

PERFORMANCE & AUDIT SUB COMMITTEE

Date: 16 August 2022

Location: Reception Room, Grand Hall, Kilmarnock

Start time: 4pm

AGENDA			
AGENDA ITEM	FOR NOTING	FOR DISCUSSION	FOR APPROVAL/ DECISION
1. Apologies for Absence	✓		
2. Declarations of Interest	✓		
3. Notes of Previous Meeting – 14 June 2022			✓
4. Performance Report April – June 2022			✓
5. Annual Report and Accounts 2021/22			✓
6. AOCB			
7. Dates of Next Meetings: Trust Board: 13 September 2022 Performance & Audit Sub-Committee: 8 November 2022			

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PERFORMANCE AND AUDIT SUB-COMMITTEE

PERFORMANCE REPORT APRIL - JUNE 2022

Date: 16 August 2022

Agenda Item: 4

Report by: Anneke Freel, Chief Officer

I PURPOSE OF REPORT

- 1.1 This report provides details of the Trust's performance for the period April to June 2022, the final first quarter of the 2022/23 financial year.
- 1.2 In line with the organisational review, Strategic Vision and Corporate Delivery Plan, the performance report has been separated into 3 documents:
 - East Ayrshire Leisure Performs – providing an update on attendance figures, organisational learning, the risk register and other organisational wide items
 - Corporate Delivery Plan Record of Progress – providing an update on the priority outcomes
 - Financial Performance – providing an update on our financial position at the end of the quarter and projections to the end of the financial year

2 EAST AYRSHIRE LEISURE PERFORMS

- 2.1 The overall attendance at our venues for the period April – June 2022 was 403,385. Whilst this isn't full recovery to pre-covid figures and attendances continue to be monitored within our libraries and museums in particular, it is showing strong recovery with an increase of 139% across all venues compared to the same period in 21/22.
- 2.2 E-books and other digital services continue to show growth beyond pre-covid figures. This trend will be reflected in the development of our services going forward.
- 2.3 Community Lifestyle Hubs and Sports Centres are performing well with Rose Reilly Sports Centre and Loudoun, Doon and McIlvanney Leisure Centres all recording figures above pre-covid numbers.
- 2.4 The performance indicators identified within the strategic vision are now being reported within the performance report. It's great to see schools starting to use the venues again.
- 2.5 Organisational Learning is also now included within the performance report
- 2.6 There are no changes to the risk register for this quarter. However, the management team will review the Covid-19 risk register and integrate it into the core organisational risk register for quarter 2.

3 CORPORATE DELIVERY PLAN RECORD OF PROGRESS

- 3.1 91 priority outputs have been included within the 2022-24 Corporate Delivery Plan. April – June 2022 represents the first quarter of this 2 year period. In this period, 5 outputs are marked as complete including the review of the Service Level Agreement and Constitution. 35 other outputs are also underway and progressing well. Some of these are highlighted in the following paragraphs.
- 3.2 We have produced a Fitness Development Plan to capitalise on the strong recovery of our programme and to focus on customer retention.

- 3.3 Proposals for the restoration and redevelopment of Galston Town Hall have received planning permission and the project is scheduled for completion early in 2023. These proposals include the movement of Galston Library into this fantastic heritage building. This is in line with the Leisure Facility Strategy and will provide us with the opportunity to create a multi-cultural hub with the potential for repatriation of local collections into the local area.
- 3.4 Creatures Great and Small exhibition was opened at the Main Gallery in The Dick Institute in April. Workshops will be focussed on pre-5 groups. Ploughing the Past exhibition is on display in the Baird Institute and was curated in partnership with Cumnock History Group. Ploughing Up the Past will be officially opened on the 7th July. The 'Name your Fears, Tame Your Fears' exhibition was opened in the Young People's Gallery in June 2022 and features work by Logan PS.
- 3.5 The natural health programme has been introduced and is being delivered by the Countryside Team. Work will be undertaken to determine how it could be expanded to other service areas and linked to the East Ayrshire Health and Social Care Partnership and EAC's Community Health Improvement Project (CHIP)

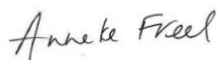
4 FINANCIAL PERFORMANCE

- 4.1 The financial performance quarter 1 report provides detail of the Trust's financial performance for the period April - June 2022. The projected outturn for East Ayrshire Leisure at 30th June 2022 is a breakeven position. This position has been achieved due to vacancies and management actions minimising expenditure to offset any projected income shortfalls. Management will continue to monitor and implement action to ensure a breakeven position.

Recommendation/s:

It is recommended that Trustees:

- i. Consider and approve the East Ayrshire Leisure Performs Report for the period April - June 2022; and
- ii. Otherwise note the content of this report.



Signature:

Designation: Chief Officer

Date: 4 August 2022



EAST AYRSHIRE LEISURE PERFORMS

QUARTER I

APRIL - JUNE

2022/23



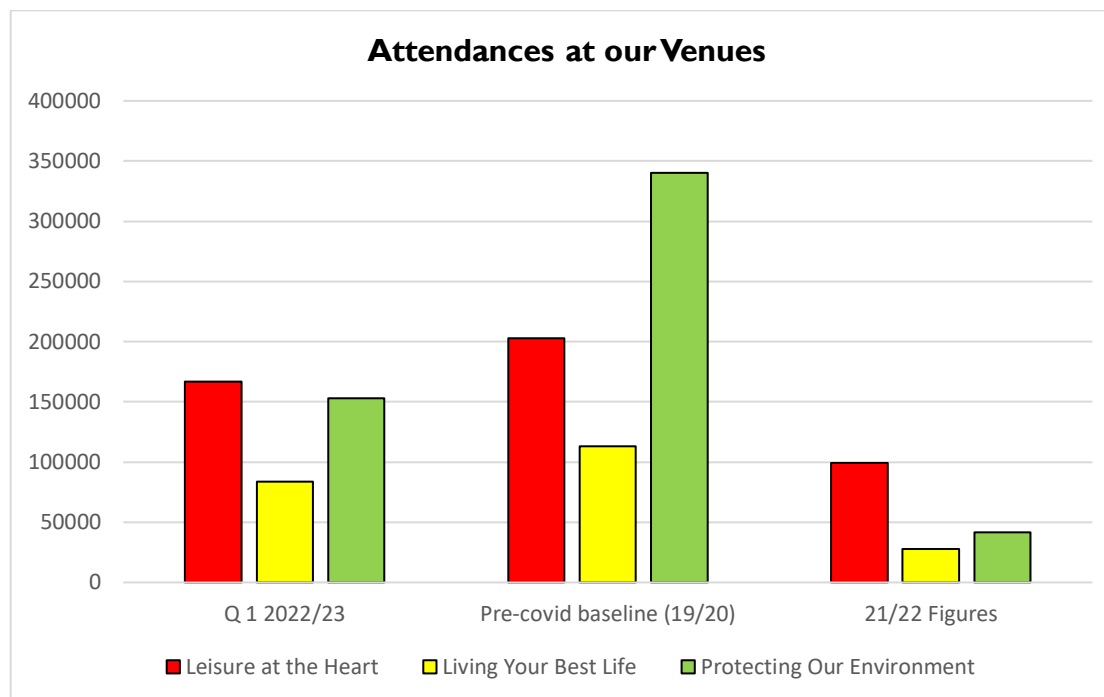
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PERFORMANCE INDICATORS

Attendance Figures

The following chart summarises our attendance figures across 4 of our strategic themes and the table provides a detailed breakdown of which venues are included within each theme.



- * Whilst some of our venues within **Leisure at the Heart** are performing exceptionally well (Ebooks increase of 212% and William McIlvanney Leisure Centre increase of 198% on pre-covid figures), libraries continue to show a decrease in attendance. Although this has resulted in an overall decrease of 18% on pre-covid attendance figures, it is an improving trend with a 68% increase from the same period in 2021/22 across the theme.
- * With Dean Castle still closed and Burns Monument Centre still operating with an appointment system, **Living Your Best Life** is showing a decrease of 48% on pre-covid figures for the quarter. However, our museum venues in particular are beginning to show strong recovery with an increase of 110% across the theme for quarter 1. It should be noted that this figure does not include the Palace Theatre at this time, so is likely to be a more favourable position.
- * The River Ayr Way people counters are no longer operational. Therefore, **Protecting our Environment** will only record figures to Dean Castle Country Park until new people counters are installed along the medium distance route.

Leisure at the Heart	Living Your Best Life	Protecting our Environment
<p> Auchinleck Library Cumnock Library Darvel Library Newmilns Library Galston Library Dick Institute Library Patna Library Drongan Library Whatriggs Library Stewarton Library Crosshouse Library Stewarton Area Centre Boswell Centre Galston Community Centre Darvel Town Hall Morton Hall Cumnock Town Hall Auchinleck Leisure Centre Barony Sports Village Doon Valley Leisure Centre Rose reilly Sports Centre Loudoun Lesiure Centre Hunter Fitness Suite St Joseph's Leisure Centre Grange Leisure Centre William McIlvanney Leisure Centre E-books Mobile Services Football Pavilions </p>	<p> Dick Institute Museum Dean Castle Burns House Museum Burns Monument Centre Baird Institute Doon Valley Museum Ayrshire Athletics Arena Annanhill Golf Course </p>	<p> Dean Castle Country Park River Ayr Way </p>

Strategic Vision Performance Monitoring

The following performance indicators are aligned to our 10 year Strategic Vision

Performance Indicator	Quarter 1 Performance	Quarter 2 Performance	Quarter 3 Performance	Quarter 4 Performance	2022/23 Performance	2030 Strategic Aspirations
People attending our Venues	403,385					2.9 million
People engaging in our programmes	Reports are currently being developed through the box office system and will be updated for Q2					0.99 million
Our eastayrshireleisure.com online visitors	135,981					0.38 million
Online visitors to futuremuseums.com	43,350					0.25 million
Number of programmes for 12-25 year olds	14					30
Number of programmes for 65+	3					15
Number of local and regional events and exhibitions	30					40
Number of children engaged in our education programme	2675					20,000
Opportunities that we offer for volunteers and work placements	5					50
Our absence Levels	Average 2.98 days lost per employee					8 days / annum
Our staff turnover rates						7-10%
Number of community initiatives that we support	12					30
Number of partnership projects we engage in	26					40
Carbon Footprint	Reported at end of financial year					990tCO2e

KEY UPDATES

Insurance Claims

The following information provides an update on the number of live claims in progress during the period April - June 2022:-

Public Liability	2 remain open 1 closed
Employers' Liability	n/a
Motor Claim	n/a

Gifts & Hospitality

No gifts or hospitality were received during this period.

ORGANISATIONAL LEARNING

Organisational Learning is a relatively new concept for the Trust, it is a process that demonstrates our commitment for continuous improvement through collectively sharing and reviewing processes, procedures, appreciate/celebrate good practice and acknowledge where there are opportunities to learn.

During the period April – June the following action plan was developed which is categorised into key themes:

Learning Theme	Recommendation/Notes	Action Required
Customer Care/Services	<ul style="list-style-type: none"> Friendly, helpful, kind, attentive, motivational; all phrases been said about staff this quarter. Staff going above and beyond during coaching sessions and museum visits. 	<ul style="list-style-type: none"> Service action required
	<ul style="list-style-type: none"> Visual arts & exhibition programme praised 	<ul style="list-style-type: none"> Service action required
	<ul style="list-style-type: none"> Customers complaining about a member of staff raising their voice to their son touching one of the museum pieces. 	<ul style="list-style-type: none"> Service action required <ul style="list-style-type: none"> Customer Service Protocol
H&S: Checks & 'Housekeeping'	<ul style="list-style-type: none"> Cleanliness fell below expected standards. Chairs were of poor quality/standard. 	<ul style="list-style-type: none"> Service action required <ul style="list-style-type: none"> Equipment Replacement Programme
Health & Safety	<ul style="list-style-type: none"> Staff being subjected to verbal abuse, concerned for their own safety, feeling intimidated and/or threatened, public refusing to leave premises 	<ul style="list-style-type: none"> Service action required <ul style="list-style-type: none"> Violence & Aggression Risk Assessment Staff awareness – do's & don'ts Conflict Handling Training
	<ul style="list-style-type: none"> Dealing with inappropriate behaviour from customers/public and customers using facilities under the influence of drugs and/or alcohol 	<ul style="list-style-type: none"> Service action required <ul style="list-style-type: none"> Violence & Aggression Risk Assessment Staff awareness – do's & don'ts Conflict Handling Training
	<ul style="list-style-type: none"> Minor accidents occurring while putting equipment away. 	<ul style="list-style-type: none"> Service action required <ul style="list-style-type: none"> Manual Handling Training

Learning Theme	Recommendation/Notes	Action Required
Work Environment	<ul style="list-style-type: none"> Enforce the culture of the organisation and ensure that staff display the values and behaviours set by the organisation. 	<ul style="list-style-type: none"> Service action required <ul style="list-style-type: none"> Staff required to undertake an annual familiarisation of policies & procedures including the Code of Conduct Reiterate Trust Values & Behaviours
Information Security	<ul style="list-style-type: none"> Ensure staff are aware of their responsibilities detailed within the Code of Conduct and the Information Security Policy and the Acceptable use Policy. Review permissions within the booking system to ensure these are updated, relevant and understood by all users. 	<ul style="list-style-type: none"> Service action required <ul style="list-style-type: none"> Staff required to undertake a familiarisation of documents Corporate Services
Code of Conduct	<ul style="list-style-type: none"> All staff to be reminded that under the Code of Conduct, any private enterprises should be declared. Staff reminded that they are not permitted to canvas customers while working for the Trust. Remind staff that they can only access gym and sport classes if they pay for the service or take out a gym membership. 	<ul style="list-style-type: none"> Service action required <ul style="list-style-type: none"> Staff newsletter Service action required <ul style="list-style-type: none"> Staff newsletter
Training & Development	<ul style="list-style-type: none"> Appoint a temporary mentor (same level) for all newly appointed members of staff with responsibility for managing or supervising people. All newly appointed supervisors or managers to be enrolled on Mandatory Leadership programme. 	<ul style="list-style-type: none"> Service action required Service action required

RISK REGISTER

No.	Risk	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
1	There will be a 20% reduction in funding received from East Ayrshire Council, resulting in a reduction in service provision and a requirement to generate more income from services.	Chief Officer	4	4	16 RISK APPETITE: CAUTIOUS (Compliance)	HIGH	<ul style="list-style-type: none"> Communication with East Ayrshire Council allowing forward planning to ensure that service provision meets the requirements of the main funding provider. Best Value Review Implementation PR; communications with staff and customers
2	There is a risk of not being able to maintain high quality services because of a lack of funding, resulting in a failure to invest, loss of staff, a reduction in staff commitment and damage to East Ayrshire Leisure's reputation.	Executive Managers & Development Managers	4	3	12 RISK APPETITE: OPEN (Reputation)	MEDIUM	<ul style="list-style-type: none"> Business Planning Positive Public Relations Equipment Replacement Programme Continued dialogue with Council Review of B.E.S.T. practise - ongoing training and development of staff
3	There is a risk partners and external stakeholders do not see East Ayrshire Leisure as a partner of choice because of a lack of resources invested in partnership activity, resulting in a failure to deliver Business Plan targets and the loss of external funding.	Executive Managers & Development Managers	3	3	9 RISK APPETITE: OPEN (Reputation)	LOW	<ul style="list-style-type: none"> Service reviews Positive Public Relations Service Level Agreements/Contracts

No.	Risk	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
4	There is a risk that buildings are not at the standard required or operating efficiently in terms of environmental sustainability due to a lack of capital investment or maintenance, resulting in a reduction in facilities, loss of income, the inability to market services, inability to respond to impacts of climate change or weather and the loss of services.	Executive Managers & Development Managers	3	4	12 RISK APPETITE: OPEN (Operation)	MEDIUM	<ul style="list-style-type: none"> Regular communication with the Council Business Continuity Plan Regular Workplace inspections and reviews Fire Risk Assessments Established repairs reporting system Proposed Asset Management Plan (EAC) Capital Improvement Plan Environmental Management, Monitoring and reporting Leisure Facility Strategy
5	There is a risk that East Ayrshire Leisure does not take commercial opportunities because staff are not able to identify and take these opportunities, resulting in lost revenue streams, perceptions of poor service and the failure to be aligned with market demands.	Executive Managers & Development Managers	4	3	12 RISK APPETITE: OPEN (Financial)	MEDIUM	<ul style="list-style-type: none"> Attendance at Events Recruitment and Selection procedure Review of Best Practise Training and development programme
6	There is a risk that East Ayrshire Leisure does not have the right people with the right skills in the right	Executive Managers &	3	2	6	LOW	<ul style="list-style-type: none"> Training and development Ongoing review of Training matrices Induction Process Review of B.E.S.T. Practise

No.	Risk	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
	places because of the failure to adapt/train existing staff, not recruiting the right people and not motivating its workforce. This would result in poor services, lack of customer engagement, failure to cross-sell and a loss of income.	Development Managers			RISK APPETITE: OPEN (Operation)		<ul style="list-style-type: none"> Recruitment and selection procedure Effective communication with staff
7	There is a risk that East Ayrshire Leisure will not comply with legislation standards and fail to meet the requirements of Health & Safety, GDPR, OSCR, VAT etc.	Executive Managers & Development Managers	I	4	4 RISK APPETITE: CAUTIOUS (Compliance)	LOW	<ul style="list-style-type: none"> Partnerships Working Groups Service Level Agreement Support from East Ayrshire Council

RISK REGISTER - COVID 19

No.	Risk	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
8	There is a threat to the viability of current Business Operations arising from Business closure resulting in reduction in service provision and the inability to fully deliver Strategic Delivery Plan.	Executive Management and Development Managers	5	3	15 RISK APPETITE: OPEN (Operation)	MEDIUM	<ul style="list-style-type: none"> Consider and review the implications of COVID-19 including social distancing measures Review actions within the Strategic Delivery Plan Continue to deliver and develop alternative services Social media and website presence Customer e-newsletters Working from home policy
9	There is a risk to the organisation's management due to the high dependency on the 2 members of Executive Management Team and Development Management team.	Chief Officer	3	3	9 RISK APPETITE: OPEN (Operation)	LOW	<ul style="list-style-type: none"> Business Continuity Plan Monthly DMT Business Meetings Stress Management training Monitoring workloads through 1-1 meetings
10	There is a threat to the financial stability of the organisation resulting from loss of income. Ongoing closure could have an impact on the management fee received from East Ayrshire Council.	Executive Management and Development Managers	5	4	20 RISK APPETITE: OPEN (Financial)	HIGH	<ul style="list-style-type: none"> Continued dialogue with East Ayrshire Council in relation to the management fee Consider financial support available to the organisation as a result of the coronavirus Claim employees wages through Job Retention Schedule Monitor cashflow and reduce expenditure where possible Continued support & guidance given by Community Leisure UK Online services including sales Maximise additional income streams

No.	Risk	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
11	Reduction in workforce from COVID 19 resulting in loss of key staff and skills. Potential reduction in availability of all staff to resume roles resulting in inability to deliver all services with potential loss of income.	Executive Management and Development Managers	4	3	12 RISK APPETITE: OPEN (Operation)	MEDIUM	<ul style="list-style-type: none"> Alternative service provision – transformation Training & Development Programme Recruitment & Selection procedure Working from home policy
12	There is a risk to our reputation if we do not adhere to government guidance in an appropriate timely manner to ensure both staff and customers are in safe and controlled environment.	Executive Management and Development Managers	2	4	8 RISK APPETITE: OPEN (Reputation)	LOW	<ul style="list-style-type: none"> Follow and monitor Local, Scottish and National Government guidance Consider and review the implications of COVID-19 on the operation of our business Support from East Ayrshire Council Effective communication with staff and customers
13	There is a risk that East Ayrshire Leisure staff morale could be at an all time low due to the impact of COVID 19. (financial, bereavement, domestic circumstances, furlough etc)	Executive Management and Development Managers	3	4	12 RISK APPETITE: OPEN (Operation)	MEDIUM	<ul style="list-style-type: none"> Regular communication with staff Access to support services eg counselling services Staff trained in mental health practices Staff engagement programme Access to Support & Wellbeing Programme
14	There is a risk that East Ayrshire Leisure will not be in a position to attract existing customers back to our facilities due to financial constraints,	Executive Management and Development Managers	3	4	12 RISK APPETITE: OPEN (Financial)	MEDIUM	<ul style="list-style-type: none"> Review of service provision – transformation Customer engagement programme Customer e-newsletters

No.	Risk	Lead Officer	Likelihood	Impact	Total Risk Score (L x I)	Risk Category	Controls
	alternative opportunities being available and loss of confidence.						
15	There is a risk that East Ayrshire Leisure's business continuity will be affected if key decisions cannot be made due to the inability to hold Trustee board and performance and audit meetings.	Chief Officer	1	5	5 RISK APPETITE: OPEN (Operation)	LOW	<ul style="list-style-type: none"> Regular liaison with Chair and Vice Chair Regular Trustee updates Review of agenda items Establishment of video conferencing
16	There is a risk that building and/or equipment maintenance and repairs cannot be carried out either due to lack of staff or companies no longer operating, resulting in non-service provision or loss/damage to our facilities.	Executive Management and Development Managers	2	4	8 RISK APPETITE: OPEN (Reputation)	LOW	<ul style="list-style-type: none"> Regular communication with EAC Business Continuity Plan Alternative service delivery Maintenance Liaison Group
17	There is a risk that capital projects cannot proceed which will impact on planned and unplanned opportunity to upgrade existing facilities.	Executive Management and Development Managers	2	3	6 RISK APPETITE: OPEN (Operation)	LOW	<ul style="list-style-type: none"> Regular communication with EAC and other partners Work in partnership to resolve issues and minimise impact Effective communication with staff and customers
18	There is a risk that external funding may be withdrawn or have to be repaid due to projects no longer being viable or East Ayrshire Leisure being unable to fulfil requirements to meet funding obligations.	Executive Management and Development Managers	2	3	6 RISK APPETITE: OPEN (Operation)	LOW	<ul style="list-style-type: none"> Regular communication with funders and partners Work in partnership to resolve issues and minimise impact eg extend funding, consider alternative delivery option Effective communication with customers








CORPORATE DELIVERY PLAN
RECORD OF PROGRESS
QUARTER I
APRIL - JUNE
2022/23












KEY:




Chief Officer	CO	Finance & Business Development Manager	F&BDM	Property & Estates Development Manager	P&EDM
Business Support Development Officer	BSDO	Head of Corporate Services	HCS	Relationship & Business Development Manager	R&BDM
Community & Performing Arts Development Manager	C&PADM	Head of Operational Services	HOS	Sports Development Manager	SDM
Cultural Development Manager	CDM	Leisure Development Manager	LDM		

 - No Progress	 - Some Progress	 - Complete
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SHARING OUR VISION				
Strategic Objective 1: 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				
Output		Lead	Progress	Comments
1	Produce Customer Exchange programme	R&BDM		
2	Produce Staff Exchange programme	R&BDM		Staff Exchange Events have taken place; formal programme still to be produced.
3	Embed new feedback mechanisms following programme of audit recommendations	R&BDM		Meeting taken place with Internal Audit; full review programmed for later in the year.
4	Create calendar of community engagement activity, utilising our Community Consultation Process	R&BDM		
5	Produce and adopt a customer retention Strategy	R&BDM		Fitness Development Plan produced to focus on customer retention.






SHARING OUR VISION				
Strategic Objective 2: 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				
Output		Lead	Progress	Comments
6	Design a Communications Strategy which delivers accessibility, diversity, equality and a multilingual approach	R&BDM		
7	Redesign and development of Future Museum to promote collections and services of South West Scotland	CDM		Funding has now been received for the redesign of Futuremuseum. Procurement documentation is being prepared to appoint a community facilitator and web design team to undertake the work.
8	Create standard video/digital format for recruitment	R&BDM		Complete and working well; examples include Head of Operations post.
9	Film and digital content created to promote all venues, service areas and opportunities	R&BDM		
10	Film and digital content created to tie in with hospitality/commercial lets, 'Community Spaces for hire'	R&BDM		
11	Create programme of tourism engagement and promotion whilst maintaining or improving accreditation ratings	R&BDM		The VisitScotland Accreditation Scheme is scheduled to be reactivated following Covid restrictions. A number of workshops / site visits are being arranged through June and August with VisitScotland to allow us to develop action plans for each venue ahead of our accreditation visit.

SHARING OUR VISION				
Strategic Objective 3: 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				
Output		Lead	Progress	Comments
12	Implement and promote the East Ayrshire Recreation Plan	LDM		
13	Develop regional wide Cultural Strategy	CDM		
14	Engage with and support Community Leisure UK in the implementation of the Community UK Business Plan	CO		

SHARING OUR VISION				
Strategic Objective 4: To introduce customer service related performance targets				
Output		Lead	Progress	Comments
15	Benchmark customer service performance targets, identifying appropriate targets and mechanisms for capturing data.	R&BDM		
16	Measure, monitor and report on key performance indicators annually	HOS		A review has taken place and new procedures are pending.
17	Ensure service delivery meets standards required to secure quality marks.	HOS		Track Mark accreditation for the Ayrshire Athletics Arena – 2 out the 6 modules achieved so far.







LEISURE AT THE HEART OF EVERY COMMUNITY

Strategic Objective 1: To work with community, local authority and private providers to develop a Leisure Facility Strategy that identifies all leisure provision throughout East Ayrshire and maximises the opportunities for our communities to participate in leisure activity

Output		Lead	Progress	Comments
18	Develop a Plan for our Outdoor Spaces which supports priority sports, community activities, events and programmes	HOS		
19	Develop and implement rolling 5 year management plans for Annanhill Golf Course and the River Ayr Way	P&EDM		The 5-year management plan is being produced for the River Ayr Way. Staff information sessions are being planned to integrate the management plan into work programmes.
20	Work with key community partners to develop Business Plan for AM Brown Institute and Catrine Heritage Masterplan	CO		Initial community engagement sessions have been undertaken.
21	Oversee implementation of the Doon Valley Way and the Lugar Water Trail as part of the Coalfield Communities Landscape Partnership	LDM		The preferred contractor has been appointed for the Lugar Water Trail. This work will be implemented by March 2023.
22	Work with East Ayrshire Council to expand access arrangements at the Barony Sports Village to provide access to other community leisure facilities outwith core school hours.	SDM		Grass pitches should be accessible from Autumn.




LEISURE AT THE HEART OF EVERY COMMUNITY




Strategic Objective 2: To work with partners to explore funding opportunities for refurbishment and development of leisure facilities



Output		Lead	Progress	Comments
23	Develop a Studio at the Rose Reilly Sports Centre which enables power assisted, fully inclusive exercise	SDM		Cost plans for works have been received and currently being reviewed.
24	Develop Business and Redevelopment Plan for Darvel Town Hall	C&PADM		External consultants, Wylie Shanks, have been appointed & initial site visit has taken place
25	Install community cinema facilities at Stewarton Area Centre to expand the programme	C&PADM		Funding bid has been submitted for equipment purchase.
26	Implement restoration and development plans for Galston Town Hall	CDM		The proposals for Galston Town Hall have received planning permission. Works are likely to start on site in November 2022 with completion scheduled for December 2023.
27	Explore the potential for the repatriation of collections to specific Flexible Cultural Hub venues across the region	CDM		Early discussions have taken place with Stewarton and District History Group regarding the development of a local museum and heritage centre within Stewarton Area Centre. This will allow access to collections and archives associated with the Annick Valley. A programme of works will be developed over the summer 2022 with the aim of opening the heritage centre in Spring 2023.
28	Develop and implement plans for the reopening of Doon Valley Museum as a Flexible Cultural Hub.	CDM		The development of the Doon Valley Museum is included in the overall Doon Valley Masterplan. This has been developed to RIBA stage 2 and will be the subject of funding bids over the coming months.





LEISURE AT THE HEART OF EVERY COMMUNITY


Strategic Objective 3: 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




Output		Lead	Progress	Comments
29	Develop and agree a proactive maintenance programme for each venue/facility	P&EDM		
30	Develop and implement a rolling programme of equipment maintenance and replacement	P&EDM		A template has been devised, agreed and circulated for gathering information on existing equipment.
31	Fulfil our obligations within East Ayrshire Council's Property Pledge	P&EDM		

LIVING YOUR BEST LIFE				
Strategic Objective 1: To support the development of sustainable pathways that encourage lifelong participation in leisure activities				
Output		Lead	Progress	Comments
32	Develop an East Ayrshire Leisure Sports Development Strategy	SDM		Currently being developed.
33	Produce a Natural Health Programme that will allow an effective referral process for patients and users of mental health services.	LDM		The natural health programme has been introduced and is being delivered by the Countryside Team. Work will be undertaken to determine how it could be expanded to other service areas and linked to the East Ayrshire Health and Social Care Partnership and EAC's Community Health Improvement Project (CHIP)
34	Produce an Outdoor Learning Plan, which supports the school curriculum	LDM		

LIVING YOUR BEST LIFE				
Strategic Objective 2: 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				
Output		Lead	Progress	Comments
35	Establish Strategic Programming Group which will implement and support a community, regional and national programme of events each year	CO		The Programme Development Strategy was approved by the Board of Trustees on the 28 th June. The strategic programming group will be established in Q4 2022/23 to implement the strategy.
36	Implement an annual programme of outdoor festivals and events	LDM		






37	Produce a Business Case for building 500-1000 seater Stadium to attract national athletics programmes	SDM		
38	Deliver a high impact/high profile rolling two year visual art and heritage exhibition and event programme across our gallery and museum venues	CDM		Creatures Great and Small exhibition was opened at the Main Gallery in The Dick Institute in April. Workshops will be focussed on pre-5 groups. Ploughing the Past exhibition is on display in the Baird Institute and was curated in partnership with Cumnock History Group. Ploughing Up the Past will be officially opened on the 7 th July. The 'Name your Fears, Tame Your Fears' exhibition was opened in the Young People's Gallery in June 2022 and features work by Logan PS.
39	Complete the five year building renovation and restoration of Dean Castle	CDM		CBC Stone is scheduled to complete all renovation and restoration work by early Autumn 2022
40	Redesign, reimagine and deliver interpretation, interactives, animations, engagement and activity plans for Dean Castle including a re-opening event	CDM		Final artwork will be finalised in Q2 for production and installation in early 2023.






LIVING YOUR BEST LIFE				
Strategic Objective 3: 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 to ensure that East Ayrshire Leisure is at the heart of future trends and initiatives				
Output		Lead	Progress	Comments
41	Develop place based lifestyle hub networks to provide pathways for communities to become more engaged in wellbeing activities.	HOS		

42	Support the design and implementation of community-led creative initiatives	CDM		A number of community led creative initiatives have been supported included St Marnock's Square public art commission, the Promise and Ploughing Up the Past
43	Deliver the Cultural Kilmarnock project which will include refurbishment and development of key heritage venues and spaces, green corridors between town centre heritage sites, encourage active travel and support green, cultural and heritage tourism	CO		Proposals for Cultural Kilmarnock have been developed to RIBA stage 2 and will be submitted to the UK Government Levelling Up Fund ahead of the 6 th July deadline date.
44	Upgrade facilities at Annanhill Golf Course for expansion of female and youth golf	SDM		

INVESTING IN OUR PEOPLE & EMBRACING OUR VALUES







Strategic Objective 1: To develop and embed our People Strategy so that employees at all levels, alongside our customers, partners and communities, are engaged and can contribute to the business.

Output		Lead	Progress	Comments
45	Develop the staff intranet to enable a streamlined and digital approach to staff management	R&BDM		
46	Develop IT and Telephony Infrastructure to support new ways of working	BSDM		IT inventory list has been created, replacement pc's are being considered as part of the equipment replacement programme and the one device strategy.
47	Implement digitisation of Systems & Processes	BSDM		Plans are being developed to transform systems from our current staffing structures to Strategic Themes eg HR, LD21, IT, H&S, Financials.
48	Produce a programme of engagement activities for employees and Trustee Ambassadors	R&BDM		
49	Develop Recognition Award Scheme for our Volunteers	R&BDM		

INVESTING IN OUR PEOPLE & EMBRACING OUR VALUES				
Strategic Objective 2: To offer work placements, volunteering and apprenticeships				
Output		Lead	Progress	Comments
50	Develop volunteering roles across all areas of the Trust	LDM		
51	Support the pathway to higher and further education and employment by establishing a programme of work experience at key venues	LDM		
52	Identify and implement opportunities for internships or modern apprenticeships across Trust services	LDM		
53	Establish a variety of volunteering placements for the Duke of Edinburgh award scheme	LDM		
54	Ensure that monitoring and evaluation demonstrates the impact of our volunteering programme, taking a threefold approach: On the volunteer; on East Ayrshire Leisure; and on the services' users.	LDM		






INVESTING IN OUR PEOPLE & EMBRACING OUR VALUES

Strategic Objective 3: 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

Output		Lead	Progress	Comments
55	Establish an annual calendar of Open Days and development opportunities for staff, volunteers and members of our communities.	R&BDM		
56	Design an annual Training and Development programme to suit the needs of the service	R&BDM		Will be implemented following completion of service-wide Reviewing BEST Practice.
57	Implement Organisational Redesign	CO		Information sessions have been held with the extended management team and the wider staff teams. Further opportunities for staff information sessions have been developed through an online portal and coffee chats programme. Consultation will begin in August 2022.
58	Develop a proactive Recruitment Process	HCS		
59	Develop an Equality and Diversity Statement reflective of the values of East Ayrshire Leisure supporting the development and fair treatment of staff	HCS		A draft Equality and Diversity Policy has been developed.
60	Implement an Organisational Development Framework	HCS		<p>A Communication & consultation plan has been developed and is being rolled out to support the implementation of the organisational review.</p> <p>The development of the Strategic Lead role and the review of the Development Officer Jop is now complete, key activities have been developed to support future recruitment.</p>




INVESTING IN OUR PEOPLE & EMBRACING OUR VALUES




Strategic Objective 4: To ensure that our Board of Trustees reflects the community we serve and the need to be both a charitable and commercial organisation




Output		Lead	Progress	Comments
61	Design and annually review Training and Development Plan to support all Trustees	HCS		A Trustee induction and training session has been scheduled for the 13 th September. A tour of key building and an opportunity to meet staff is also being organised.
62	Review Recruitment Process ensuring that the Board of Trustees reflects and supports the aims, objectives and aspirations identified in the East Ayrshire Leisure Trust Constitution	HCS		Trustee Ambassador roles have been developed in line with our 6 Strategic Themes. Trustees were matched to an Ambassador role based on their key skills, experience and interests allowing future recruitment to be focused. This action is now complete.
63	Create and Implement a Youth Board	HCS		
64	Create and Implement a programme of Trustee Coffee Chats to engage with communities and customers	R&BDM		
65	Develop a programme of Trustee Ambassador site visits to engage with staff who act as community/customer spokespersons	R&BDM		




CREATING A SOLID FOUNDATION FOR GROWTH





Strategic Objective 1: 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





Output		Lead	Progress	Comments
66	Review wifi across all our venues	BSDM		EAC public wifi has been installed within the Visitor Centre to support meeting room and office requirements.
67	Develop our box office & booking system and operations to enhance customer journey and allow more services to be bookable online	BSDM		In conjunction with DM's an audit of the system was undertaken to identify areas for development. Actions have been added to the Digital Transformation Action Plan allowing progress to be monitored and reported.
68	Develop website to include more online and interactive resources	R&BDM		Development work has started looking at the online education resources. A Working Group has been established consisting of key members of staff from across the organisation.




CREATING A SOLID FOUNDATION FOR GROWTH				
Strategic Objective 2: 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 our services internally and with key stakeholders				
Output		Lead	Progress	Comments
69	Annual Review of Service Level Agreement	CO		The Service Level Agreement and constitution have been reviewed and approved by Board on the 28 th June and Council on the 29 th June. This action is now complete.
70	Establish a liaison group at shared sites to ensure cross-service promotion and integrated working arrangements	HOS		
71	Develop Business Plan for the Civic Centre South	CO		




CREATING A SOLID FOUNDATION FOR GROWTH				
Strategic Objective 3: 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				
Output		Lead	Progress	Comments
72	Produce Retail Plan to identify opportunities across venues and organisational areas	F&BDM		
73	Develop a range of Membership Packages	F&BDM		Direct Debit Membership for our Athletics Run, Jump and Throw programme has been launched with 80 members signing up.
74	Produce Hospitality Plan which identifies opportunities for bars, cafes, vending and event catering	F&BDM		

75	Carry out the feasibility of developing the Dower House as a conference centre and event space	CO		
76	Produce Commercialisation Plan to identify opportunities across venues	F&BDM		
77	Produce Advertising Plan	R&BDM		

CREATING A SOLID FOUNDATION FOR GROWTH				
Strategic Objective 4: To develop an effective performance management framework				
Output		Lead	Progress	Comments
78	Receive Unqualified external audit	F&BDM		The 2021-22 external audit is now complete, the annual report and accounts will be presented to the AGM on the 13 th September 2022.
79	Implement annual internal audit plan and identify improvements	F&BDM		The 2022-23 Internal Audit Plan was presented and approved at P&ASC on 14 th June 22. This action is now complete.
80	Achieve identified savings targets	CO		Savings targets for 2022/23 have been identified and integrated into service budgets.
81	Manage and deliver responsibilities under the Collections Agreement via the Collections Development Strategy and Documentation Procedural Manual	CDM		The Collections Development Strategy, Collections Agreement and Documentation Manual were approved by East Ayrshire Council in June 2022. A training session will follow with all relevant staff and monitoring system in place to ensure implementation of robust procedures.

PROTECTING OUR ENVIRONMENT				
Strategic Objective 1: To prepare and adopt a Climate Change Declaration on an annual basis which audits our carbon footprint and outlines priorities for carbon reduction				
Output		Lead	Progress	Comments
82	Produce an annual action plan to identify measures to reduce carbon use and improve environmental efficiency.	P&EDM		
83	Establish a carbon offset strategy through woodland creation	P&EDM		
84	Produce programme for replacing Trust vehicles with electric or more sustainable alternatives	P&EDM		Information being gathered as per Output 30
85	Develop Climate Change Strategy to achieving Net Zero	P&EDM		

PROTECTING OUR ENVIRONMENT				
Strategic Objective 2: To adopt the principles of Visit Scotland's Green Tourism Business Scheme to reduce the environment impact of our business				
Output		Lead	Progress	Comments
86	Develop an action plan to adopt the principles of the Green Business Scheme	P&EDM		
87	Introduce waste recycling across Trust venues	P&EDM		
88	Introduce a hospitality deposit return scheme to address new guidelines	F&BDM		

PROTECTING OUR ENVIRONMENT				
Strategic Objective 3: To implement a Sustainable Transport Strategy which encourages active travel in all our operations and with our staff and customers				
Output		Lead	Progress	Comments
89	Develop an organisational wide Sustainable Transport Plan and embed the principles of Active and Sustainable Travel throughout our organisation, projects and programmes	P&EDM		
90	Carry out a programme of staff and customer awareness sessions	P&EDM		
91	Deliver the first phase of the Kilmarnock Green Infinity Loop project which promotes active travel and makes closer connections between communities	CO		Funding has been secured for the first phase of the Kilmarnock Green Infinity Loop. Construction will begin in 2023.



FINANCIAL PERFORMANCE

QUARTER I

APRIL – JUNE

2022/23



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Notes:

All financial figures are cumulative to the current quarter and projected to the end of the financial year, i.e Qtr I shows the actual amounts for Qtr I, combined with projections up to the end of March 2023.

The 1st paragraph is a brief statement which summarises the current financial position.

The 'Annual Budget Table' reconciles the annual budget for the Trust. The budget is initially reported to the Board in February for the upcoming financial year, but there are often adjustments throughout the year. This table provides a reconciliation from initial February report to the current report.

FINANCIAL PERFORMANCE KEY**ADVERSE:****FAVOURABLE:**

SUMMARY STATEMENT

The projected outturn for East Ayrshire Leisure at 30th June 2022 is a breakeven position. This position has been achieved due to vacancies and management actions minimising expenditure to offset any projected income shortfalls.

Management will continue to monitor and implement action to ensure a breakeven position.

Detailed explanation of variances can be found within individual Service Analysis.

There are further variances within Income and Expenditure, these will be closely monitored and managed within the Service during the year where possible - detailed analysis is provided below.

TABLE A – Overall Net Position (including Income/Expenditure) for East Ayrshire Leisure analysed by Service Area

TABLE B – Overall Net Position (including Income/Expenditure) for East Ayrshire Leisure analysed by Subjective Level

TABLE C – Income Position for East Ayrshire Leisure analysed by Service Area

TABLE D – Expenditure Position for East Ayrshire Leisure analysed by Service Area

ANNUAL BUDGET

Table below provides detail of Annual Budget showing the impact of 2022/23 savings approved at 22nd February 2022 Board.

Service Division	Annual Budget 2022/23	Annual Budget 2022/23 Qtr 1	Annual Budget 2022/23 Qtr 2	Annual Budget 2022/23 Qtr 3	Annual Budget 2022/23 Qtr 4	Comments
EXECUTIVE MANAGEMENT	1,245,680	1,325,420				
CULTURAL DEVELOPMENT	1,466,890	1,501,660				
COMMUNITY & PERFORMING ARTS DEVELOPMENT	425,390	435,830				
LEISURE DEVELOPMENT	615,770	634,610				
SPORTS DEVELOPMENT	609,690	719,830				
PROPERTY & ESTATES DEVELOPMENT	187,430	201,390				
SAVINGS TO BE ALLOCATED	0					
TOTAL	4,550,850	4,818,740				
Management Fee	(4,550,850)	(4,779,600)				
Reserves	0	(39,140)				
TOTAL	0	0				

Venues Allocated to Sport Areas:-

Community Sports Area 1	Grange Leisure Centre, St Josephs Leisure Centre, William McIlvanney Campus, Stewarton Sports Centre, Ayrshire Athletics Arena, Scott Ellis Pavilion
Community Sports Area 2	Auchinleck Leisure Centre, Doon Valley Leisure Centre, Loudoun Leisure Centre, Hunter Fitness Suite, Barony Campus, Annanhill Golf Course
Sports Temporary Facilities	Venues temporarily held by EALT, operating under management arrangements with community groups, funded by EAC

OVERALL NET POSITION

Notes:

Tables A and B present financial information in different formats:

TABLE A: Overall Net Position (including Income/Expenditure) for Trust analysed by Service Area

TABLE B: Overall Net Position (including Income/Expenditure) for Trust analysed by Subjective Level

For all tables

Columns 1 and 2 refer to information for prior year; 1st column provides prior year information for same period and the 2nd column provides final position for full prior year

Column 3 refers to the Service Areas

Column 4 provides the Annual Budget – this reconciles to the Annual Budget table above

Column 5 provides the Actuals to date (including commitments)

Column 6 provides Actual Expenditure as a % of Annual Budget

Column 7 provides anticipated projected position for end of financial year

Column 8 provides anticipated projected variance for current financial year – (Favourable)/Adverse)

Final column provides quick review of favourable/adverse position

TABLE A – OVERALL NET POSITION

Revised Actual Exp. to 30/6/21	Actual Out-turn to 31/03/22	Service Division	Annual Estimate 2022/23	Revised Actual Exp. to 30/6/22	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/23	Variance (Favourable) / Adverse	
282,387	1,271,227	EXECUTIVE MANAGEMENT	1,325,420	229,280	17%	1,337,820	12,400	
194,431	927,465	Corporate Services	968,060	122,608	13%	980,460	12,400	
85,211	332,586	Relationship & Business Development	399,980	91,215	23%	399,980	0	
2,745	11,177	Hospitality Development	(42,620)	15,458	-36%	(42,620)	0	
385,882	1,459,442	CULTURAL DEVELOPMENT	1,501,660	391,081	26%	1,442,530	(59,130)	
65,836	280,864	Cultural Development	287,460	49,602	17%	226,310	(61,150)	
28,306	121,783	Collection Care	106,840	24,714	23%	106,070	(770)	
7,472	31,623	Visual Arts Development	39,260	8,455	22%	38,760	(500)	
26,864	124,510	Museums Development	124,870	33,162	27%	123,510	(1,360)	
257,405	900,661	Libraries	943,230	275,148	29%	947,880	4,650	
107,541	480,694	COMMUNITY & PERFORMING ARTS DEVELOPMENT	435,830	158,844	36%	469,700	33,870	
30,209	206,584	Performing Arts Development	235,840	82,612	35%	236,970	1,130	
74,816	269,971	Community Development	233,370	76,187	33%	246,980	13,610	
2,517	4,139	Community Lettings & Co-Managed Centres - Lets	(33,380)	45	0%	(14,250)	19,130	
131,178	566,145	LEISURE DEVELOPMENT	634,610	97,880	15%	543,900	(90,710)	
33,532	111,316	Leisure Development	159,470	(1,409)	-1%	102,600	(56,870)	
84,580	406,336	Countryside & Visitors Development	432,810	90,372	21%	398,970	(33,840)	
12,931	48,292	Green Infrastructure Development	42,330	8,917	21%	42,330	0	
135	201	Volunteer Development	0	0		0	0	
171,009	817,724	SPORTS DEVELOPMENT	717,890	180,089	25%	838,250	120,360	
39,902	193,956	Sports Development Team	39,940	(5,798)	-15%	19,300	(20,640)	
71,734	200,210	Community Sports Area 1	217,150	117,234	54%	311,740	94,590	
56,411	397,989	Community Sports Area 2	436,520	64,958	15%	481,930	45,410	
1,542	9,576	Temporary Facilities	1,990	1,999	100%	1,990	0	
1,422	15,992	Football Venues	22,290	1,696	8%	23,290	1,000	
36,796	177,918	PROPERTY & ESTATES DEVELOPMENT	201,390	36,287	18%	184,600	(16,790)	
1,114,795	4,773,150	TOTAL	4,816,800	1,093,460	23%	4,816,800	0	
(1,136,928)	(4,966,113)	Management Fee	(4,777,660)	(1,184,415)	25%	(4,777,660)	0	
(22,133)	(192,963)	TOTAL	39,140	(90,955)		39,140	0	
(3,770)	(18,305)	Trs From Reserves	(39,140)	(39,140)	100%	(39,140)	0	
(25,903)	(211,268)	TOTAL (after transfer from reserves)	0	(130,095)		0	0	
(63,150)	(244,377)	External Funding	0	0		0	0	
(89,053)	(455,644)	TOTAL (after external funding)	0	(130,095)	0	0	0	

TABLE B – OVERALL NET POSITION

Revised Actual Exp. to 30/6/21	Actual Out-turn to 31/03/22	Service Division	Annual Estimate 2022/23	Revised Actual Exp. to 30/6/22	Actual Exp as % of Annual Estimate	Projected Out-turn to 31/03/23	Variance (Favourable) / Adverse	
(290,036)	(1,576,461)	Income From Charitable Activities	(2,243,210)	(460,416)	21%	(2,098,280)	144,930	
(1,136,928)	(4,966,113)	Management Fee	(4,777,660)	(1,184,415)	25%	(4,777,660)	0	
(63,150)	(244,377)	External Funding	0	0		0	0	
(1,490,114)	(6,786,951)	TOTAL INCOME	(7,020,870)	(1,644,831)	23%	(6,875,940)	144,930	
1,081,566	4,715,489	Employee Costs	5,316,150	1,125,157	21%	5,163,690	(152,460)	
6,954	40,318	Transport Costs	39,870	8,369	21%	41,960	2,090	
85,228	546,910	Premises Costs	547,610	110,710	20%	553,750	6,140	
216,806	757,089	Supplies & Services	1,028,760	295,764	29%	1,028,060	(700)	
0	8,360	Financing Costs	0	0		0	0	
0	187,400	Support Costs	0	0		0	0	
14,277	94,045	Governance Costs	127,620	13,877	11%	127,620	0	
1,404,831	6,349,611	TOTAL RESOURCES EXPENDED	7,060,010	1,553,876	22%	6,915,080	(144,930)	
(85,283)	(437,339)	NET POSITION	39,140	(90,955)		39,140	0	
(3,770)	(18,305)	Trs From Reserves	(39,140)	(39,140)	100%	(39,140)	0	
(89,053)	(455,644)	TOTAL (after transfer from reserves)	0	(130,095)		0	0	

Notes

The following individual Service tables provide analysis in both formats; by sub-service and by subjective level, followed by a summarised comments section for each Service area.

EXECUTIVE MANAGEMENT

Revised Actual Exp. to 30/6/21	Actual Out-turn to 31/03/22	EXECUTIVE MANAGEMENT	Annual Estimate 2022/23	Revised Actual Exp. to 30/6/22	Actual Exp as % of Annual Estimate	Projected Out- turn to 31/03/23	Variance (Favourable) / Adverse
194,431	927,465	Corporate Services	968,060	122,608	13%	980,460	12,400
85,211	332,586	Relationship & Business Development	399,980	91,215	23%	399,980	0
2,745	11,177	Hospitality Development	(42,620)	15,458	-36%	(42,620)	0
(63,150)	(244,377)	External Funding	0	0		0	0
(1,136,928)	(4,966,113)	Management Fee	(4,777,660)	(1,184,415)	25%	(4,777,660)	0
0	(4,220)	Trs From Reserves	0	0		0	0
(917,691)	(3,943,482)	TOTAL OBJECTIVE ANALYSIS	(3,452,240)	(955,135)	28%	(3,439,840)	12,400
(46,119)	(233,277)	Income From Charitable Activities	(360,040)	(94,335)	26%	(395,240)	(35,200)
(1,136,928)	(4,966,113)	Management Fee	(4,777,660)	(1,184,415)	25%	(4,777,660)	0
(63,150)	(244,377)	External funding	0	0		0	0
(1,246,198)	(5,443,767)	TOTAL INCOME	(5,137,700)	(1,278,750)	25%	(5,172,900)	(35,200)
253,984	1,055,148	Employee Costs	1,313,310	258,496	20%	1,360,910	47,600
0	0	Transport Costs	0	0		0	0
150	5,545	Premises Costs	2,680	(20,357)	-760%	2,680	0
60,096	226,072	Supplies & Services	333,370	88,994	27%	333,370	0
0	0	Financing Costs	0	0		0	0
0	187,400	Support Costs	0	0		0	0
14,277	30,340	Governance Costs	36,100	(3,518)	-10%	36,100	0
328,507	1,504,505	TOTAL RESOURCES EXPENDED	1,685,460	323,615	19%	1,733,060	47,600
(917,691)	(3,939,262)	NET POSITION	(3,452,240)	(955,135)	28%	(3,439,840)	12,400
0	(4,220)	Trs From Reserves	0	0		0	0
(917,691)	(3,943,482)	TOTAL (after transfer from reserves)	(3,452,240)	(955,135)	28%	(3,439,840)	12,400

Comments
<p>Executive Management encompasses Trust Board, Chief Officer and Corporate Services. Corporate Services has responsibility for the following areas: Relationship & Business Development, Finance & Business Development, Business Support and Hospitality. The Hospitality Service operates across all operational services.</p> <p><u>Corporate Services</u> Adverse variance relates to appointment of Head of Operations partially offset by income from EAC relating to provision of Active Club membership.</p> <p><u>Relationship & Business Development</u> Breakeven position projected.</p> <p><u>Hospitality</u> Breakeven position projected.</p>

CULTURAL DEVELOPMENT SERVICE ANALYSIS

Revised Actual Exp. to 30/6/21	Actual Out-turn to 31/03/22	CULTURAL DEVELOPMENT	Annual Estimate 2022/23	Revised Actual Exp. to 30/6/22	Actual Exp as % of Annual Estimate	Projected Out- turn to 31/03/23	Variance (Favourable) / Adverse
65,836	280,864	Cultural Development	287,460	49,602	17%	226,310	(61,150)
28,306	121,783	Collection Care	106,840	24,714	23%	106,070	(770)
7,472	31,623	Visual Arts Development	39,260	8,455	22%	38,760	(500)
26,864	124,510	Museums Development	124,870	33,162	27%	123,510	(1,360)
257,405	900,661	Libraries	943,230	275,148	29%	947,880	4,650
(3,770)	(3,765)	Trs From Reserves	(4,500)	(4,500)	100%	(4,500)	0
382,112	1,455,677	TOTAL OBJECTIVE ANALYSIS	1,497,160	386,581	26%	1,438,030	(59,130)
(1,982)	(69,619)	Income From Charitable Activities	(85,300)	(16,437)	19%	(94,320)	(9,020)
(1,982)	(69,619)	TOTAL INCOME	(85,300)	(16,437)	19%	(94,320)	(9,020)
268,947	1,156,810	Employee Costs	1,181,830	265,353	22%	1,128,730	(53,100)
2,015	12,059	Transport Costs	11,980	3,650	30%	14,390	2,410
28,225	142,900	Premises Costs	140,020	35,618	25%	140,540	520
88,677	209,950	Supplies & Services	236,640	100,624	43%	236,700	60
0	0	Financing Costs	0	0		0	0
0	0	Support Costs	0	0		0	0
0	7,341	Governance Costs	16,490	2,273	14%	16,490	0
387,864	1,529,060	TOTAL RESOURCES EXPENDED	1,586,960	407,518	26%	1,536,850	(50,110)
385,882	1,459,442	NET POSITION	1,501,660	391,081	26%	1,442,530	(59,130)
(3,770)	(3,765)	Trs From Reserves	(4,500)	(4,500)	100%	(4,500)	0
382,112	1,455,677	TOTAL (after transfer from reserves)	1,497,160	386,581	26%	1,438,030	(59,130)

Comments
<p>Cultural Development has responsibility for the operation of museums, 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 is made up of key service areas: Collection Care Development, Visual Arts Development, Museums Development, Libraries Operations and Libraries Programmes.</p> <p><u>Cultural Development - Overall</u></p> <p>£50.1k savings predominantly from vacancies not being filled and £9k match funding being returned to service budgets for project underspends relating to Seedscapes: Future Proofing Nature and Grayson Perry due to low engagement as a result of covid and lower costs than budgeted.</p>

COMMUNITY & PERFORMING ARTS DEVELOPMENT SERVICE ANALYSIS

Revised Actual Exp. to 30/6/21	Actual Out-turn to 31/03/22	COMMUNITY & PERFORMING ARTS DEVELOPMENT	Annual Estimate 2022/23	Revised Actual Exp. to 30/6/22	Actual Exp as % of Annual Estimate	Projected Out- turn to 31/03/23	Variance (Favourable) / Adverse
30,209	206,584	Performing Arts Development	235,840	82,612	35%	236,970	1,130
74,816	269,971	Community Development	233,370	76,187	33%	246,980	13,610
2,517	4,139	Community Lettings & Co-Managed Centres - Lets	(33,380)	45	0%	(14,250)	19,130
0	(1,850)	Trs From Reserves	0	0		0	0
107,541	478,844	TOTAL OBJECTIVE ANALYSIS	435,830	158,844	36%	469,700	33,870
(19,900)	(353,388)	Income From Charitable Activities	(628,240)	(48,830)	8%	(595,560)	32,680
(19,900)	(353,388)	TOTAL INCOME	(628,240)	(48,830)	8%	(595,560)	32,680
73,189	424,329	Employee Costs	533,030	122,799	23%	533,030	0
0	0	Transport Costs	0	0		0	0
31,993	204,333	Premises Costs	211,470	51,398	24%	211,600	130
22,259	169,835	Supplies & Services	273,070	30,836	11%	274,130	1,060
0	4,370	Financing Costs	0	0		0	0
0	0	Support Costs	0	0		0	0
0	31,214	Governance Costs	46,500	2,641	6%	46,500	0
127,442	834,082	TOTAL RESOURCES EXPENDED	1,064,070	207,674	20%	1,065,260	1,190
107,541	480,694	NET POSITION	435,830	158,844	36%	469,700	33,870
0	(1,850)	Trs From Reserves	0	0		0	0
107,541	478,844	TOTAL (after transfer from reserves)	435,830	158,844	36%	469,700	33,870

Comments
<p>Community & Performing Arts Development has responsibility for Cumnock Town Hall, the Palace Theatre and Grand Hall and Community Venues across East Ayrshire and works with a range of local, regional, national providers and commercial companies to deliver high profile events and opportunities through our full range of venues with both a local and regional focus. The team is made up of 2 key service areas: Performing Arts Development and Community Development.</p> <p><u>Community & Performing Arts Development - Overall</u> £32.7k income shortfall due to temporary closure of venues and events not being as well attended as anticipated.</p>

LEISURE DEVELOPMENT SERVICE ANALYSIS

Revised Actual Exp. to 30/6/21	Actual Out-turn to 31/03/22	LEISURE DEVELOPMENT	Annual Estimate 2022/23	Revised Actual Exp. to 30/6/22	Actual Exp as % of Annual Estimate	Projected Out- turn to 31/03/23	Variance (Favourable) / Adverse
33,532	111,316	Leisure Development	159,470	(1,409)	-1%	102,600	(56,870)
84,580	406,336	Countryside & Visitors Development	432,810	90,372	21%	398,970	(33,840)
12,931	48,292	Green Infrastructure Development	42,330	8,917	21%	42,330	0
135	201	Volunteer Development	0	0		0	0
0	(6,010)	Trs From Reserves	0	0		0	0
131,178	560,135	TOTAL OBJECTIVE ANALYSIS	634,610	97,880	15%	543,900	(90,710)
(10,767)	(21,366)	Income From Charitable Activities	(56,340)	(15,578)	28%	(36,100)	20,240
(10,767)	(21,366)	TOTAL INCOME	(56,340)	(15,578)	28%	(36,100)	20,240
121,943	474,874	Employee Costs	573,340	84,341	15%	453,170	(120,170)
3,340	17,220	Transport Costs	19,930	3,055	15%	19,040	(890)
6,640	53,918	Premises Costs	50,510	15,321	30%	53,010	2,500
10,022	30,070	Supplies & Services	30,270	10,148	34%	37,880	7,610
0	2,010	Financing Costs	0	0		0	0
0	0	Support Costs	0	0		0	0
0	9,419	Governance Costs	16,900	593	4%	16,900	0
141,945	587,512	TOTAL RESOURCES EXPENDED	690,950	113,458	16%	580,000	(110,950)
131,178	566,145	NET POSITION	634,610	97,880	15%	543,900	(90,710)
0	(6,010)	Trs From Reserves	0	0		0	0
131,178	560,135	TOTAL (after transfer from reserves)	634,610	97,880	15%	543,900	(90,710)

Comments
<p>Leisure Development has responsibility over more passive recreation and outdoor pursuits that introduce people to physical activity. The team includes the following services: Countryside & Visitor Development, Green Infrastructure and Volunteer Development.</p> <p><u>Leisure Development - Overall</u></p> <p>£20k income shortfall relates to anticipated income for the year ahead from the residential centre, events and professional services income which is based purely on demand for building bat and bird survey work before demolition. This income shortfall has been funded by £111k in expenditure savings relating predominantly to vacancies not being filled.</p>

SPORTS DEVELOPMENT SERVICE ANALYSIS

Revised Actual Exp. to 30/6/21	Actual Out-turn to 31/03/22	SPORTS DEVELOPMENT	Annual Estimate 2022/23	Revised Actual Exp. to 30/6/22	Actual Exp as % of Annual Estimate	Projected Out- turn to 31/03/23	Variance (Favourable) / Adverse
39,902	193,956	Sports Development Team	39,940	(5,798)	-15%	19,300	(20,640)
71,734	200,210	Community Sports Area 1	217,150	117,234	54%	311,740	94,590
56,411	397,989	Community Sports Area 2	436,520	64,958	15%	481,930	45,410
1,542	9,576	Temporary Facilities	1,990	1,999	100%	1,990	0
1,422	15,992	Football Venues	22,290	1,696	8%	23,290	1,000
0	(2,460)	Trs From Reserves	(34,640)	(34,640)		(34,640)	0
171,009	815,264	TOTAL OBJECTIVE ANALYSIS	683,250	145,449	21%	803,610	120,360
(211,346)	(898,810)	Income From Charitable Activities	(1,113,290)	(285,235)	26%	(977,060)	136,230
(211,346)	(898,810)	TOTAL INCOME	(1,113,290)	(285,235)	26%	(977,060)	136,230
326,706	1,437,221	Employee Costs	1,530,140	358,668	23%	1,520,140	(10,000)
1,599	10,291	Transport Costs	5,210	1,664	32%	5,780	570
18,220	137,217	Premises Costs	139,930	28,731	21%	142,920	2,990
35,831	114,095	Supplies & Services	144,270	64,375	45%	134,840	(9,430)
0	1,980	Financing Costs	0	0		0	0
0	0	Support Costs	0	0		0	0
0	15,731	Governance Costs	11,630	11,887	102%	11,630	0
382,355	1,716,534	TOTAL RESOURCES EXPENDED	1,831,180	465,325	25%	1,815,310	(15,870)
171,009	817,724	NET POSITION	717,890	180,089	25%	838,250	120,360
0	(2,460)	Trs From Reserves	(34,640)	(34,640)		(34,640)	0
171,009	815,264	TOTAL (after transfer from reserves)	683,250	145,449	21%	803,610	120,360

Comments

Sports Development has responsibility for programming activities within our community leisure centres and promotion of sports including badminton, football, gymnastics and swimming, as well as working with key local partners. The team manages our gyms and fitness programme and will work with EA Vibrant Communities in encouraging physical activity. The team has key service areas: Sport Operations, Community Sport Development, Fitness Development and Activity and Coaching Development.

Income

£136.2k income shortfall due predominantly to the reasons noted below. Income shortfalls projected across indoor hall hire, supervised childrens activities, equipment hire, PAYG fitness classes and gym income offset against the following which we are expecting to exceed targets: indoor/outdoor track, memberships, community space and swimming lessons.

- Indoor sports hall hire not being fully utilised, limited return of local clubs and community organisations for various reasons.
- Membership direct debit income has increased, which is resulting in less customers paying per class for the gym and fitness classes
- Limited sports coaching due to challenges with recruitment.
- Limited kids activity due to challenges with recruitment.
- Parties bookings are being restricted due to challenges with recruitment.
- Golf boards usage has not achieved it anticipated target.

Expenditure

Income shortfall offset against £16k savings across expenditure.

PROPERTY & ESTATES DEVELOPMENT SERVICE ANALYSIS

Revised Actual Exp. to 30/6/21	Actual Out-turn to 31/03/22	PROPERTY & ESTATES DEVELOPMENT	Annual Estimate 2022/23	Revised Actual Exp. to 30/6/22	Actual Exp as % of Annual Estimate	Projected Out- turn to 31/03/23	Variance (Favourable) / Adverse
36,796	177,918	Property & Estates Development	201,390	36,287	18%	184,600	(16,790)
0	0	Trs From Reserves	0	0		0	0
36,796	177,918	TOTAL OBJECTIVE ANALYSIS	201,390	36,287	18%	184,600	(16,790)
0	0	Income From Charitable Activities	0	0		0	0
0	0	TOTAL INCOME	0	0		0	0
36,796	167,107	Employee Costs	184,500	35,500	19%	167,710	(16,790)
0	748	Transport Costs	2,750	0	0%	2,750	0
0	2,997	Premises Costs	3,000	0	0%	3,000	0
0	7,067	Supplies & Services	11,140	787	7%	11,140	0
0	0	Financing Costs	0	0		0	0
0	0	Support Costs	0	0		0	0
0	0	Governance Costs	0	0		0	0
36,796	177,918	TOTAL RESOURCES EXPENDED	201,390	36,287	18%	184,600	(16,790)
36,796	177,918	NET POSITION	201,390	36,287	18%	184,600	(16,790)
0	0	Trs From Reserves	0	0		0	0
36,796	177,918	TOTAL (after transfer from reserves)	201,390	36,287	18%	184,600	(16,790)

Comments
<p>Property & Estates Development was a new service area created 2020/21 as part of the management review and has responsibility for co-ordinating the management, maintenance, health and safety and development of the facilities within East Ayrshire Leisure's remit. Maintaining and developing high quality facilities is paramount for the growth of our business. The team includes facility and estate management and sustainable development and will lead on our environmental responsibilities through the implementation of our annual Climate Change Declaration. The creation of this dedicated team has released managers from various premise management responsibilities to allow them to focus on the development of the programmes and services to our customers.</p> <p><u>Expenditure</u> £16.8k employee cost savings due to a vacancy within the service we are hopeful will be filled this year.</p>

RESERVES AS AT 30 JUNE 2022

Notes

The Reserves Table provides detail on the current Reserves position for the Trust

The 1st table is a summary report and the 2nd table provides analysis of the committed amounts from Reserves

Line 1 Retained Reserves refers to our Reserves Policy – currently set to “minimum 2% of Turnover”.

Line 2 refers to Unallocated Reserves – this amount will initially be allocated to fund any in-year deficit and then to any additional spend approved by The Board.

Line 3 Allocated Reserves refers to allocated amounts and the 2nd table provides further analysis of progress on these commitments

Line 4 MGTR refers to Museum and Galleries Tax Relief received and this must be used to help fund future exhibitions

Lines 5 & 6 refer to specific accounting entries required each financial year

Summary

UNRESTRICTED RESERVES	2021/22 b/f	2021/22 SURPLUS	BALANCE 31 March 2022	APPROVED ALLOCATIONS	REVISED BALANCE	PROPOSED DRAWDOWN	Q1	Q2	Q3	Q4	BALANCE	NOTES
RETAINED RESERVES	250,000	20,000	270,000		270,000						270,000	
UNUSEABLE RESERVES	21,540	10,050	31,590		31,590						31,590	
UNALLOCATED RESERVES	379,689	132,014	511,703		511,703						511,703	
ALLOCATED RESERVES	8,375	293,580	301,955	0	301,955		39,135	0	0	0	262,820	see Allocated Table
MGTR FUNDS	67,703		67,703		67,703						67,703	
FIXED ASSET RESERVE	34,920		34,920		34,920						34,920	
HOLIDAY PAY PROVISION	(60,874)		(60,874)		(60,874)						(60,874)	
TOTAL UNRESTRICTED RESERVES	701,353	455,644	1,156,998	0	1,156,997	0	39,135	0	0	0	1,117,862	

Allocated Reserves Analysis

ALLOCATED RESERVES	2021/22 b/f	2021/22 SURPLUS	BALANCE 31 March 2022	APPROVED ALLOCATIONS	REVISED BALANCE	PROPOSED DRAWDOWN	Q1	Q2	Q3	Q4	BALANCE	APPROVAL	STATUS	NOTES
IT Equipment - Corporate Services, P&E	2,800		2,800		2,800						2,800	1 June 2021 Board	Ongoing	
Libraries - Lorensbergs Netloan Upgrade	1,600		1,600		1,600						1,600	1 June 2021 Board	Ongoing	
Box Office/Booking System	3,975		3,975		3,975						3,975	1 June 2021 Board	Ongoing	
Spin Bikes - RRSC		34,635	34,635		34,635		34,635				0	28 June 2022 Board	Complete	
RAW Signage (partially funded by SAC - SAC funds received 21/22 but deferred to 22/23)		8,730	8,730		8,730						8,730	28 June 2022 Board	Ongoing	
Sport Equipment & Repairs		4,335	4,335		4,335						4,335	28 June 2022 Board	Ongoing	
Secure Portal Upgrade		4,880	4,880		4,880						4,880	28 June 2022 Board	Ongoing	
DCCP Canopy - additional works (incl replacement furniture)		14,500	14,500		14,500						14,500	28 June 2022 Board	Ongoing	
People Counters		3,000	3,000		3,000						3,000	28 June 2022 Board	Ongoing	
Venue Equipment		3,000	3,000		3,000						3,000	28 June 2022 Board	Ongoing	
Box Office/Booking System		12,000	12,000		12,000						12,000	28 June 2022 Board	Ongoing	
Valuations		4,000	4,000		4,000						4,000	28 June 2022 Board	Ongoing	
Ebooks		4,500	4,500		4,500		4,500				0	28 June 2022 Board	Complete	

Equipment Replacement Programme	200,000	200,000	200,000								200,000	28 June 2022 Board	Ongoing
TOTAL ALLOCATED RESERVES	8,375	293,580	301,955	0	301,955	0	39,135	0	0	0	262,820		

GENERAL PROJECTS

Notes:

General Projects are multi-annual projects involving funding from external partners. These projects are not included in the Financial Monitoring reports. The table gives an overview of the projects and the Additional Information gives a brief description of each of the projects.

Project	Partners	Balance b/f 01.04.22	Balance at 30.06.22	Expected Completion Date
Ayrshire Libraries Forum	North Ayrshire Council/South Ayrshire Council/East Ayrshire Council	(£3,909)	(£3,909)	Ongoing
Burns Birthday in Mauchline	Event Scotland	(£861)	(£861)	Ongoing
Kilmarnock Green Infrastructure	Sustrans	(£14,955)	(£14,955)	Ongoing
Digital Storyteller in Residence	Scottish Book Trust	(£2,372)	(£2,372)	Ongoing
Irvine Valley Trails 2019 onwards	LCTT, Transport Scotland, EAC Renewable Energy Fund	£160,950	(£20,098)	Ongoing
Dean Castle Event		(£5,000)	(£5,000)	Ongoing
SHOUT	EAC	(£5,000)	(£5,000)	Ongoing
Morton Hall and Library	EAC	£0	£16,271	Aug 2022
Dean Castle Restoration Project	HLF/EAC	£0	£2,735	Oct 2022
Wifi Project	EAC	(£19,700)	(£19,700)	Ongoing
DCCP Parks for People (Jul 20-Mar 21)	HLF/EAC	(£6,773)	(£6,773)	Jun 2022
Grayson Perry	EALT	(£6,686)	(£6,461)	May 2022
Foster Carer Service - Memberships	EAC	(£4,000)	(£4,000)	Ongoing
Youth Memberships	EAC	(£2,432)	(£2,342)	Ongoing
Annick Valley Leisure Facilities	EAC	(£199,029)	(£199,029)	Ongoing
Patna Leisure Facilities	EAC	(£810)	(£810)	Ongoing
FutureMuseum.co.uk Redevelopment	Museum Gallery Scotland	(£15,750)	(£15,750)	Aug 2023
Seedscares: Future Proofing Nature	Creative Scotland	(£3,574)	(£3,685)	Jul 2022
Queen's Jubilee Event	EAC	£0	£10,924	Jun 2022
Leisure at the Heart of All Communities	UK Government	£34,345	£210,040	Aug 2022
Fruit and Nut Tree Woodland	EAC	£13,114	£13,114	Sep 2022
Sharing Stories	SLIC via Scottish Government	(£8,965)	(£8,481)	Dec 2022
Creative Scotland Recovery Fund	Creative Scotland	£0	(£74,783)	Ongoing

Additional Information

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 it is hoped the event should be going ahead in the future.

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.

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.

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.

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.

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

Morton Hall and Library – Procurement of new furniture for Newmilns Library is being managed by the Trust but will be funded by EAC. A maximum of £20,000 of the £30,000 allocation will be for library furniture and the balance is for the overall venue.

Dean Castle Restoration Project - An HLF funded project led by EAC. Some expenditure is processed through East Ayrshire Leisure and subsequently recharged to EAC.

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 Wi-Fi across all East Ayrshire Leisure standalone venues.

DCCP Parks for People (Jul 20-Mar 21) – HLF have confirmed agreement that previously approved funding has been allocated to specific projects with an initial extension to May 2021. Given current restrictions HLF recognise a further extension may be necessary and have extended this to July 2021. Final spend is anticipated in 2022/23 on the courtyard canopy costs.

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.

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.

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.

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.

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.

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.

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, 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.

Queen's Jubilee Event - EAC allocated £25k funding for the Queen's Jubilee Event held in June 2022. Event was managed by the Trust and costs will be subsequently recharged to EAC.

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.

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.

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.

Creative Scotland Recovery Fund - £149,566 was secured from funding made available to enable cultural organisations working primarily for public benefit, to rebuild and create opportunities to increase their financial resilience after the COVID-19 pandemic. Initial programme of spend has been developed and approved by the funder

EXTERNAL FUNDING

Notes:

A robust monitoring process is now in place for all External Funding applications from initial submission to subsequent successful or unsuccessful award.

EXTERNAL FUNDING APPROVED APPLICATIONS

(*denotes funding not available to East Ayrshire Council)

Section	Name of Funding Provider and Project	Value of Funding/Support	Received in 2022/23
Cultural	Scottish Book Trust - Live Literature	£500	£0
Cultural	SLIC - #StreamMyStory	£1,168	£1,168
TOTAL		£1,668	£1,168

EXTERNAL FUNDING DECLINED APPLICATIONS

Section	Name of Funding Provider and Project	Value of Funding/Support	Comments
Cultural	HLF - Future Collections	£250,000	Application rejected due to high volume of applications. However, it has been recommended that EALT work with HLF engagement team to strengthen the application and resubmit. Invited to reapply.
Cultural	HLF - Cultural Kilmarnock (Eofl)	£5,000,000	Expression of interest rejected as not enough heritage impact for amount requested. Invited to reapply in July 2022
TOTAL		£5,250,000	

PERFORMANCE AND AUDIT SUB-COMMITTEE

2021/22 ANNUAL REPORT AND ACCOUNTS

Date: 16 August 2022

Agenda Item: 5

Report by: Anneke Freel, Chief Officer

1 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to present the 2021/22 Report and Accounts for approval.

2 CONSIDERATIONS

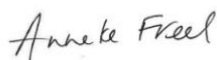
- 2.1 East Ayrshire Leisure is required to submit its audited annual accounts to the Office of the Scottish Charity Regulator (OSCR). Azets Audit Services are our External Auditors and their audit has been produced following an intensive audit programme, which required support and input from both Trust and East Ayrshire Council staff.
- 2.2 The 2021/22 Report and Accounts is attached as Appendix 1. The format of the Report and Accounts meets the requirements of the Charities Financial Reporting Standard (FRS) 102 Statement of Recommended Practice (SORP). The Annual Accounts will be submitted to OSCR once approved by the Trust Board. The report will also be published via the East Ayrshire Leisure website.
- 2.3 Azets Audit Services Audit Management Report for 2021/22 is attached as Appendix 2 with the Management Representation Letter. Subject to Board approval this will be signed by the Chair of the Board.

3 IMPLICATIONS

- 3.1 The approval and publication of the 2021/22 Report and Accounts will satisfy the ongoing requirements of OSCR and the Charities FRS 102 SORP.

It is recommended that the Board:

- i. Approve the 2021/22 Report and Accounts;
- ii. Approve the Letter of Representation to accompany the accounts; and
- iii. Otherwise note the content of this report.



Signature:

Designation: Chief Officer

Date: 3 August 2022



East Ayrshire Leisure

Audit findings report

Year ended March 2022



The Board of Trustees
East Ayrshire Leisure
Dick Institute
14 Elmbank Avenue
KA1 3BU

9 August 2022

Dear Sirs

East Ayrshire Leisure
Audit findings for the year ended 31 March 2022

This Audit Findings Report highlights the significant findings arising from the audit for the benefit of those charged with governance. We appreciate that you may be aware of some of the matters contained in this report, however as required by International Standard on Auditing (UK) 260 we are communicating them to you formally.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) (ISAs (UK)), which is directed towards forming and expressing an opinion on the financial statements that have been prepared on behalf of management with the oversight of those charged with governance. The audit of the group's financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements. The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by your team during our audit. If we can be of any further assistance, please contact Nick Bennett.

Yours faithfully

Azets Audit Services

Azets Audit Services

We are an accounting, tax, audit, advisory and businesses services group that delivers a personal experience both digitally and at your door.

Accounting | Tax | Audit | Advisory | Technology

Azets Audit Services is a trading name of Azets Audit Services Limited Registered in England & Wales Registered No. 09652677. VAT Registration No. 219 0608 22.

Registered office: Churchill House, 59 Lichfield Street, Walsall, West Midlands, WS4 2BX. Registered to carry on audit work in the UK under Firm Number C004632199 and regulated for a range of investment business activities by the Institute of Chartered Accountants in England & Wales. The term 'Board Director' is used to refer to a statutory director and principle of the company as registered at Companies House. Any other designations that include the term 'Partner' or 'Director' are not registered directors or principals of the registered company.



1. Executive summary

Audit overview

This table summarises the key findings from the statutory audit of East Ayrshire Leisure for the year ended 31 March 2022 for those charged with governance.

Audit opinion	<ul style="list-style-type: none">• We do not propose any modifications to our audit opinion which is unqualified• We have no matters to report regarding the adoption of the going concern basis.• Our audit work is substantially complete and there are currently no matters which would require modification of our audit report.
Key findings on audit risks and other matters	<ul style="list-style-type: none">• The Trust reported a significant increase in income from charitable activities primarily due to the end of the pandemic which resulted in the reopening of venues, events and on membership direct debits.• We are pleased to report that the audit progressed well from our perspective and in accordance with the agreed timetable.• Trust operations are recovering well post COVID-19.• We have not detected any risk of material misstatement to the financial to the financial statements and/or our audit opinion.
Audit adjustments	<ul style="list-style-type: none">• Audit adjustments are set out in section 2 (Financial Performance) under 'Reconciliation to accounts'.• One unadjusted item was identified and is not considered material to the financial statements- it is set out in section 6.
Accounting systems and internal controls	<ul style="list-style-type: none">• We have applied our risk based methodology to your audit. This approach requires us to document, evaluate and assess your business processes and internal controls relating to the financial reporting process.• Our audit is not designed to test all internal controls or identify all areas of control weakness. No material weaknesses or significant deficiencies were noted.

2. Financial performance

This section of our report summarises the main features of the financial statements and key movements from the prior financial year.

Reconciliation to accounts

The reconciliation of the trial balance presented to the audited statutory financial statements is as follows:

	£
Net income per the Trust's management accounts	(437,340)
<i>Audit adjustments</i>	
Incorporation of actuarial information into the financial statements	1,109,000
Net adjustment to remove deferred income in 2021/22 and adjust for 2020/21 deferred income	(175,755)
Net adjustment to debtors at year end in relation to restricted funds	(7,729)
Transfer to funds in respect of depreciation on assets funded through restricted funds	(17,470)
Museums and Galleries Tax Relief noted in funds for budgetary purposes	(28,033)
Net expenditure per the financial statements	442,673

Review of financial performance

1. Statement of Financial Activities (SOFA)

	2022	2021	Commentary
	£	£	
Total income	7,446,697	6,776,950	<p>The management fee received from the Council is comparable to the prior year (£4,966,113 in 2021/22 in comparison to £4,857,569).</p> <p>There has been a significant increase in income from charitable activities (c. £0.829 million) due primarily to the end of the COVID-19 pandemic which has resulted in the reopening of venues, events and membership direct debits and the undertaking of new projects.</p>
Total expenditure	7,889,370	6,993,483	<p>Overall expenditure has increased in comparison with the previous year. This is primarily due to the end of the COVID-19 pandemic protocols which has resulted in reopening of facilities.</p> <p>The impact from the incorporation of the actuarial pension liability has increased total expenditure. In 2020/21 £766,000 costs were incorporated into the financial statements in comparison to £1,109,000 in 2021/22.</p>
Total funds	(442,673)	(216,533)	

2. Financial performance

2. Funds

	2022	2021	Commentary
	£	£	
Unrestricted	1,100,191	629,336	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.
Designated	43,295	44,920	At 31 March 2021, East Ayrshire Leisure showed a net pension liability of £3.229million. By 31 March 2022 this had increased to a net pension asset of £46,000.
Pension reserve	46,000	(3,229,000)	Formal actuarial valuations are carried out every three years, where each employer's assets and liabilities (obligations) are calculated on a detailed basis, using individual member data, for cash contribution setting purposes. The 31 March 2020 formal valuations for Scottish LGPS Funds were concluded by 31 March 2021. Increases in price/salary increase assumptions and in the discount rate as a result have decreased the pension liability. 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 local government pension scheme, should they cease to exist.
Restricted	321,158	124,061	
Total funds	1,510,644	(2,430,683)	

3. Significant risk areas

Significant risks are defined by professional standards as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, we consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Key risk area	Audit Approach	Conclusions
<p>Revenue recognition</p> <p>Under ISA (UK) 240 there is a presumed risk of fraud in relation to revenue recognition. The presumption is that the company could adopt accounting policies or recognise sales in such a way as to lead to a material misstatement in the reported revenue position.</p> <p>Risk assessment: High</p>	<p>In respect of the management fee the Trust receive from East Ayrshire Council, we do not consider the revenue recognition risk to be significant due to a lack of incentive and opportunity to manipulate this revenue stream. We have therefore rebutted the revenue recognition risk in respect of this revenue stream.</p> <p>The risk of fraud in relation to revenue recognition, however, is present in all other revenue streams. We evaluated each material revenue stream, including the controls over revenue accounting. We conducted substantive testing on all material revenue streams to confirm revenue has been recognised appropriately and in line with accounting policies.</p>	<p>We have gained reasonable assurance on the completeness and occurrence of income and we are satisfied that income is fairly stated in the financial statements.</p>
<p>Management override</p> <p>ISA (UK) 240 there is a presumed risk that management and directors have the ability to process transactions or make adjustments to financial records outside of the normal financial control processes. Such transactions could lead to a material misstatement in the financial statements.</p> <p>Risk assessment: High</p>	<p>In response to this risk we reviewed the Trust's accounting records and obtained evidence for any significant transactions outside the normal course of business to ensure these are valid and accounted for correctly. We reviewed the key accounting estimates, judgements and decisions made by management</p>	<p>We have not identified any indications of management override in the year.</p> <p>We did not identify any areas of bias in key judgements made by management and judgements were consistent with prior years</p>
<p>Key accounting estimate – pension assumptions</p> <p>An actuarial estimate of the pension fund asset/liability is calculated on an annual basis under FRS 102 and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. The estimates are based on the most up to date membership date held by the pension fund and have regard to local factors such as mortality rates and expected pay rises with other assumptions around inflation when calculating the liabilities. There is a risk that the assumptions used are not appropriate.</p> <p>Risk assessment: High</p>	<p>We reviewed the controls in place to ensure that the data provided from the pension fund to the actuary is complete and accurate. We reviewed the reasonableness of the assumptions used in the calculation against other local government pension fund actuaries and other observable data. We agreed the disclosures in the financial statements to information provided by the actuary.</p>	<p>Refer to section 4 of this report. Overall no issues were identified over the pension assumptions applied.</p>

3. Significant risk areas (continued)

Significant risks are defined by professional standards as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, we consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Key risk area	Audit Approach	Conclusions
<p>Going concern including the consideration of the impact of the Covid-19 pandemic</p> <p>The Trustees must undertake a formal assessment of the Trust's ability to continue as a going concern for at least the 12 months following the signing of the financial statements at both the planning stage of the audit and at the date the financial statements are signed. This assessment should fully consider the potential impact of the COVID-19 pandemic on the going concern status of the Trust as well as identify any post balance sheet events that may require adjustment to or disclosure in the financial statements.</p> <p>Risk assessment: Medium</p>	<p>In respect of going concern, we will review:</p> <ul style="list-style-type: none">• The Trust's assessment of going concern;• the annual budget;• post year end management accounts; and• the cash position at the approval of the financial statements. <p>In respect of post balance sheet events, we will review:</p> <ul style="list-style-type: none">• post year end Board minutes;• post year end management accounts; and• audit confirmations from the Trust's solicitors. <p>We will have a detailed discussion with management in respect of going concern and post balance sheet events.</p> <p>We will confirm with the Board the going concern status prior to signing the financial statements and obtain an update on post balance sheet events.</p> <p>We will ask the Trustees, via the letter of representation, to confirm that the Trustees have concluded that the Trust is a going concern and to confirm that the financial statements reflect all post balance sheet events.</p>	<p>Refer to section 5 of this report.</p> <p>We confirm that there are no issues affecting the Trust's ability to continue as a going concern. As highlighted in the financial statements, the current funding agreement with East Ayrshire Council covers up to 31 March 2023. In the Board's opinion, the Trust will be able to continue for the foreseeable future.</p> <p>We concur with management's assessment that it is appropriate to continue to adopt the going concern basis and there are no material uncertainties relating to going concern which should be disclosed in the financial statements.</p>

4. Estimates and judgements

During the audit planning process we identified the following areas which require significant estimation or judgement. Our audit work consisted of reviewing these keys areas for any indication of bias and assessing whether the judgements used by Management are reasonable. We have summarised our assessment of this below, categorised between **Prudent**, **Balanced** and **Optimistic**.

Area	Assessment	Comment
Pension assumptions	Balanced	<p>An actuarial estimate of the pension fund asset/liability is calculated on an annual basis under FRS 102 and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience.</p> <p>We have considered the competence, capability and objectivity of the actuary in line with the requirements of ISA (UK) 500 'Audit Evidence'. From this review we did not identify any items which gave us cause for concern over the suitability of the actuary.</p> <p>We reviewed the reasonableness of the assumptions used in the calculation against other local government pension fund actuaries and other observable data, with no issues identified. In addition we reviewed the information in the actuarial report for completeness and accuracy against the published pension fund data.</p>

5. Going Concern

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Management's assessment of going concern

East Ayrshire Leisure Trust has prepared its financial statements on the going concern basis. Management believe that the financial statements should be prepared on the going concern basis due to the following:

- The current funding agreement with East Ayrshire Council covers up to 31 March 2023.
- SLA agreement in place with the Council.
- Financial strategy to 2026 has been considered.
- Strong cash and reserves position at the year end.
- Activities recovering well since pandemic.

Management's assessment covers a period of at least 12 months from expected date of approval of the accounts

Audit work performed

ISA 570 (revised) specifies mandatory procedures that we are required to carry out on going concern.

- a review of budgets covering a period of 12 months from the expected signing of the audit report, together with post year end management accounts;
- a review of minutes of post balance sheet Board meetings;
- enquiring of senior management concerning litigation, claims and assessments; and
- consideration of the impact COVID-19 has had on the organisation.

Other factors

A balanced budget has been set and approved for 22/23 - savings of £162,000 have to be achieved.

Pension contributions: 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.

Disclosures

We have reviewed the disclosures set out in the financial statements and concluded that they are sufficient and appropriate

Conclusion

We concur with management's assessment that it is appropriate to continue to adopt the going concern basis and there are no material uncertainties relating to going concern which should be disclosed in the financial statements.

6. Audit communication

Materiality

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to those charged with governance and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

Under ISA (UK) 260 ‘Communication with those charged with governance’, we are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. ISA (UK) 260 defines ‘clearly trivial’ as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

An omission or misstatement is regarded as material if it would reasonably influence the users of the financial statements. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile of the business and the needs of the users.

Our assessment of materiality for this year is shown over.

Accounting policies

The accounting policies used in preparing the financial statements are unchanged from the prior year.

Presentation and disclosures

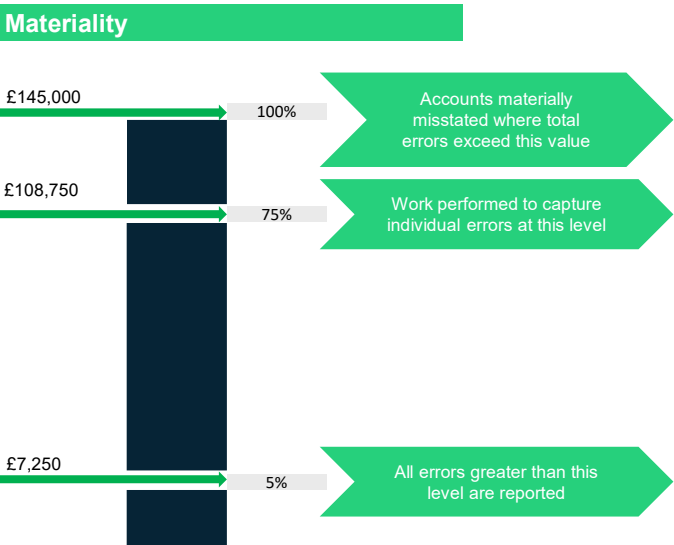
Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the entity.

Overall we found the disclosed accounting policies, significant accounting estimates and the overall disclosures and presentation to be appropriate.

Fraud and suspected fraud

We have previously discussed the risk of fraud with management. We have not been made aware of any incidents in the period nor have any incidents come to our attention as a result of our audit testing

Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose. In the event that the directors wish to obtain enhanced assurance with regard to the effectiveness of internal control in preventing and detecting fraud we should be happy to provide additional services.



Trivial misstatements	No trivial misstatements were identified.
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Materiality	Our materiality was assessed based on approximately 2% of incoming resources. We consider incoming resources to be the principal consideration for the users of the financial statements when assessing the performance of the Trust.
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Written representations

We will present the final letter of representation to the Board to sign at the same time as the financial statements are approved.

Related parties

We are not aware of any related party transactions which have not been disclosed.

Confirmations from third parties

The requested third party confirmations in respect bank has been received.

6. Audit communication (cont'd)

Unadjusted audit differences

Our summary of unadjusted audit differences is presented below. We have discussed these with management and confirmed that all unadjusted differences are collectively and individually under materiality.

No	Detail	Assets	Liabilities	Equity	Profit / (loss)
		Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £
Details of unadjusted audit differences					
1	Adjustment 1 – being movement holiday pay accrual for 2021/22		(9,569)		9,569
Total			(9,569)		9,569

7. Internal controls

Control environment

The purpose of an audit is to express an opinion on the financial statements. As part of our work we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we have reported these to you below and overleaf. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to you and that have not been reported elsewhere within this memorandum.

Area	Assessment	Comment
Control and process environment	Satisfactory	We consider the control environment within the entity to be satisfactory.
Quality of supporting schedules	Satisfactory	The supporting schedules received during the course of the fieldwork were sufficient for our audit purposes
Responses to audit queries	Satisfactory	Management's responses to our audit queries were appropriate and received on a timely basis.

8. Independence and ethics

Independence and Ethics

In accordance with our profession's ethical guidance and further to our audit planning letter issued confirming audit arrangements there are no further matters to bring to your attention in relation to our integrity, objectivity and independence.

We confirm that Azets Audit Services and the engagement team complied with the FRC's Ethical Standard. We confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

Audit and non-audit services

The following services were provided in the year to March 2022 and to March 2021.

Audit services	Fees 2022 £	Fees 2021 £
Audit of financial statements	13,200	12,000

Non audit service	Fees 2022 £	Fees 2021 £	Potential threats	Safeguards applied
Preparation of statutory accounts	3,025	2,750	Self review	Trustees sign and approve all adjustments made to the financial statements.
Tax and VAT services	1,360	2,125		Whilst the preparation of statutory financial statements is carried out by members of the audit team, these are subject to review by an individual separate from the audit team.
Due diligence	Nil	8,000		All other services are provided and reviewed by staff separate from the audit team.
Total non-audit services	4,385	12,875		

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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

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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.

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.

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- Ayrshire Athletics Arena (4 star Leisure Facility)

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

- Baird Institute (4 star Visitor Attraction)

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

- Burns House Museum and Library (4 star Visitor Attraction)

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

- Cumnock Town Hall

Designed by Robert Ingram and built in 1883/4, Cumnock Town Hall has undergone extensive restoration, designed to restore it to its former glory using traditional materials and to update facilities to cater for the needs of its 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.

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- River Ayr Way

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

EAST AYRSHIRE LEISURE'S STRUCTURE

THE BOARD OF TRUSTEES

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

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

Trustees

Appointment date / resignation date

Partner Trustees

Elena Whitman (Chair until 24 June 2021)	18 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 2nd 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

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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)

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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

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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.

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.

- 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

- 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

- 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

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;

- 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.

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 13 September 2022 and signed on its behalf by:

Clare Maitland (Chair)
Trustee

Anneke Freel
Chief Officer

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

Opinion

We have audited the financial statements of East Ayrshire Leisure Trust (the 'charity') for the year ended 31 March 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

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
Statutory Auditor
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date:.....

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)
Net current assets		<u>1,398,107</u>	<u>755,980</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><u>1,510,644</u></u>	<u><u>(2,430,683)</u></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><u>1,510,644</u></u>	<u><u>(2,430,683)</u></u>

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

.....

Signed on behalf of the board of trustees

Claire Maitland
Trustee

Anneke Freel
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.

I. Accounting Policies

Incoming resources

Income from leisure, cultural and related activity is recognised in the period when the charity has entitlement to the funds, any performance conditions attached to the items of income has been met, it is probable that the income will be received and the amount can be measured reliably.

Revenue grants, including those from government, are recognised in the Statement of Financial Activities (SoFA) in the period in which the charity is entitled to receipt, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

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

Expenditure recognition and allocation of expenditure

Expenditure is recognised when a liability is incurred.

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

East Ayrshire Leisure Trust
Notes to the Accounts
For the year ended 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.

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.

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
	5,795,860	5,309,038

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		

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 Number	2021 Number
East Ayrshire Leisure Trust		
Full-time (permanent)	95	96
Part-time (permanent)	91	77
	186	173

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)
	<hr/>	<hr/>
Closing defined benefit obligation	31,589	32,137
	<hr/>	<hr/>

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)
	<hr/>	<hr/>
Closing fair value of plan assets	31,635	28,908
	<hr/>	<hr/>

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
	<hr/>	<hr/>
As at 31 st March 2022	199,414	199,414
	<hr/>	<hr/>
Depreciation		
As at 1 st April 2021	159,437	159,437
Charge	8,360	8,360
	<hr/>	<hr/>
As at 31 st March 2022	167,797	167,797
	<hr/>	<hr/>
Net book value		
As at 31 st March 2021	7,417	7,417
As at 31 st March 2022	31,617	31,617
	<hr/>	<hr/>

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
	<hr/>	<hr/>
As at 31 st March 2022	34,920	34,920
	<hr/>	<hr/>
Net book value		
As at 31 st March 2021	34,920	34,920
As at 31 st March 2022	34,920	34,920
	<hr/>	<hr/>

11. Stock

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

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 1 st April 2021 £	Incoming £	Outgoing £	Transfers £	Actuarial Gain/(Loss) £	Closing Balance 31 st 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	<u>44,920</u>	<u>20,840</u>	<u>(22,465)</u>	<u>-</u>	<u>43,295</u>

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	<u>54,530</u>	<u>-</u>	<u>(9,610)</u>	<u>-</u>	<u>44,920</u>

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

Restricted funds

Opening Balance	2021 Incoming Resources	2021 Resources Expended	2021 Closing Balance		Opening Balance	2022 Incoming Resources	2022 Resources Expended	2022 Transfers	2022 Closing Balance
£	£	£	£		£	£	£	£	£
-	-	-	-	Annick Valley Leisure Facilities	-	212,000	(12,971)	-	199,029
-	-	-	-	-Dean Castle Event Fruit and Nut Tree	-	5,000	-	-	5,000
-	-	-	-	-Woodland	-	-	(13,114)	-	(13,114)
-	-	-	-	FutureMuseum.co.uk	-	15,750	-	-	15,750
-	-	-	-	-Redevelopment	-	47,499	(47,499)	-	-
-	-	-	-	-All Communities	-	-	(2,968)	2,968	-
-	-	-	-	October Activity Programme	-	810	-	-	810
-	-	-	-	-Patna Leisure Facilities	-	21,265	(17,691)	-	3,574
-	-	-	-	Seedscares: Future	-	10,500	(1,535)	-	8,965
-	-	-	-	-Proofing Nature	-	42,789	(32,789)	(10,000)	-
-	-	-	-	-Sharing Stories	-	5,000	(9,600)	7,032	2,432
4,132	-	(117)	4,015	Summer Activity Programme	4,015	-	(106)	-	3,909
861	-	-	861	-Youth Memberships	861	-	-	-	861
-	9,273	(4,681)	4,592	Ayrshire Libraries forum	4,592	2,830	(1,850)	-	5,572
-	48,010	(32,510)	15,500	Burns Birthday in Mauchline	15,500	93,887	(94,574)	-	14,813
2,416	-	-	2,416	Cumnock Town Hall Community Cinema	2,416	-	(44)	-	2,372
-	4,000	-	4,000	DCCP Parks for People	4,000	-	-	-	4,000
-	23,020	(1,015)	22,005	Digital Storyteller in Residence	22,005	1,198	(16,517)	-	6,686
27,973	-	(3,715)	24,258	Foster Carer Service - Memberships	24,258	181,793	(185,207)	-	20,844
14,955	-	-	14,955	Grayson Perry	14,955	-	-	-	14,955
7,356	-	-	7,356	Irvine Valley Trails 2019 onwards	7,356	-	(7,356)	-	-
9,450	-	(10,348)	(898)	Kilmarnock Green Infrastructure	(898)	12,150	(15,028)	3,776	-
5,000	-	-	5,000	Logan Centre Ringfenced	5,000	-	-	-	5,000
-	20,000	-	20,000	Museums Database	20,000	-	(300)	-	19,700
-	2,099	(2,099)	-	SHOUT	-	-	-	-	-
(5,369)	5,577	(208)	-	Wifi Project	-	-	-	-	-
7,175	-	(7,175)	-	Dean Castle Restoration Project	-	-	-	-	-
(15,588)	16,788	(1,200)	-	-Johnny Walker Display	-	-	-	-	-
4,889	-	(4,889)	-	-Natural Leaders	-	-	-	-	-
				-Rose Reilly Renaming	-	-	-	-	-
				Nature Therapy Breaks	-	-	-	-	-
63,250	128,766	(67,955)	124,061	Totals	124,061	652,471	(459,150)	3,776	321,158

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,

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.

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
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The Natural Leaders project was completed in prior year with work undertaken on key open spaces with Auchinleck, Doon and Kilmarnock Academy. This project aimed to develop Local Nature Reserves which can be used by the community and as an outdoor learning resource.

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

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

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

	2022	2021
	£	£
Net income/(expenditure) for the reporting period (as per the SOFA)	(442,673)	(216,533)
Adjustments for:		
Interest received	(160)	(334)
Depreciation	8,360	14,730
Net cost in respect of pensions	1,109,000	766,000
(Increase)/decrease in stock	(5,272)	4,076
(Increase)/decrease in debtors	(427,151)	21,439
Decrease in creditors	(220,738)	(10,172)
Net cash provided by (used in) operating activities	21,366	579,206

Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	1,320,798	1,331,832
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	1,320,798	1,331,832

18. Operating lease commitments

At 31st March 2022, the Trust had future minimum lease payments under non-cancellable operating leases as follows:

	2022		2021
	Land and buildings	Other	Land and buildings
	£	£	£
Within one year	-	16,128	-
Within two to five years	-	13,222	-
	-	29,350	-
	29,350		49,546

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.

Azets Audit Services Limited
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Re: East Ayrshire Leisure Trust

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charity's financial statements for the period ended 31/03/2022. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

GENERAL

1. We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 26 April 2022 under the Charities and Trustee Investment (Scotland) Act 2005 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the charity have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charity, and with all other records and related information requested, including minutes of all trustee meetings and correspondence with The Office of the Scottish Charity Regulator.

ADJUSTMENTS & DISCLOSURES

4. The financial statements are free of material misstatements, including omissions.
5. We have reviewed and approved all audit adjustments made in the financial statements. (See appendix I for details of such audit adjustments).
6. One unadjusted item was identified and is not considered material to the financial statements (see Appendix II for details).
7. We have reviewed and approved all disclosures made in the financial statements and we are not aware of any other matters which require disclosure in order to comply with the requirements of applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

INTERNAL CONTROL AND FRAUD

8. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
9. We have disclosed to you all instances of known or suspected fraud affecting the charity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
10. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the charity's financial statements communicated by current or former employees, analysts, regulators or others.
11. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we deem necessary to address the likely effects of the COVID-19 pandemic on our system of internal controls.

ASSETS AND LIABILITIES

12. The charity has satisfactory title to all assets and there are no liens or encumbrances on the charity's assets except for those that are disclosed in the notes to the financial statements.
13. There were no changes in fixed assets during the period ended 31/03/2022 other than those disclosed in the accounts.

14. We have reviewed the residual values attached to fixed assets and confirm they are still appropriate and reasonable reflections of these assets condition and usage.
15. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
16. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
17. We confirm that all bank accounts have been disclosed to you and are included within the financial statements.
18. We confirm that the charity has not contracted for any capital expenditure other than as disclosed in the financial statements.

ACCOUNTING ESTIMATES

19. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

LOANS AND ARRANGEMENTS

20. The charity has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

LEGAL CLAIMS

21. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

LAWS AND REGULATIONS

22. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements and disclosures, including non-compliance matters:
 - a. Involving financial impropriety;
 - b. Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the charity's financial statements;
 - c. Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the charities' business, its ability to continue in business, or to avoid material penalties; and
 - d. Involving management, or employees who have significant roles in internal control, or others.
23. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, other than those already disclosed.

RELATED PARTIES

24. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and we confirm that such information is complete. We are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

SUBSEQUENT EVENTS

25. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

GOING CONCERN

26. We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that there is a long term funding agreement and an SLA in place with the Council, the financial strategy for period to 2026 has been considered and there is a strong current reserves position.
27. We also confirm our plans for future action(s) required to enable the charity to continue as a going concern are feasible.
28. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements.

29. The implications of the Covid-19 pandemic continue to create uncertainty and it is therefore difficult to evaluate the likely effect on the charity's trade, customers, suppliers and the wider economy. Our assessment at the date of approval of these accounts is that the pandemic does not create a material uncertainty related to going concern. Note 1 to the financial statements discloses matters of which we are aware that are relevant to the charity's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

GRANTS AND DONATIONS

30. All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.
31. Restricted grants and donations are disclosed in note 16 to the financial statements. All income has been recorded, all restricted funds have been properly applied and all constructive obligations have been recognised.
32. We confirm that there were no restrictions over the donations received and applied to the purchase of the Eglinton Statue.

DISCLOSURE OF INFORMATION TO THE AUDITOR

33. We acknowledge our legal responsibilities regarding disclosure of information to you as auditor and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.
34. Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

.....
Signed on behalf of the board of directors by:

[NAME]

Trustee

Date:

Appendix 1 – Audit adjustments

	£
Net income per the Trust's management accounts	(437,340)
<i>Audit adjustments</i>	1,109,000
Incorporation of actuarial information into the financial statements	(175,755)
Net adjustment to remove deferred income in 2021/22 and adjust for 2020/21 deferred income	(7,729)
Net adjustment to debtors at year end in relation to restricted funds	(17,470)
Transfer to funds in respect of depreciation on assets funded through restricted funds	(28,033)
Museums and Galleries Tax Relief noted in funds for budgetary purposes	
Net expenditure per the financial statements	442,673

Appendix 2 – Uncorrected misstatements

No	Detail	Assets	Liabilities	Equity	Profit / (loss)
		Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £
Details of unadjusted audit differences					
1	Adjustment 1 – being movement holiday pay accrual for 2021/22		(9,569)		9,569
Total			(9,569)		9,569