessed the extent of compliance with the laws and regulations through making enquiries of management and inspecting legal correspondence;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- we assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
  - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
  - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the board and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available 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.

**East Ayrshire Leisure Trust  
Independent Auditor's Report  
For the year ended 31<sup>st</sup> March 2021**

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

*Nick Bennett*

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

Date: *23 November 2021*



**East Ayrshire Leisure Trust**  
**Statement of Financial Activities**  
**For the year ended 31<sup>st</sup> March 2021**

	Notes	Unrestricted Fund 2021	Restricted Funds 2021	2021	2020
		£	£	£	£
<b>Income from:</b>					
Charitable activities	3	6,647,850	128,766	6,776,616	7,201,131
Investments	3	334	-	334	1,607
<b>Total income</b>		<b>6,648,184</b>	<b>128,766</b>	<b>6,776,950</b>	<b>7,202,738</b>
<b>Expenditure on:</b>					
Charitable activities	4	6,917,528	67,955	6,985,483	7,755,419
Other (net interest defined benefit pension scheme)	8	8,000	-	8,000	49,000
<b>Total expenditure</b>		<b>6,925,528</b>	<b>67,955</b>	<b>6,993,483</b>	<b>7,804,149</b>
<b>Net (expenditure)/income</b>		<b>(277,344)</b>	<b>60,811</b>	<b>(216,533)</b>	<b>(601,411)</b>
<b>Other recognised gains/(losses):</b>					
Actuarial (losses)/gains on defined benefit pension schemes	8	(2,472,000)	-	(2,472,000)	2,097,000
<b>Net movement in funds</b>		<b>(2,749,344)</b>	<b>60,811</b>	<b>(2,688,533)</b>	<b>1,495,589</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		194,600	63,250	257,850	(1,237,739)
<b>Total funds carried forward</b>	<b>16</b>	<b>(2,554,744)</b>	<b>124,061</b>	<b>(2,430,683)</b>	<b>257,850</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 26 to 43 form part of these financial statements.

**East Ayrshire Leisure Trust**  
**Balance Sheet**  
**As at 31<sup>st</sup> March 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	9	7,417	12,875
Heritage assets	10	34,920	34,920
		<b>42,337</b>	<b>47,795</b>
<b>Current assets</b>			
Stocks and work in progress	11	18,920	22,996
Debtors	12	354,366	375,805
Cash at bank and in hand	17	1,331,832	761,564
		<b>1,705,118</b>	<b>1,160,365</b>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	13	(949,138)	(959,310)
<b>Net current assets</b>		<b>755,980</b>	<b>201,055</b>
<b>Net assets excluding pension scheme (liability)/asset</b>		<b>798,317</b>	<b>248,850</b>
<b>Defined benefit pension scheme (liability)/asset</b>	8	(3,229,000)	9,000
<b>Total net assets/( liabilities)</b>		<b>(2,430,683)</b>	<b>257,850</b>
<b>The funds of the charity:</b>			
Restricted income funds	16	124,061	63,250
Unrestricted funds	16	674,256	185,600
Unrestricted Fund - Pension reserve	16	(3,229,000)	9,000
<b>Funds</b>		<b>(2,430,683)</b>	<b>257,850</b>

The financial statements were approved and authorised for issue by the Board on 14<sup>th</sup> September 2021

**Signed on behalf of the board of trustees**

Clare Maitland (Chair)  
Trustee



Anneke Freel  
Chief Officer



The notes on pages 26 to 43 form part of these financial statements

**East Ayrshire Leisure Trust**  
**Statement of Cash Flows for the year ended 31<sup>st</sup> March 2021**

	<b>Notes</b>	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	<b>17</b>	<b>579,206</b>	<b>74,932</b>
<b>Cash flows from investing activities:</b>			
Investment income		334	1,607
Purchase of property, plant and equipment		(9,272)	
<b>Net cash provided by/(used in) investing activities</b>		<b>(8,938)</b>	<b>1,607</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>570,268</b>	<b>76,539</b>
<b>Cash at the beginning of the reporting period</b>		<b>761,564</b>	<b>685,025</b>
<b>Cash at the end of the reporting period</b>		<b>1,331,832</b>	<b>761,564</b>
<b>Analysis of change in net debt</b>			
	<b>At 1<sup>st</sup> April 2020</b>	<b>Cash flows</b>	<b>At 31<sup>st</sup> March 2021</b>
Cash in Hand	761,564	570,268	1,331,832

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2021**

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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 9 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.

**1. 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 2021**

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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.

**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**

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2021**

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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.

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

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2021**

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**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 2022. 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 £674,256.

This assessment of going concern includes the expected impact of COVID-19 to the entity in the 12 months following the signing of these financial statements.

**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.

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2021**

**3. Income**

**Investment income**

Investment income comprises bank interest. In 2021 bank interest received £334 (2020: £1,607).

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

	2021 Operating Fund £	2021 Restricted Fund £	2021 Total £	Restated 31 <sup>st</sup> March 2020 £
Executive Management	6,327,983	-	6,327,983	5,274,470
Cultural Development	61,548	-	61,548	120,397
Community & Performing Arts Development	26,452	-	26,452	718,239
Leisure Development	16,450	-	16,450	98,230
Sports Development	215,417	-	215,417	959,835
Property & Estates Development Projects (Restricted income)	-	128,766	128,766	29,960
<b>Total income from provision of facilities and services</b>	<b>6,647,850</b>	<b>128,766</b>	<b>6,776,616</b>	<b>7,201,131</b>

The Trust reviewed its management reporting structure during the year. The 2020 figures have been restated to reflect the new reporting structure.

A management service fee of £4,857,569 was received from East Ayrshire Council for the year (2020: £4,945,950). To the end of March 2021, the Trust had claimed £1,089,891 under the Job Retention Scheme (2020: £33,709).

Income on charitable activities was £6,776,616 (2020: £7,201,131) of which £6,647,850 was unrestricted (2020: £7,171,171) and £128,766 (2020: £29,960) was restricted. All other income was unrestricted.

**4. Charitable expenditure  
2021**

	Executive Management	Cultural Development	Community & Performing Arts Development	Leisure Development	Sports Development	Property & Estates Development	Projects	Total	2020
	£	£	£	£	£	£	£	£	£
Employee costs	1,788,393	1,069,957	436,390	516,341	1,323,160	159,758	15,039	5,309,038	5,576,886
Property costs	3,095	134,804	176,694	55,410	110,465	2,995	11,386	494,849	672,667
Supplies and Services	482,777	190,395	29,707	73,334	100,383	10,674	37,814	925,084	1,257,902
Transport Costs	-	7,744	-	17,267	12,675	1,327	-	39,013	39,759
Support Services	187,400	-	-	-	-	-	-	187,400	187,400
Governance	18,383	-	-	-	8,000	-	3,716	30,099	20,535
<b>Total</b>	<b>2,480,048</b>	<b>1,402,900</b>	<b>642,791</b>	<b>662,352</b>	<b>1,554,683</b>	<b>174,754</b>	<b>67,955</b>	<b>6,985,483</b>	<b>7,755,149</b>

Expenditure on charitable activities was £6,985,483 (2020: £7,755,149) of which £6,917,528 was unrestricted (2020: £7,687,946) and £67,955 (2020: £67,203) was restricted.



**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2021**

**2020 - Restated**

	Executive Management	Cultural Development	Community & Performing Arts Development	Leisure Development	Sports Development	Property & Estates Development	Projects	Total	2019
	£	£	£	£	£	£	£	£	£
Employee costs	1,408,466	1,312,710	626,672	661,381	1,550,215	-	17,442	5,576,886	6,208,881
Property costs	12,126	160,218	246,116	94,749	159,363	-	95	672,667	649,869
Supplies and Services	383,300	256,480	327,990	117,568	123,902	-	48,661	1,257,902	1,283,499
Transport Costs	2,513	12,170	-	19,078	4,992	-	1,005	39,759	38,332
Support Services	187,400	-	-	-	-	-	-	187,400	187,400
Governance	20,535	-	-	-	-	-	-	20,535	18,890
<b>Total</b>	<b>2,014,340</b>	<b>1,741,578</b>	<b>1,200,778</b>	<b>892,776</b>	<b>1,838,472</b>	<b>-</b>	<b>67,203</b>	<b>7,755,149</b>	<b>8,386,871</b>

The Trust reviewed its management reporting structure during the year. The 2020 figures have been restated to reflect the new reporting structure.

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

	General Support	Governance	2021 £	2020 £
<b>Support services from East Ayrshire Council</b>				
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	29,000
Legal and Procurement Services	10,000	35,000	45,000	45,000
<b>Sub total – support services from East Ayrshire Council</b>	<b>148,400</b>	<b>39,000</b>	<b>187,400</b>	<b>187,400</b>
<b>Other</b>				
Audit fees	-	11,058	11,058	11,400
Accountancy fees	15,325	-	15,325	9,135
Legal Fees	-	3,716	3,716	-
<b>Sub total - other</b>	<b>15,325</b>	<b>14,774</b>	<b>30,099</b>	<b>20,535</b>
<b>Total governance and support costs</b>	<b>163,725</b>	<b>53,774</b>	<b>217,499</b>	<b>207,935</b>

General support costs in 2021 were £163,725 (2020: £157,535) and governance costs £53,774 (2020: £50,400).

East Ayrshire Leisure receives support services from East Ayrshire Council. The total cost of support services provided by the Council in 2021 was £187,400 (2020 £187,400). 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 2021**

**6. Staff Costs and Numbers**

	2021	2020
	£	£
Wages and salaries	3,560,707	3,940,026
Social security costs	266,620	305,658
Other pension costs	1,384,041	1,083,753
Other staff costs	97,670	247,449
	<u>5,309,038</u>	<u>5,576,886</u>

5 members of staff were made redundant during the year at a cost of £100,310 (2020: 9; £39,204).

Following UK and Scottish Government Guidance, all East Ayrshire Leisure venues closed to the public on the 18th March. From this point, an agreement was reached with the joint trade unions where 72% of contracted and 100% of casual employees were put on furlough leave. To the end of March 2021, the Trust had claimed £1,123,600 under the Job Retention Scheme.

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

	2021	2020
£80,000 - £89,999	1	1

The senior management team comprises 2 staff members (2020: 6 staff members). The total employee benefits (including employers contributions) of the senior management team were £190,580 (2020: £366,035).

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

	2021 Number	2020 Number
East Ayrshire Leisure Trust		
Full-time (permanent)	96	101
Part-time (permanent)	77	84
	<u>173</u>	<u>185</u>

During the year trustees received no remuneration (2020: nil). Trustee expenses totalled £nil (2020: £124). No trustees received payment for professional or other services supplied to the charity (2020: nil).

**7. Operating Surplus**

	2021	2020
	£	£
<b>The operating surplus is stated after charging/(crediting)</b>		
Auditors' remuneration (including expenses) for audit	11,059	11,400
for other services	15,325	9,135
Operating lease rentals	23,062	24,440

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2021**

**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 employees' 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 2020 and following this valuation employer's contributions have been set at 19.3% for the years ended 31<sup>st</sup> March 2022, 2023 and 2024.

The pension results for 2020/21 have taken into account the financial effects of the McCloud judgement and General Minimum Pension (GMP) equalisation.

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

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

	<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	23,789	25,696
Current service cost	1,283	1,467
Past service cost/(gain) (including curtailments)	197	(207)
Interest cost on defined benefit obligation	560	660
Contributions by members	215	207
Actuarial losses/(gains)	6,606	(3,746)
Benefits paid	(511)	(286)
Unfunded benefits paid	(2)	(2)
	<u>32,137</u>	<u>23,789</u>

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

	<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>£'000</b>	<b>£'000</b>
Opening fair value of plan assets	23,798	24,071
Interest income on plan assets	552	611
Contributions by members	215	207
Contributions by the employer	720	844
Contributions in respect of unfunded benefits	2	2
Actuarial gain/(loss)	4,134	(1,649)
Benefits paid	(511)	(286)
Unfunded benefits paid	(2)	(2)
	<u>28,908</u>	<u>23,798</u>

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2021**

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

	<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	(1,283)	(1,467)
Past service cost/(gain) (including curtailments)	(197)	207
<b>Total service cost</b>	<b>(1,480)</b>	<b>(1,260)</b>
<b>Net interest</b>		
Interest income on plan assets	552	611
Interest cost on defined benefit obligation	(560)	(660)
<b>Total net interest</b>	<b>(8)</b>	<b>(49)</b>
<b>Total defined benefit cost recognised in net income/expenditure per the SOFA</b>	<b>(1,488)</b>	<b>(1,309)</b>

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

	<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>%</b>	<b>%</b>
Equities	66	62
Bonds	23	25
Property	9	12
Cash	2	1

The estimated employer contributions for the year to 31 March 2022 are £720,000.

The principal actuarial assumptions used in the calculations are:

	<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>% per annum</b>	<b>% per annum</b>
Pension Increase Rate	2.85	1.80
Salary Increase Rate	3.55	2.90
Discount Rate	2.00	2.30

**Mortality**

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2020 model, with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.5% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below::

	<b>Males</b>	<b>Females</b>
Current Pensioners	19.8 years	22.6 years
Future Pensioners	21.2 years	24.7 years

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2021**

**9. Fixed Assets**

	<b>Furniture &amp; Equipment</b>	<b>Total</b>
	£	£
<b>Cost</b>		
As at 1 <sup>st</sup> April 2020	157,582	157,582
Additions	9,272	9,272
	<u>166,854</u>	<u>166,854</u>
As at 31 <sup>st</sup> March 2021	<u>166,854</u>	<u>166,854</u>
<b>Depreciation</b>		
As at 1 <sup>st</sup> April 2020	144,707	144,707
Charge	14,730	14,730
	<u>159,437</u>	<u>159,437</u>
As at 31 <sup>st</sup> March 2021	<u>159,437</u>	<u>159,437</u>
<b>Net book value</b>		
As at 31 <sup>st</sup> March 2020	12,875	12,875
As at 31 <sup>st</sup> March 2021	<u>7,417</u>	<u>7,417</u>

**10. Heritage Assets**

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

	<b>Heritage Assets</b>	<b>Total</b>
	£	£
<b>Cost</b>		
As at 1 <sup>st</sup> April 2020	34,920	34,920
	<u>34,920</u>	<u>34,920</u>
As at 31 <sup>st</sup> March 2021	<u>34,920</u>	<u>34,920</u>
<b>Net book value</b>		
As at 31 <sup>st</sup> March 2020	34,920	34,920
As at 31 <sup>st</sup> March 2021	<u>34,920</u>	<u>34,920</u>

**11. Stock**

	<b>2021</b>	<b>2020</b>
	£	£
Goods for re-sale	18,920	22,996
	<u>18,920</u>	<u>22,996</u>

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2021**

**12. Debtors**

	<b>2021</b>	<b>2020</b>
	£	£
Amounts due from East Ayrshire Council	125,693	176,564
Trade debtors	42,957	90,680
Other debtors and prepayments	185,716	108,561
	<u>354,366</u>	<u>375,805</u>

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

	<b>2021</b>	<b>2020</b>
	£	£
Amounts owed to East Ayrshire Council	132,365	46,684
Trade creditors	12,658	87,128
Accruals and deferred income	532,302	564,446
Taxation and social security	271,813	261,052
	<u>949,138</u>	<u>959,310</u>

**14. Deferred income**

Deferred income comprises advanced ticket sales.

	<b>2021</b>	<b>2020</b>
	£	£
Balance as at 1 <sup>st</sup> April 2020	100,988	143,246
Amounts released to income during 2020/21	(100,988)	(143,246)
Amounts deferred in year	139,500	100,988
	<u>139,500</u>	<u>100,988</u>
Balance as at 31 <sup>st</sup> March 2021	<u>139,500</u>	<u>100,988</u>

**15. Financial assets and liabilities**

	<b>2021</b>	<b>2020</b>
	£	£
Financial assets at amortised cost	1,605,035	1,078,288
Financial liabilities at amortised cost	(537,825)	(597,270)
	<u>1,067,210</u>	<u>481,018</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.

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2021**

**16. Reserves**

<b>Funds 2021</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2021 Total</b>	<b>2020 Total</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		
Balance at 31 <sup>st</sup> March 2021						
Represented by:						
Fixed assets	42,337	-	42,337	47,795		
Net current assets	631,919	124,061	755,980	201,055		
Retirement benefit scheme asset/(liability)	(3,229,000)	-	(3,229,000)	9,000		
	<u>(2,554,744)</u>	<u>124,061</u>	<u>(2,430,683)</u>	<u>257,850</u>		
	<u><u>(2,554,744)</u></u>	<u><u>124,061</u></u>	<u><u>(2,430,683)</u></u>	<u><u>257,850</u></u>		
<b>Funds 2020</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2020 Total</b>	<b>2019 Total</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		
Balance at 31 <sup>st</sup> March 2020						
Represented by:						
Fixed assets	47,795	-	47,795	74,982		
Net current assets	137,805	63,250	201,055	312,279		
Retirement benefit scheme asset/(liability)	9,000	-	9,000	(1,625,000)		
	<u>194,600</u>	<u>63,250</u>	<u>257,850</u>	<u>(1,237,739)</u>		
	<u><u>194,600</u></u>	<u><u>63,250</u></u>	<u><u>257,850</u></u>	<u><u>(1,237,739)</u></u>		
<b>Unrestricted Fund 2021</b>	<b>Opening Balance at 1<sup>st</sup> April 2020</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>Actuarial Gain/(Loss)</b>	<b>Closing Balance at 31<sup>st</sup> March 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted fund	131,070	6,648,184	(6,149,918)	-	-	629,336
Designated funds	54,530	-	(9,610)	-	-	44,920
Pension reserve	9,000	-	(766,000)	-	(2,472,000)	(3,229,000)
	<u>194,600</u>	<u>6,648,184</u>	<u>(6,925,528)</u>	<u>-</u>	<u>(2,472,000)</u>	<u>(2,554,744)</u>
	<u><u>194,600</u></u>	<u><u>6,648,184</u></u>	<u><u>(6,925,528)</u></u>	<u><u>-</u></u>	<u><u>(2,472,000)</u></u>	<u><u>(2,554,744)</u></u>

**East Ayrshire Leisure Trust**  
**Notes to the Accounts**  
**For the year ended 31<sup>st</sup> March 2021**

<b>Unrestricted Fund 2020</b>	<b>Opening Balance at 1<sup>st</sup> April 2019</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfers</b>	<b>Actuarial Gain/(Loss)</b>	<b>Closing Balance at 31<sup>st</sup> March 2020</b>
	£	£	£	£	£	£
Unrestricted fund	199,858	7,136,428	(7,213,356)	8,140	-	131,070
Designated funds	86,910	36,350	(60,590)	(8,140)	-	54,530
Pension reserve	(1,625,000)	-	(463,000)	-	2,097,000	9,000
	<u>(1,338,232)</u>	<u>7,172,778</u>	<u>(7,736,946)</u>	<u>-</u>	<u>2,097,000</u>	<u>194,600</u>

<b>Designated Funds 2021:</b>	<b>2020</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfer</b>	<b>2021</b>
	£	£	£	£	£
Depreciation (to fund depreciation on fixed assets)	9,140	-	(9,140)	-	-
Fixed assets	34,920	-	-	-	34,920
Website Development	470	-	(470)	-	-
Dover House upgrades	10,000	-	-	-	10,000
<b>Total designated funds</b>	<b>54,530</b>	<b>-</b>	<b>(9,610)</b>	<b>-</b>	<b>44,920</b>

<b>Designated Funds 2020:</b>	<b>2019</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Transfer</b>	<b>2020</b>
	£	£	£	£	£
Depreciation (to fund depreciation on fixed assets)	28,380	-	(19,240)	-	9,140
Fixed assets	34,920	-	-	-	34,920
Libraries Fit Out	1,550	-	-	(1,550)	-
Website Development	15,470	-	(15,000)	-	470
Training & Development	1,790	-	-	(1,790)	-
Redundancy Costs	3,450	-	-	(3,450)	-
PFS Miscellaneous Expenditure	980	-	-	(980)	-
Marketing Activity	370	-	-	(370)	-
Dover House upgrades	-	10,000	-	-	10,000
Noveau	-	4,000	(4,000)	-	-
IT Upgrade costs	-	22,350	(22,350)	-	-
<b>Total designated funds</b>	<b>86,910</b>	<b>36,350</b>	<b>(60,590)</b>	<b>(8,140)</b>	<b>54,530</b>



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**Restricted funds**

Opening Balance	2020 Incoming Resources	2020 Resources Expended	2020 Closing Balance		Opening Balance	2021 Incoming Resources	2021 Resources Expended	2021 Closing Balance
£	£	£	£		£	£	£	£
-	10,558	(3,383)	7,175	Natural Leaders Logan Centre	7,175	-	(7,175)	-
-	7,356	-	7,356	Ringfenced Rose Reilly	7,356	-	-	7,356
-	-	(15,588)	(15,588)	Renaming	(15,588)	16,788	(1,200)	-
-	5,000	-	5,000	Shout Johnny Walker	5,000	-	-	5,000
-	-	(5,369)	(5,369)	Display Digital	(5,369)	5,577	(208)	-
6,552	-	(4,136)	2,416	Storyteller in Residence	2,416	-	-	2,416
5,432	-	(543)	4,889	Nature Therapy Breaks	4,889	-	(4,889)	-
43,715	-	(15,742)	27,973	Irvine Valley Trails 2019 onwards	27,973	-	(3,715)	24,258
4,234	-	(102)	4,132	Ayrshire Libraries forum	4,132	-	(117)	4,015
8,480	970	-	9,450	Museums Database	9,450	-	(10,348)	(898)
15,000	-	(45)	14,955	Kilmarnock Green Infrastructure	14,955	-	-	14,955
-	6,076	(5,215)	861	Burns Birthday in Mauchline	861	-	-	861
10,549	-	(10,549)	-	Make Some Noise	-	-	-	-
4,982	-	(4,982)	-	Gaelic Visual Arts	-	-	-	-
1,549	-	(1,549)	-	Magic at the Museum	-	-	-	-
-	-	-	-	River Ayr Way Cumnock Town Hall Community	-	9,273	(4,681)	4,592
-	-	-	-	Cinema Dean Castle Restoration	-	2,099	(2,099)	-
-	-	-	-	Project - Wifi Project	-	20,000	-	20,000
-	-	-	-	DCCP Parks for People	-	48,010	(32,510)	15,500
-	-	-	-	Grayson Perry Foster Carer Service -	-	23,020	(1,015)	22,005
-	-	-	-	Memberships	-	4,000	-	4,000
<b>100,493</b>	<b>29,960</b>	<b>(67,203)</b>	<b>63,250</b>	<b>Totals</b>	<b>63,250</b>	<b>128,766</b>	<b>(67,955)</b>	<b>124,061</b>

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The Natural Leaders project is well underway with work beginning on key open spaces with Auchinleck, Doon and Kilmarnock Academy. This project aims to develop Local Nature Reserves which can be used by the community and as an outdoor learning resource.

Logan Centre (Ringfenced) – Funding allocated to EA Leisure for the sustainable development of the Logan Centre to benefit the entire community - a business case will need to be submitted for use of funds.

Rose Reilly Renaming – This project was scheduled to be completed for Saturday 21<sup>st</sup> March with Rose Reilly attending an official launch, offering free sports activities for the local community. It has now been postponed however, the preparatory building work is well underway including the completion of the external building cleaning and signage. It is anticipated work on the internal signage and new external lighting will recommence once Covid-19 restrictions are lifted and an alternative launch date will be facilitated.

SHOUT - £5000 Funding from East Ayrshire Council has been issued to offer FREE swimming to SHOUT card holders during the school holiday periods throughout the year.

Johnnie Walker Display – East Ayrshire Council is in partnership with Diageo to run a year long programme of activity in 2020, celebrating 200 years of Johnnie Walker Whisky. The partnership is supported with an investment of £110,000 from Diageo, part of which is attributed to the Dick Institute Johnnie Walker display. To mark the beginning of the bicentenary celebrations, Diageo were keen to work with East Ayrshire Leisure to develop a new display of never before seen collection items. East Ayrshire Leisure led the display development in partnership with the Johnnie Walker Archive which required three new museum standard environmentally controlled cases, two flat screen televisions, display cradles and three new interpretation banners with bespoke hanging systems. East Ayrshire Leisure delivered the display by 19<sup>th</sup> February and the year of celebrations launched with an event which welcomed around 60 people.

Digital Storyteller in Residence - The project which was funded by the Scottish Book Trust has now come to an end. The initiative worked 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 Arts, Libraries and Museums Development team led the project with partners in Kilmarnock Station Railway Heritage Trust (KRSHT) and Vibrant Communities. The project was externally recognised by being shortlisted for Community Project of the Year at the Herald Society Awards. There is a surplus balance which Scottish Book Trust have said we can use towards further Digital Storytelling activities. We are currently paying for further training for KRSHT from the fund, and have invested in suitable transit cases to keep the kit safe when loaned out to our partners.

Nature Therapy Breaks - 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.

Irvine Valley Trails - 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 started 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.

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

**East Ayrshire Leisure Trust**  
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co-ordinated and efficient way. The total project cost is £21,600, of which Museums Galleries Scotland has awarded 75% of project costs. Progress with the project was interrupted due to Covid 19, however MGS have granted an extension to 31 July 2021 to complete the project. Balance of grant funding (£12,000) to be claimed following completion of project.

Kilmarnock Green Infrastructure - The design and feasibility work has been completed for the Kilmarnock Green Infrastructure Project. £300k has been secured from Sustrans for further design work for a multi-million pound application later in the year. 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.

Burns Birthday in Mauchline – The project normally takes place on the last Saturday in January at Burns House Museum, Mauchline Parish Church Halls and Mauchline Kirkyard. The family event which is funded by EventScotland is free and includes lots of Burns related activity including visual art, puppet making, Kirkyard tours with our partners Mauchline Burns Club, curator talks and a very special performance by pupils of Mauchline Primary School. The event will not be taking place in 2021 due to EventScotland funding being withdrawn due to Covid 19.

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.

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.

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.

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 31st October.

Cumnock Town Hall Community Cinema – All cinema equipment is installed but project start date has been postponed for 1 year due to Covid-19.

Wifi Project - After an initial review was submitted to the EAC we have since received funding of £20k to contribute to the installation costs of wifi across all East Ayrshire Leisure standalone venues.

DCCP Parks for People (Jul 20-Mar 21) – HLF have confirmed agreement that previously approved funding has been allocated to specific projects with an initial extension to May 2021. Given current restrictions HLF recognise a further extension may be necessary and have extended this to July 2021.

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Grayson Perry – Our planned high profile exhibition for 2020 – 2021 period ‘GRAYSON PERRY – The Vanity of Small Differences’ had to be postponed due to lockdown and travel restrictions. We are in communication with the lender to reorganise the exhibition for later in the year.

Foster Carer Service - Memberships – This funding is to support foster carers to access sport and physical activity services for the children they are caring for. The funding has been issued by East Ayrshire Council.

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the reporting period (as per the SOFA)	(216,533)	(601,411)
<b>Adjustments for:</b>		
Interest received	(334)	(1,607)
Depreciation	14,730	27,187
Net cost in respect of pensions	766,000	463,000
Decrease/(increase) in stock	4,076	(1,970)
Decrease in debtors	21,439	295,837
Decrease in creditors	(10,172)	(106,104)
<b>Net cash provided by (used in) operating activities</b>	<b>579,206</b>	<b>74,932</b>

**Analysis of cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash in hand	1,331,832	761,564
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
<b>Total cash and cash equivalents</b>	<b>1,331,832</b>	<b>761,564</b>

**18. Operating lease commitments**

At 31<sup>st</sup> March 2021, the Trust had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021</b>		<b>2020</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	-	20,196	-	23,436
Within two to five years	-	29,350	-	49,546
	-	49,546	-	72,982

**East Ayrshire Leisure Trust**  
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**19. Related parties**

East Ayrshire Council (EAC) made a contribution in line with the Services Agreement of £4,857,569 (2020: £4,945,950). 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 (2020: £187,400).

The relevant transactions and balances with East Ayrshire Council were:

2020/21				2019/20			
Income from EAC	Payments to EAC	Due from	Due to	Income from EAC	Payments to EAC	Due from	Due to
£	£	£	£	£	£	£	£
5,424,206	637,372	125,693	132,365	5,314,828	450,670	176,564	46,684

**20. Contingent Liabilities**

There are two public liability claims, and two employer liability claims ongoing. (2020: three public liability claims, and one employer liability claim ongoing).

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. 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.