

East Ayrshire Leisure Trust
A Scottish Charitable Incorporated Organisation

Annual Report and Accounts
For the year ended 31st March 2022

Charity Number SC043987

East Ayrshire Leisure Trust
Contents

	Page
Message from the Chair	1
Message from the Chief Officer	2
Trustees' Report	3
Independent Auditor's Report	18
Statement of Financial Activities	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Accounts	25

East Ayrshire Leisure Trust

Message from the Chair

I am delighted to introduce our Annual Report and Accounts for East Ayrshire Leisure Trust, covering the financial year 2021-22.

Whilst 2021 saw an element of recovery from the global pandemic that we faced in 2020, COVID-19 continued to have an impact on us all as we were faced with constant uncertainty around restrictions, new variants and further lockdowns. Each time we thought we were heading for some kind of 'normality', we encountered new limitations that affected our facilities and our services. However, our commitment to providing the best leisure services that we could, under very difficult circumstances never faltered.

Despite the pandemic continuing to cause 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 compromised with reduced capacities within our venues, East Ayrshire Leisure Trust continued to provide cultural, sporting and leisure activities and experiences, ensuring that Leisure remained at the Heart of Our Communities. A few of my personal highlights are detailed below.

Golf has continued to grow throughout 2021/22 and has now exceeded pre-pandemic figures. Indeed, we are now seeing more golfers playing at Annanhill than we have done for the last 5 years. As the first sport to be reintroduced, the pandemic introduced golf to a whole new generation of visitors and these numbers have been sustained. It really is exciting times at Annanhill Golf Course. Annanhill now has more season ticket holders than ever before, including a significant number of youth, concession and corporate members. This is further supported by the feedback we've been receiving with positive comments such as "I have played golf all over the world and the fairways are the best I've ever played on and the price of the season ticket is unbelievable!"

I was also delighted that we work closely with local partners to successfully receive a grant of £43,000 from the Scottish Government to deliver a summer programme of activities to help improve the wellbeing of children and young people across East Ayrshire. This provided us with a great opportunity to work with local and national partners to coordinate and deliver holiday activities and experiences, integrating food and wider family support where needed, and target low income families, children and young people particularly adversely affected by the impacts of the pandemic. Our programmes were held at Dean Castle Country Park, various Sports facilities and Community Centre's and offered children, young people and families the opportunity to take part in a range of indoor and outdoor activities.

Despite everything that the pandemic threw at us, we were still able to open a new venue in June 2021. The Barony Sports Village in Cumnock provides state of the art sporting and community facilities, alongside excellent partner facilities within the area. A month after opening, the Village hosted the first Eric Bennett Memorial organised by Cumnock Juniors Community Enterprise. The festival, having being postponed twice, finally took place over 3 days and welcomed over 1200 young people from all over Scotland. The event demonstrated what can be achieved through strong partnership working as indicated by one of our partners "Grassroots football is a huge part of my life and I have struggled as I watched our beautiful game suffer over the last 16 months.....our young people needed something to look forward to"

Rescheduling also seemed to be the theme of 2021 across our cultural venues. In 2020, we had to postpone a number of high profile and innovative exhibitions and it was with great pride that we were able to reschedule them for 2021/22. Two exhibitions of particular note were Grayson Perry's the Vanity of Small Differences at the Dick Institute Gallery and Matisse: Drawing with Scissors at the Baird Institute in Cumnock. Both of these exhibitions took place in the early part of 2022 and were well received by locals and visitors to East Ayrshire.

As we continue on our journey of recovery, we look forward to exciting new things for East Ayrshire Leisure, our teams and our communities.

Councillor Clare Maitland
Chair, East Ayrshire Leisure Trust

East Ayrshire Leisure Trust

Message from the Chief Officer

I am delighted to present East Ayrshire Leisure Trust's Annual Report and Accounts for 2021-22; the Trust's 9th year of operation and my 3rd year as Chief Officer.

Whilst we entered this year looking forward to recovery and renewal, I was conscious that 2021-22 could be even more difficult than the previous year as we had a duty of care to make sure our staff teams felt safe and supported as we reactivated our services; our communities were reassured that we were taking every step to ensure they were comfortable in our venues; and that we met the challenges of reduced capacities and reduced income.

Since taking up my post in May 2020, I have been determined to lead the Trust in a new strategic direction. Lockdowns, restrictions and a significant percentage of the team on furlough leave, did not help this endeavour. However, despite everything, we came out of 2020 with a new vision, a mission, a set of values and 6 strategic themes to guide our work. If we could do all of that during a global pandemic and still offer valuable services to our communities, I knew there was no holding us back in 2021.

One of the first major pieces of work that we undertook was the development of our first ever Leisure Facility Strategy. This is a 10 year plan, which clearly states our vision and priorities for each and every one of our venues. It has been very clear through engagement with customers and staff that we have to continue to provide high quality facilities that will support our innovative programming. The Strategy has been well received by customers, stakeholders and potential funders and I'm delighted that we have already achieved a number of the actions after a very short period of time.

To continue to grow and work towards achieving our ambition to be a sustainable and resilient organisation, there are a number of other pieces of work that we identified as a priority to support our recovery and renewal agenda. We now have a 5 year Financial Strategy and a 3 year Digital Transformation Action Plan. These are critical documents that will underpin and complement our Corporate and Service Delivery Plans.

I also had the great privilege of working alongside our Collections and Museums teams this year as we produced our first Collection Development Strategy. We have the most amazing museum collections and we need to make sure that they are properly looked after. I would urge you all to visit one of our museums as there is always something there that you didn't see before!

As we have spent this year focusing on recovery and renewal, we have made great strides in Creating a Solid Foundation for Growth, whilst always exploring new ways of delivering the highest quality services and programmes for our communities.

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 Ambassador Trustees for support that they give to me and the invaluable contribution they make. I am also grateful to 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 31st March 2022**

The Trustees are pleased to present their Annual Report and Accounts for the year ended 31st March 2022. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

East Ayrshire Leisure Trust – The Organisation

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

Governing Document

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

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.

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2022

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

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2022

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.

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2022

- 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 21st century users. The newly refurbished facility hosts a variety of shows as well as being available to hire for meetings, shows, weddings and parties.

- Dean Castle & Country Park (4 star Visitor Attraction)

The 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.

**East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2022**

- 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 th May 2017 (reappointed 17 th September 2019) resigned 24 June 2021
Neil McGhee	13 th March 2013 (reappointed 18 th May 2017, 17 th September 2019 and 6 th October 2020) resigned 24 June 2021
Ian Grant	18 th May 2017 resigned 22 February 2022
Clare Maitland (Chair from 24 June 2021)	18 th May 2017
Iain Linton	25 th June 2015 (resigned 18 th May 2017) and reappointed 2 nd November 2017
Joe McLachlan (ex officio)	27 th August 2015
Robert McCulloch (ex officio)	17 th May 2018 resigned 22 February 2022
Blair Miller (ex officio)	22 February 2022
John McGhee	24 June 2021 resigned 5 th May 2022 following local government elections
Jim Roberts	24 June 2021 resigned 5 th May 2022 following local government elections
James Adams	28 th June 2022
Linda Holland	28 th June 2022
Graham Boyd	28 th June 2022

**East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2022**

Independent Trustees

Robin Hume	13 th June 2013 (Reappointed 27 th August 2015, 17 th September 2019 and 6 th October 2020)
Jean Brown	13 th June 2013 (reappointed 17 th September 2019 and 6 th October 2020) resigned 1st July 2021
June Minnery	13 th June 2013 (Reappointed 27 th August 2015, 17 th September 2019 and 6 th October 2020) resigned 14 th September 2021
Andy Wilson	14 th September 2021
Jackie Livingston	1 st July 2015 (Reappointed 6 th October 2020)
Robbie Mann	8 th September 2016 (reappointed 17 th September 2019)
James Adams	20 th July 2021 resigned 28 th June 2022
David Ross	20 th 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.

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
Paul Mathieson	Head of Operational Services (appointed 15 th August 2022)

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2022

SENIOR MANAGEMENT TEAM

Janice Gilmour	Development Manager, Community & Performing Arts
Christine Keenan	Development Manager, Property & Estates
Phillipa MacInnes	Development Manager, Cultural (resigned 30 th March 2022)
Louise Murphy	Development Manager, Leisure- (resigned 11 th July 2022)
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
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

FINANCIAL REVIEW

The period to 31st March 2022 was the Trust's ninth year of activity. In the period, East Ayrshire Leisure Trust reported an unrestricted deficit of £635,994 (2021: £277,344).

One restricted fund (Fruit and Nut Tree Woodland) was in deficit at the year end by £13,114. Funding has been awarded for this, however it can only be drawn down in retrospect from East Ayrshire Council when the project has been completed.

At 31st March 2022, the actuarial valuation of the pension scheme resulted in a net pension asset of £46,000 this being recognised in the Balance Sheet. The valuation has resulted in an actuarial gain of £4,384,000 being recognised in the

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2022

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 2022/23 is set out below:

	2022/23
	£
Baseline Budget (excl Savings)	4,712,850
Savings Target	(162,000)
Baseline Budget (after Savings)	4,550,850

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 2021-22 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. This was under constant review throughout 2021-22.

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.

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2022

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:

- A digital gap analysis was carried out, which led to the production of a 3 year Digital Transformation Action Plan that will support the modernisation of services.
- A successful bid was made to Creative Scotland for £47k to carry out a full revamp of futuremuseum.com. This is scheduled for completion in 2023 and will be more accessible and interactive, bring collections across South West Scotland into people's homes.

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2022

- We achieved recognition status for our music instruments from Museum Galleries Scotland
- As a celebration of all of the activities that we were able to provide during the pandemic, a 'Year in Lockdown' video was produced and circulated to all staff and customers

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:

- Our first ever Leisure Facility Strategy was approved providing a vision and key priorities for each of our venues
- Drongan and Rose Reilly synthetic grass pitches were replaced as part of the sports pitch renewal programme
- The first section of Darvel to Loudoun Hill path network was completed and opened to the public
- Stage 2 of the Kilmarnock Green Infinity Loop was finalised and funding secured for stages 3 and 4.
- The Design team was appointed to work on the multi-million pound Cultural Kilmarnock project which would see the development of a Cultural Park in Kilmarnock, alongside the refurbishment and modernisation of the Place Theatre and Grand Hall
- A new fitness suite was opened at Ayrshire Athletics Arena
- The Barony Sports Village was opened in June 2021

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

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2022

- 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:

- 'Me, Myself and I' was on display in the Young People's Gallery showcasing a young person's photography competition
- East Ayrshire Youth Theatre hosted their first showcase event after the covid 19 lockdowns
- Axiell was purchased as a new collection management system and all collection items were entered onto the system with the completion of the collection rapid inventory process
- The natural health project grew from strength to strength and was able to support 6 young people being referred through Children and Adolescent Mental Health Services (CAMHS). The project also supported Alzheimers Scotland and provided activities for people suffering from dementia
- The fitness programme exceeded pre-covid figures

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

- A training matrix was created which led to our on-line training and development plan
- 5 apprentices worked alongside the Estates team
- We introduced a Volunteer Impact Assessment to ensure that we capture the impact that volunteering activities have on the individual, the community and the organisation

**East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2022**

- 2021 saw the introduction of the Trustee Ambassador scheme
- A evaluation of the annual employee review programme was carried out with the introduction of a tailored Review of BEST practice programme to support staff continuous improvement

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:

- On-line bookings were introduced for the fitness programme alongside direct debits for the swimming and coaching programmes
- We develop a 5 year Financial Strategy to set out our priorities for sound financial management and opportunities for growth
- We introduced an Organisational Learning framework to ensure that we learn from all our activities, our customer and staff feedback, from venue visits and from accreditation schemes. This will ensure that we have robust systems in place to continue to provide high quality services and venues.

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

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2022

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 413,995 sessions on our site, which is an increase of 220% from 129,000 sessions the previous year. However, it is recognised that 20/21 was an unprecedented year due to the covid-19 pandemic. Therefore, 19/20 has been used as the baseline for comparison. There has been an increase of 27% on the 2019/20 figures.

Social Media

Our East Ayrshire Leisure Trust and additional facility Facebook pages have continued to attract significant increases, as have our Twitter accounts. Engagement levels continue to grow with our Facebook accounts having 44,403 followers. Twitter followers have increased to 6,679.

We have started to capitalise on this growth with future developments and plans are now underway to expand across additional platforms including TikTok, Instagram and Spotify. Instagram engagement has increased with this platform now having 1283 followers.

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;

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2022

- 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, 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 will implement our organisational review and embed our 6 strategic themes across all our structures and processes
- 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 a review of our security arrangements, and will continue to monitor the management of our collections.
- 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 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 Leisure Facility Strategy.

East Ayrshire Leisure Trust
Trustees Report
For the year ended 31st March 2022

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

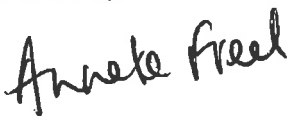
To the knowledge and belief of each of the persons who are Trustees at the time the report is approved:

- 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 4 October 2022 and signed on its behalf by:


Clare Maitland (Chair)
Trustee


Anneke Freel
Chief Officer

**East Ayrshire Leisure Trust
Independent Auditor's Report
For the year ended 31st March 2022**

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 2022 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 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC'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 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 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 31st March 2022**

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

**East Ayrshire Leisure Trust
Independent Auditor's Report
For the year ended 31st March 2022**

We obtain and update our understanding of the charity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the charity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the charity that were contrary to applicable laws and regulations, 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 management, and from our knowledge and experience of the charity 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, including the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and taxation, data protection, anti-bribery, environmental, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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 any correspondence with HMRC, relevant regulators and the charity's legal advisors.

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 and trustees 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 and unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

**East Ayrshire Leisure Trust
Independent Auditor's Report
For the year ended 31st March 2022**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by 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.

Azets Audit Services

**Azets Audit Services
Statutory Auditor
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL**

Date: 24 October 2022

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

East Ayrshire Leisure Trust
Statement of Financial Activities
For the year ended 31st March 2022

	Notes	Unrestricted Fund 2022	Restricted Funds 2022	2022	2021
		£	£	£	£
Income from:					
Charitable activities	3	6,794,066	652,471	7,446,537	6,776,616
Investments	3	160	-	160	334
Total income		6,794,226	652,471	7,446,697	6,776,950
Expenditure on:					
Charitable activities	4	7,355,220	459,150	7,814,370	6,985,483
Other (net interest defined benefit pension scheme)	8	75,000	-	75,000	8,000
Total expenditure		7,430,220	459,150	7,889,370	6,993,483
Net (expenditure)/income		(635,994)	193,321	(442,673)	(216,533)
Transfer between funds		(3,776)	3,776	-	-
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	8	4,384,000	-	4,384,000	(2,472,000)
Net movement in funds		3,744,230	197,097	3,941,327	(2,688,533)
Reconciliation of funds:					
Total funds brought forward		(2,554,744)	124,061	(2,430,683)	257,850
Total funds carried forward	16	1,189,486	321,158	1,510,644	(2,430,683)

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 25 to 43 form part of these financial statements.

East Ayrshire Leisure Trust
Balance Sheet
As at 31st March 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	9	31,617	7,417
Heritage assets	10	34,920	34,920
		<u>66,537</u>	<u>42,337</u>
Current assets			
Stocks and work in progress	11	24,192	18,920
Debtors	12	781,517	354,366
Cash at bank and in hand	17	1,320,798	1,331,832
		<u>2,126,507</u>	<u>1,705,118</u>
Liabilities			
Creditors: Amounts falling due within one year	13	(728,400)	(949,138)
		<u>1,398,107</u>	<u>755,980</u>
Net current assets		<u>1,464,644</u>	<u>798,317</u>
Net assets excluding pension scheme asset/(liability)		<u>1,464,644</u>	<u>798,317</u>
Defined benefit pension scheme asset/(liability)	8	46,000	(3,229,000)
Total net assets/(liabilities)		<u>1,510,644</u>	<u>(2,430,683)</u>
The funds of the charity:			
Restricted income funds	16	321,158	124,061
Unrestricted funds	16	1,143,486	674,256
Unrestricted Fund - Pension reserve	16	46,000	(3,229,000)
Funds		<u>1,510,644</u>	<u>(2,430,683)</u>

The financial statements were approved and authorised for issue by the Board on 4 October 2022

Signed on behalf of the board of trustees


 Claire Maitland
 Trustee


 Anneke Free
 Chief Officer

The notes on pages 25 to 43 form part of these financial statements

East Ayrshire Leisure Trust
Statement of Cash Flows for the year ended 31st March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	17	21,366	579,206
Cash flows from investing activities:			
Investment income		160	334
Purchase of property, plant and equipment		(32,560)	(9,272)
Net cash provided by/(used in) investing activities		(32,400)	(8,938)
Change in cash and cash equivalents in the reporting period		(11,034)	570,268
Cash at the beginning of the reporting period		1,331,832	761,564
Cash at the end of the reporting period		1,320,798	1,331,832

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2022

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 31st March 2022

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.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2022

Financial assets and financial liabilities

Financial instruments are recognised in the Statement of Financial Activities when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from asset to expire, or when the charitable company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Pensions

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

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in the Statement of Financial Activities. All costs related to the defined benefit scheme are recognised in the Statement of Financial Activities.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any asset resulting from the calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognised in the statement of financial activities when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

VAT

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

Unrestricted funds

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

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2022

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

Restricted funds

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

Taxation

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

Going concern

The financial statements have been prepared on the basis of accounting policies that are consistent with the treatment of the charity as a going concern. The current funding agreement with East Ayrshire Council covers up to the 31st March 2023. 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 £1,143,486.

This assessment of going concern includes the expected ongoing 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 31st March 2022

3. Income

Investment income

Investment income comprises bank interest. In 2022 bank interest of £160 (2021: £334) was received.

Income from charitable activities is as follows:

	2022 Operating Fund £	2022 Restricted Fund £	2022 Total £	31 st March 2021 £
Executive Management	5,471,641	-	5,471,641	6,327,983
Cultural Development	73,395	-	73,395	61,548
Community & Performing Arts Development	353,088	-	353,088	26,452
Leisure Development	20,496	-	20,496	16,450
Sports Development	875,446	-	875,446	215,417
Projects (Restricted income)	-	652,471	652,471	128,766
Total income from provision of facilities and services	6,794,066	652,471	7,446,537	6,776,616

A management service fee of £4,966,113 was received from East Ayrshire Council for the year (2021: £4,857,569). During 2021/2022, the Trust claimed £74,613 under the Job Retention Scheme (2021: £1,123,600).

Income on charitable activities was £7,446,537 (2021: £6,776,616) of which £6,794,066 was unrestricted (2021: £6,647,850) and £652,471 (2021: £128,766) was restricted. All other income was unrestricted.

4. Charitable expenditure

2022

	Executive Management	Cultural Development	Community & Performing Arts Development	Leisure Development	Sports Development	Property & Estates Development	Projects	Total	2021
	£	£	£	£	£	£	£	£	£
Employee costs	2,089,148	1,156,810	424,329	474,874	1,437,221	167,107	46,371	5,795,860	5,309,038
Property costs	5,545	142,900	204,333	53,918	137,217	2,997	20,907	567,817	494,849
Supplies and Services	236,302	217,294	203,269	38,619	108,442	7,067	388,416	1,199,409	925,084
Transport Costs	-	12,059	-	17,220	10,291	748	42	40,360	39,013
Support Services	187,400	-	-	-	-	-	-	187,400	187,400
Governance	20,110	-	-	-	-	-	3,414	23,524	30,099
Total	2,538,505	1,529,063	831,931	584,631	1,693,171	177,919	459,150	7,814,370	6,985,483

Expenditure on charitable activities was £7,814,370 (2021: £6,985,483) of which £7,355,220 was unrestricted (2021: £6,917,528) and £459,150 (2021: £67,955) was restricted.

2021

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2022

	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
Total	2,480,048	1,402,900	642,791	662,352	1,554,683	174,754	67,955	6,985,483	7,755,149

5. Analysis of governance and support costs

	General Support	Governance	2022 £	2021 £
Support services from East Ayrshire Council				
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
Sub total – support services from East Ayrshire Council	148,400	39,000	187,400	187,400
Other				
Audit fees	-	13,100	13,100	11,058
Accountancy fees	7,010	-	7,010	15,325
Legal Fees	-	3,414	3,414	3,716
Sub total - other	7,010	16,514	23,524	30,099
Total governance and support costs	155,410	55,514	210,924	217,499

General support costs in 2022 were £155,410 (2021: £163,725) and governance costs £55,514 (2021: £53,774).

East Ayrshire Leisure receives support services from East Ayrshire Council. The total cost of support services provided by the Council in 2022 was £187,400 (2021: £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 31st March 2022

6. Staff Costs and Numbers

	2022	2021
	£	£
Wages and salaries	3,712,171	3,560,707
Social security costs	286,650	266,620
Other pension costs	1,670,085	1,384,041
Other staff costs	126,954	97,670
	<u>5,795,860</u>	<u>5,309,038</u>

1 member of staff was made redundant during the year at a cost of £1,427 (2021: 5; £100,310).

Following UK and Scottish Government Guidance, all East Ayrshire Leisure 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. To the end of March 2022, the Trust had claimed £1,198,213 under the Job Retention Scheme.

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

	2022	2021
£80,000 - £89,999	1	1

The executive management team comprises 2 staff members (2021: 2 staff members). The total employee benefits (including employers contributions) of the executive management team were £196,062 (2021: £190,580).

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

	2022	2021
	Number	Number
East Ayrshire Leisure Trust		
Full-time (permanent)	95	96
Part-time (permanent)	91	77
	<u>186</u>	<u>173</u>

During the year trustees received no remuneration (2021: nil). Trustee expenses totalled £nil (2021: £nil). No trustees received payment for professional or other services supplied to the charity (2021: nil).

7. Operating Surplus

	2022	2021
	£	£
The operating surplus is stated after charging/(crediting)		
Auditors' remuneration (including expenses) for audit	13,100	11,059
for other services	7,010	15,325
Operating lease rentals	20,196	23,062

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2022

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

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

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

	31st March 2022	31st March 2021
	£'000	£'000
Opening defined benefit obligation	32,137	23,789
Current service cost	1,674	1,283
Past service cost/(gain) (including curtailments)	-	197
Interest cost on defined benefit obligation	657	560
Contributions by members	193	215
Actuarial losses/(gains)	(2,710)	6,606
Benefits paid	(357)	(511)
Unfunded benefits paid	(5)	(2)
	<u>31,589</u>	<u>32,137</u>

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

	31st March 2022	31st March 2020
	£'000	£'000
Opening fair value of plan assets	28,908	23,798
Interest income on plan assets	582	552
Contributions by members	193	215
Contributions by the employer	635	720
Contributions in respect of unfunded benefits	5	2
Actuarial gain/(loss)	1,674	4,134
Benefits paid	(357)	(511)
Unfunded benefits paid	(5)	(2)
	<u>31,635</u>	<u>28,908</u>

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2022

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

	31st March 2022	31st March 2021
	£'000	£'000
Current service cost	(1,674)	(1,283)
Past service cost/(gain) (including curtailments)	-	(197)
Total service cost	(1,674)	(1,480)
Net interest		
Interest income on plan assets	582	552
Interest cost on defined benefit obligation	(657)	(560)
Total net interest	(75)	(8)
Total defined benefit cost recognised in net income/expenditure per the SOFA	(1,749)	(1,488)

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

	31st March 2022	31st March 2021
	%	%
Equities	64	66
Bonds	24	23
Property	10	9
Cash	2	2

The estimated employer contributions for the year to 31 March 2022 are £634,000.

The principal actuarial assumptions used in the calculations are:

	31st March 2022	31st March 2021
	% per annum	% per annum
Pension Increase Rate	3.20	2.85
Salary Increase Rate	3.90	3.55
Discount Rate	2.70	2.00

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below::

	Males	Females
Current Pensioners	19.6 years	22.4 years
Future Pensioners	21.0 years	24.5 years

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2022

9. Fixed Assets

	Furniture & Equipment	Total
	£	£
Cost		
As at 1 st April 2021	166,854	166,854
Additions	32,560	32,560
	<u>199,414</u>	<u>199,414</u>
As at 31 st March 2022	<u>199,414</u>	<u>199,414</u>
Depreciation		
As at 1 st April 2021	159,437	159,437
Charge	8,360	8,360
	<u>167,797</u>	<u>167,797</u>
As at 31 st March 2022	<u>167,797</u>	<u>167,797</u>
Net book value		
As at 31 st March 2021	7,417	7,417
As at 31 st March 2022	<u>31,617</u>	<u>31,617</u>

10. Heritage Assets

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

	Heritage Assets	Total
	£	£
Cost		
As at 1 st April 2021	34,920	34,920
	<u>34,920</u>	<u>34,920</u>
As at 31 st March 2022	<u>34,920</u>	<u>34,920</u>
Net book value		
As at 31 st March 2021	34,920	34,920
As at 31 st March 2022	<u>34,920</u>	<u>34,920</u>

11. Stock

	2022	2021
	£	£
Goods for re-sale	<u>24,192</u>	<u>18,920</u>

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2022

12. Debtors

	2022	2021
	£	£
Amounts due from East Ayrshire Council	381,876	125,693
Trade debtors	108,890	42,957
Other debtors and prepayments	290,751	185,716
	<u>781,517</u>	<u>354,366</u>

13. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Amounts owed to East Ayrshire Council	33,184	132,365
Trade creditors	17,780	12,658
Accruals and deferred income	454,807	532,302
Taxation and social security	222,629	271,813
	<u>728,400</u>	<u>949,138</u>

14. Deferred income

Deferred income comprises advanced ticket sales.

	2022	2021
	£	£
Balance as at 1 st April 2021	139,500	100,988
Amounts released to income during 2021/22	(139,500)	(100,988)
Amounts deferred in year	161,782	139,500
	<u>161,782</u>	<u>139,500</u>
Balance as at 31 st March 2022	<u>161,782</u>	<u>139,500</u>

15. Financial assets and liabilities

	2022	2021
	£	£
Financial assets at amortised cost	2,038,340	1,605,035
Financial liabilities at amortised cost	(343,989)	(537,825)
	<u>1,694,351</u>	<u>1,067,210</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 31st March 2022

16. Reserves

Funds 2022	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Balance at 31 st March 2022				
Represented by:				
Fixed assets	66,537	-	66,537	42,337
Net current assets	1,076,949	321,158	1,398,107	755,980
Retirement benefit scheme asset/(liability)	46,000	-	46,000	(3,229,000)
	<u>1,189,486</u>	<u>321,158</u>	<u>1,510,644</u>	<u>(2,430,683)</u>
Funds 2021	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Balance at 31 st 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>

Unrestricted Fund 2022	Opening Balance at 1st April 2021 £	Incoming £	Outgoing £	Transfers £	Actuarial Gain/(Loss) £	Closing Balance at 31st March 2022 £
Unrestricted fund	629,336	6,773,386	(6,298,755)	(3,776)	-	1,100,191
Designated funds	44,920	20,840	(22,465)	-	-	43,295
Pension reserve	(3,229,000)	-	(1,109,000)	-	4,384,000	46,000
	<u>(2,554,744)</u>	<u>6,794,226</u>	<u>(7,430,220)</u>	<u>(3,776)</u>	<u>4,384,000</u>	<u>1,189,486</u>

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2022

Unrestricted Fund 2021	Opening Balance at 1st April 2020	Incoming	Outgoing	Transfers	Actuarial Gain/(Loss)	Closing Balance at 31st March 2021
	£	£	£	£	£	£
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>

Designated Funds 2022:	2021	Incoming	Outgoing	Transfer	2022
	£	£	£	£	£
Fixed assets	34,920	-	-	-	34,920
Dover House upgrades	10,000	-	(10,000)	-	-
IT equipment – corporate services, P&E	-	6,000	(3,200)	-	2,800
Cultural – Additional Totem Signage at DI	-	3,765	(3,765)	-	-
P&E – RAW equipment	-	4,000	(4,000)	-	-
Libraries – Lorensbergs Netloan Upgrade	-	1,600	-	-	1,600
Box Office / Booking System	-	5,475	(1,500)	-	3,975
Total designated funds	44,920	20,840	(22,465)	-	43,295

Designated Funds 2021:	2020	Incoming	Outgoing	Transfer	2021
	£	£	£	£	£
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
Total designated funds	54,530	-	(9,610)	-	44,920

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2022

Restricted funds

2021				2022				
Opening Balance	Incoming Resources	Resources Expended	Closing Balance	Opening Balance	Incoming Resources	Resources Expended	Transfers	Closing Balance
£	£	£	£	£	£	£	£	£
-	-	-	-	-	212,000	(12,971)	-	199,029
-	-	-	-	-	5,000	-	-	5,000
-	-	-	-	-	-	(13,114)	-	(13,114)
-	-	-	-	-	15,750	-	-	15,750
-	-	-	-	-	47,499	(47,499)	-	-
-	-	-	-	-	-	(2,968)	2,968	-
-	-	-	-	-	810	-	-	810
-	-	-	-	-	21,265	(17,691)	-	3,574
-	-	-	-	-	10,500	(1,535)	-	8,965
-	-	-	-	-	42,789	(32,789)	(10,000)	-
-	-	-	-	-	5,000	(9,600)	7,032	2,432
4,132	-	(117)	4,015	4,015	-	(106)	-	3,909
861	-	-	861	861	-	-	-	861
-	9,273	(4,681)	4,592	4,592	2,830	(1,850)	-	5,572
-	48,010	(32,510)	15,500	15,500	93,887	(94,574)	-	14,813
2,416	-	-	2,416	2,416	-	(44)	-	2,372
-	4,000	-	4,000	4,000	-	-	-	4,000
-	23,020	(1,015)	22,005	22,005	1,198	(16,517)	-	6,686
27,973	-	(3,715)	24,258	24,258	181,793	(185,207)	-	20,844
14,955	-	-	14,955	14,955	-	-	-	14,955
7,356	-	-	7,356	7,356	-	(7,356)	-	-
9,450	-	(10,348)	(898)	(898)	12,150	(15,028)	3,776	-
5,000	-	-	5,000	5,000	-	-	-	5,000
-	20,000	-	20,000	20,000	-	(300)	-	19,700
-	2,099	(2,099)	-	-	-	-	-	-
(5,369)	5,577	(208)	-	-	-	-	-	-
7,175	-	(7,175)	-	-	-	-	-	-
(15,588)	16,788	(1,200)	-	-	-	-	-	-
4,889	-	(4,889)	-	-	-	-	-	-
63,250	128,766	(67,955)	124,061	124,061	652,471	(459,150)	3,776	321,158

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2022

Annick Valley Leisure Facilities – EAC Members and Officers Working Group (MOWG) on developer contributions identified £212,000 which has been allocated for Annick Valley and has been transferred to East Ayrshire Leisure.

Dean Castle Event - 2 funding bids will be submitted for this event – the outcome for the first submission is due June 2022 and the second bid still to be done. £5k has been identified as match funding. The event as a focal point for the reopening of the Castle will provide a celebratory, collaborative and high profile occasion through our confirmed partnerships with key Scottish cultural heavyweights including The Cumnock Tryst headed up by one of the world's most important composers, Sir James MacMillan, Professor Alistair McDonald - Composer and Sound Artist (Royal Conservatoire of Scotland), Professor Kirsteen McCue - historian and musician (Glasgow University, Burns Scotland), and Colin Currie – world renowned percussionist. The project will take a wholly accessible, collaborative and engaging approach, working with local pupils to develop a newly commissioned work which will feature at the centre of the event, and welcoming on the spot participation for visitors through a unique series of percussion sculptures, an entirely new collection of musical instruments created by a local artist blacksmith for this event.

Fruit and Nut Tree Woodland – Funding has been secured through the Scottish Government Naturalisation Funding, to transform an area of unimproved grassland to a community woodland which focuses on the principles of 'food for free'. The woodland will be developed and planted by East Ayrshire Woodland's trainees as well as through community events organised by East Ayrshire Leisure's Countryside Ranger Service. The project also includes the establishment of a native hedgerow along the boundary of the site. To date, the native hedgerow has been planted through a number of volunteer sessions involving Ayrshire College, young people being looked after by EAC, the local community and corporate volunteers from Teleperformance Call Centre based at Rowallan Business Park.

FutureMuseum.co.uk Redevelopment - A successful bid was submitted to Museums Galleries Scotland for £47,000 to support the redevelopment of the south west Scotland partnership project. The project is estimated to take two years to complete. FutureMuseum.co.uk is a partnership between East Ayrshire Leisure Trust, Dumfries and Galloway Council, North Ayrshire Council and South Ayrshire Council. The objectives of the project are to maximise access to the museum and gallery collections of the South-West of Scotland, to deepen people's understanding of the history of the region, and to drive footfall to the museums and galleries in the region. A redesign of the website will make it more accessible through improved design, site navigation and effective use of analytical tools to support content generation.

Leisure at the Heart of All Communities – We have received funding through the UK Government's Community Renewal Fund for the Leisure at the Heart of All Communities project, which aims to bring physical activity, cultural, heritage and greenspace activities right to every community in East Ayrshire. The project will refurbish 4 buses to deliver programmes throughout East Ayrshire from March to August 2022.

October Activity Programme – funding received towards an activity programme to be run in the October week for young people aged 18 years and under.

Patna Leisure Facilities – EAC Members and Officers Working Group (MOWG) on developer contributions identified £810 which has been allocated for Patna and has been transferred to East Ayrshire Leisure.

Seedscares: Future Proofing Nature - A successful bid for £13,524 was secured to make a body of new contemporary visual art work through an artist-led participatory programme with young people exploring art, activism and climate change in response to COP26 and to the SEEDSCAPES exhibition in the Dick Institute Main Gallery. In a mutual exchange of perspectives the work will reflect a unique moment in time considering nature,

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2022

biodiversity and the environment. The work will be presented through photography, exhibition and installation and will explore the vital interconnection between seeds, plants and human survival at this critical juncture in a world facing climate crisis and shaped by Covid.

Sharing Stories – This Project is supported by the Scottish Government Public Library COVID Recovery Fund and Scottish Library & Information Council. The primary aim of this project is to engage, build relationships with, and provide support for the many different groups within our communities who may have been adversely affected by the Covid-19 pandemic. Also to help rebuild our library service post-pandemic by enabling us to provide more and varied activities and purchase additional related resources, which will hopefully encourage people back through our doors and generate an upturn in usage and footfall – both of which have seen a steep decline as a direct result of Covid-19. We will be focusing on supporting children with learning disabilities, dementia sufferers, adults with low literacy levels and ESOL.

Summer Activity Programme – funding received for a summer programme of activities targeting children and young people who fall into one of ten targeted groups.

Youth Memberships – £5,000 funding will be utilised to target certain 16-17 years olds who currently do not engage with physical activity or our sports venues. The funding will be utilised to pay for a fitness membership that will give them access to our gyms, fitness classes, swimming pools, running tracks and racquet sports.

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.

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 did not take place in 2021 due to EventScotland funding being withdrawn due to Covid 19 but the 2022 event should be going ahead.

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

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.

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.

Foster Carer Service - Memberships – £4,000 funding from East Ayrshire Council has been issued to support foster carers in accessing sport and physical activity services for the children they are caring for.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2022

Grayson Perry – Our planned high profile exhibition for 2020/21 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.

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.

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.

Logan Centre (Ringfenced) – Funding allocated to EA Leisure for the sustainable development of the Logan Centre to benefit the entire community.

Museums Database - East Ayrshire Leisure cares for approximately 250,000 objects within the museums it manages on behalf of East Ayrshire Council. Currently these collections are documented on a mixture of ageing and basic database systems. As we progress through the actions outlined within our Accreditation plan, including a full, basic inventory of all collections, plus our work with our Recognised collections, it is clear that we require a modern, future-proof database for use across the museum service, with opportunities for working with external partners in a more co-ordinated and efficient way. Museums Galleries Scotland has awarded 75% of project costs. Progress with the project was interrupted due to Covid 19, however MGS granted an extension to 31 July 2021 to complete the project.

SHOUT - £5,000 funding from East Ayrshire Council has been issued to offer FREE swimming to SHOUT card holders during the school holiday periods.

Wifi Project - After an initial review was submitted to the EAC we have since received funding of £20,000 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 extended this to July 2021.

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 19th February and the year of celebrations launched with an event which welcomed around 60 people.

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 31st March 2022

19. Related parties

East Ayrshire Council (EAC) made a contribution in line with the Services Agreement of £4,966,113 (2021: £4,857,569). 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 (2021: £187,400).

The relevant transactions and balances with East Ayrshire Council were:

2021/22				2020/21			
Income from EAC	Payments to EAC	Due from	Due to	Income from EAC	Payments to EAC	Due from	Due to
£	£	£	£	£	£	£	£
5,422,586	733,948	381,876	33,184	5,424,206	637,372	125,693	132,365
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20. Contingent Liabilities

There are three public liability claims, and no employer liability claims ongoing. (2021: two public liability claims, and two 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.