



| leisure

ANNUAL REPORT 2019





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FOREWORD

As chairman of KA Leisure I am pleased to provide this foreword and share with you our 2018/2019 Annual Report.

During the year 2018/2019 we continued to increase customers visits by 59,878 attendances, bringing the total number of visits for the period to 2,766,064. This increase is attributed to continued growth of our fitness offering, the development of innovative person-centred programmes and a further development with partnerships which offer outreach into our communities.

Financially the Company has achieved a turnover of £8,264,945 which is an increase of 4.3% on the previous year. The increase in the operational budget is mainly attributed to the aforementioned growth in our fitness products, and with the increased popularity of our newer facilities at the Portal together with the Garnock and Largs Campuses.

The report includes a number of highlights across the business which has contributed to our continual success. Our partnership with the North Ayrshire Health and Social Care Partnership has continued to grow in strength. The development of a new Health and Wellbeing service has supported our Active Lifestyles team to deliver across all six localities including some of the hardest to reach groups.

We are proud to deliver the Move More North Ayrshire project which is funded by Macmillan cancer support. Within which, in the first 12 months of the programme, we have supported 91 participants at various stages of their recovery, and also recruited and trained 31 volunteers, who support the programme through the delivery of classes, gardening or walking opportunities.

The report also details our successful application to the Changing Lives Through Sport and Physical Activity (CLTSPA) fund.

This funding will be used to deliver the new North Ayrshire Champions for Change project; an exciting new project will be delivered in partnership with the North Ayrshire Drug and Alcohol Partnership and North Ayrshire Active Schools. Its aim being to use sport to develop social change, and support individuals towards positive destinations such as volunteering, employment or further education.

Our commitment to the Active Communities Partnership gives us a key role in the delivery of the North Ayrshire Drop Everything and Move initiative. The DrEAM Day took place in November 2018 with a series of inspiring community events which were used to highlight the importance of being active and the benefit that it brings to an individual's mental and physical health.

Collaboration and engagement with staff, customers and strategic partners is vital in ensuring we continue to meet everyone's expectations, and we continue to be proactive in communicating with all interested parties.

As a Company we strive to produce the best possible service to our community, and do so with everyone's health and safety in mind. I am delighted to record that KAL has retained the RoSPA Gold Medal for the fifth consecutive year together with a Gold Award in a new Leisure Safety category, which is a testament to the emphasis that the Company places on Health and Safety.

To conclude I would like to take this opportunity to thank our employees, Board of Directors, North Ayrshire Council and strategic partners for their dedication and commitment over the previous twelve months. I would also like to thank our customers for all their continued loyalty and support.

Gary Higgin, Chairman



REFERENCE AND ADMINISTRATION DETAILS

Company registration number	SC202978
Charity registration number	SC029780
Registered office	22 Quarry Road Irvine KA12 0TH
Company trading name	KA Leisure
Trustees	G Higgon (Chairman) A Pringle (Vice Chairman) T Billings J Brahim H Campbell R Martin (Resigned 30th September 2018) S Macaulay J Sweeney
Chief executive officer	E Cairns
Senior management team	E Cairns C Glencorse L Barrie L Campbell (Resigned 3rd March 2019)
Solicitor	Shepherd and Wedderburn 191 West George Street Glasgow G2 2LB
Auditors	Campbell Dallas Audit Services Registered Auditors 5 Whitefriars Crescent Perth PH2 0PA
Bankers	Clydesdale Bank 151 High Street Irvine KA12 8AD

DIRECTORS' REPORT

(Incorporating Strategic Report)
Structure, Governance and Management

Company Structure

North Ayrshire Leisure Limited is a Company limited by guarantee and has charitable status. The Company's trading name is KA Leisure. The Company is governed by its Articles of Association. The Company is a not for profit organisation, any surpluses generated are reinvested in improving facilities and services.

The Company is responsible for the management and operation of the following facilities in North Ayrshire;

- ◆ **Auchenharvie Leisure Centre, Stevenston**
- ◆ **Garnock Community Campus, Glengarnock**
- ◆ **Portal, Irvine**
- ◆ **Vikingar!, Largs**
- ◆ **KA Campuses**
 - Dalry Primary School
 - Kilwinning Academy
 - Greenwood Academy
 - St Matthew's Academy
 - Arran High School
 - Stanley Primary School (Company acts as booking agent only)
 - West Kilbride (in partnership with West Kilbride Community Association)
 - Largs Academy
- ◆ **Golf Courses**
 - Ravenspark, Irvine
 - Auchenharvie, Stevenston
 - Routenburn, Largs
- ◆ **Outdoor Sports Facilities**
- ◆ **North Ayrshire Leisure Trading Services Limited (dormant)**

Facilities are owned by North Ayrshire Council but are leased to the Company. Specific contractual agreements are in existence to enable sport, leisure and recreational community use within school facilities.

Directors

The trustees, as detailed on page 2, are also Directors of the Company and both references will be used in the Annual Report. As set out in the Company Articles of Association the maximum number of Directors is 9 and comprises of the following;

- ◆ a maximum of 4 Directors appointed by North Ayrshire Council.
- ◆ a maximum of 4 Directors appointed from, and representative of, the North Ayrshire area (with skills to assist the Company in carrying out its objects).
- ◆ a maximum of 1 Director appointed from and by the employees of the Company.

The Board of Directors meet at least six times a year to consider Company business. The Company has an HR Committee and Audit Committee.

Trustee Induction and Training

The Board seek to ensure that all members possess the range of skills and interests that are relevant to meeting the Company's overall objectives.

All new Directors are provided with the Company Articles of Association, Annual Report and Company Progress Report incorporating the financial budget. Directors are provided with training on various topics including charity and company legislation.



Employees

The Company communicates and consults with employees, and, where represented, trade unions. The Company is committed to staff training and development to ensure all employees have the necessary skill base to effectively contribute to the objectives of the Company.

Applications for employment by disabled persons are given full and fair consideration. In the event of employees becoming disabled every effort is made to provide support to ensure their employment with the Company can continue.

The Company over the period has employed an average of 351 employees. The Company has a Senior Management Team comprising of a Chief Executive and 3 Business Managers covering the areas

of Leisure, Physical Activity and Business Development.

During the period the Company continued to meet the criteria to maintain the Healthy Working Lives Silver Award and we are now actively working towards achieving the Gold Award from NHS Health Scotland. As part of the Gold award portfolio we will produce a Company Health and Wellbeing Strategy demonstrating clear commitment to promoting a healthy working environment for our employees.

The Company has an Employee Forum comprising employee representatives drawn from each facility and service area of the Company. The Forum is chaired by a Company Director and acts as an effective communication vehicle.



Related Parties

The Company owns 100% of the share capital of North Ayrshire Leisure Trading Services Limited. The trading subsidiary was dormant throughout the year to 31 March 2019.

A funding agreement exists between the Company and North Ayrshire Council. North Ayrshire Council provides the Company with a financial contribution to assist in the maintenance of the facilities and the delivery of sport, leisure and recreational services. The existing funding agreement is being revised by both parties and will be replaced with a flexible service specification. This will also include reviewing the funding mechanism to encompass revenue and capital requirements to ensure the sustainability of facilities across North Ayrshire.

North Ayrshire Council also provides assistance to the Company within the treasury management function and provides some administrative support.

Risk Management

As part of the Company's risk management policy and strategy a Strategic Risk Register is reviewed on an ongoing basis by the Company Audit Committee and approved annually by the Board of Directors. A range of controls and actions are maintained to mitigate the impact of any of these risks on the future operations of the Company. Principal risks are identified on page 22 and 23 of this report.

Health and Wellbeing

KA Leisure continue to be committed to developing a positive health and wellbeing culture through the involvement and commitment of all employees in delivering a quality service.

KA Leisure aims to foster the commitment, co-operation and involvement of all staff in developing and delivering a health and wellbeing culture. We seek to channel the ideas, experience and enthusiasm of our employees into continually improving our health and wellness culture across the Company. A key element of employee engagement is the operation of a staff Health and Wellbeing Forum.

Recognition of the Company health and wellbeing culture has led to KA Leisure being awarded the Royal Society for the Prevention of Accidents (RoSPA) Gold Medal for achieving five consecutive annual Gold Awards. KA Leisure is the only leisure trust in Scotland to be awarded the RoSPA Gold Award. Additionally, the Company has successfully achieved the inaugural RoSPA Gold Leisure Industry Award.

In addition, in recognition of their health and safety leadership and commitment to the development of the Company Health and Wellbeing Culture, one of our Team Leaders was awarded the Institution of Occupational Safety & Health (IOSH) Certificate of Merit Award.



OBJECTIVES AND ACTIVITIES

Making a Difference

KA Leisure is an organisation with a clear vision. We are committed to delivering outstanding leisure, sport and physical activity opportunities and are always working to continually improve what we do to benefit our customers and partners.

Our vision, More People, More Active, More Often, underpins our commitment to improve personal, social and community health outcomes across North Ayrshire. Our innovative programmes interact with our community in compelling ways, building lasting relationships, motivating and supporting individuals to join in and act now.

**MORE
PEOPLE**

**MORE
ACTIVE**

**MORE
OFTEN**



North Ayrshire Active Communities – DrEAM

As a committed member of North Ayrshire Community Planning Partnership (NACPP) we are passionate about working collaboratively with our partners and likeminded organisations to increase activity levels to improve the health and wellbeing of our communities across North Ayrshire.

Delivered in partnership with members of the Active Communities Steering Group DrEAM is North Ayrshire's approach to encouraging people to have fun, while living healthier and more active lives.

Thousands of people across North Ayrshire were active during our Drop Everything and Move Day in November 2018. A series of community events highlighted the importance of bringing people together both in terms of physical and mental health.

Health & Wellbeing Service

We continue to work in partnership with North Ayrshire Health and Social Care Partnership and NHS Ayrshire and Arran. During 2018 we developed a new Health and Wellbeing Service, enabling us to provide a variety of physical activity opportunities and support individuals to adopt an active, healthy lifestyle across all 6 North Ayrshire Localities. Working together with partners we can reach those most in need, improve health and reduce inequalities.

The service includes the overarching Exercise on Referral Programme Active North Ayrshire (ANA), the Healthy Active Rehabilitation Programme (HARP) that provides a structured pathway of physical activity from rehabilitation led by health professionals to longer term supported physical activity and the Mind and Be Active (MBA) programme which aims to improve mental health and wellbeing through supported physical activity.



ACTIVE NORTH AYRSHIRE

52,925

ATTENDANCES PER YEAR



84

CLASSES
PER
WEEK

100 NEW REFERRALS
PER MONTH



39%

MALE

61%

FEMALE

48%

OF ALL REFERRALS
have more than
one medical
condition

1 IN 3 
REFERRED BY GP

22

CONDITION
SPECIFIC
classes
per week

81% ATTEND INITIAL
APPOINTMENT

BENEFITS reported by participants ATTENDING CLASSES



94%

reported
attending classes
**HELPED REDUCE
SOCIAL ISOLATION**

89%

FELT THAT THEIR
**SELF-CONFIDENCE
HAD IMPROVED
SINCE ATTENDING**

90%

reported
**IMPROVED HEALTH
SINCE STARTING
THE PROGRAMME**



AT FIRST APPOINTMENT



59%
ARE OBESE

with a further
24% classed
as **overweight**

72%

have a waist
measurement that
puts them in high
risk category

46%

have moderate
or severe pain or
discomfort

58%

HAVE ELEVATED
BLOOD
PRESSURE

41%

have moderate
or severe
problems
walking about



ON A SCALE OF 1-100

42%

RATE THEIR HEALTH AT
LESS THAN 50

30%

have moderate or severe
**ANXIETY
or DEPRESSION**



Move More North Ayrshire

Move More North Ayrshire is a project funded by Macmillan Cancer Support, which provides physical activity opportunities for patients who have recently been diagnosed with cancer or are within 3 years of a cancer diagnosis. During the first 12 months of delivery the project supported 91 participants and recruited 31 volunteers who assist in the delivery of classes, gardening and walking opportunities. The development of partnerships with Kilwinning Sports Club, Eglinton Country Park and the North Ayrshire Green Health Partnership has enabled a more diverse delivery of the Move More programme across North Ayrshire.

North Ayrshire Green Health Partnership

We recognise that there is a significant evidence base for the range of individual and wider social health and wellbeing benefits that can be achieved through outdoor activity and contact with nature. Key benefits of these Green Health activities include: better physical and mental health and guarding against future illness, therapeutic and restorative qualities which enhance recovery, reduced social isolation, greater community cohesion and opportunities to establish lifelong healthy behaviours.

Working with a wide range of organisations in the health, social care,

environment, leisure, sport and active travel sectors as part of the North Ayrshire Green Health Partnership, we now have Green Health activity as an activity option within Active North

Ayrshire. The North Ayrshire Green Health Partnership is one of four pilot Green Health Partnerships making up a key element of Scottish Natural Heritage's vision for a Natural Health Service in Scotland.



Girl Make Your Move

We were awarded funding from the Sporting Equality fund to deliver a project aimed at engaging girls and young woman in physical activity to improve physical and mental wellbeing. The project had two distinct strands: the overarching social media campaign Girl Make Your Move which encourages and inspires woman and girls within North Ayrshire to become more active and STEP UP which targeted girls within 2 local secondary schools who are inactive and experiencing mental health and social isolation issues.



Community Outreach

As a Company we are committed to tackling health inequalities and providing opportunities that will contribute to help improve the health of the people living within North Ayrshire. Our outreach programme continues to offer a diverse range of physical activity opportunities, opportunity for early health intervention and the promotion of the benefits of a healthy lifestyle.



Activator

Our Activator is a versatile, mobile, physical activity and health unit providing a valuable service of health checks and lifestyle advice within the heart of local communities. Over the past 12 months we carried out a number of health checks that identified potential health issues that required referral to a medical professional. In some instances, this resulted in the identification of a health condition and the prescription of medication, demonstrating the impact our service can have as the first point of contact and an opportunity for early intervention.



KA Walk

We continue to deliver a programme of health walks across North Ayrshire, supporting a committed network of volunteers who lead the walks. Further to training provided by Alzheimer Scotland a number of our walks are now Dementia Friendly, supporting people living with dementia to remain active within their local community.

Falls Prevention

Our outreach programme continues to support the prevention of falls within the vulnerable frail and elderly population of North Ayrshire. Structured falls prevention classes are delivered within our leisure centres alongside a programme of structured activity classes that focus on functional exercises and improving postural stability. These classes are delivered to local community groups, within residential care homes, sheltered accommodation and social community hubs targeting hard to reach groups who are most in need.

Community Sport

Champions for Change

The Changing Lives Through Sport and Physical Activity (CLTSPA) Fund was launched in partnership between the Scottish Government, **sportscotland**, the Robertson Trust and Spirit of 2012, and will support organisations to deliver positive change in communities across the country.

Our own partnership of KA Leisure, North Ayrshire Active Schools and North Ayrshire Alcohol and Drug Partnership were delighted to receive confirmation of a successful funding bid for their Champions for Change Project, which will draw on the energy and passion of the people in North Ayrshire and serve as a vehicle for tackling social challenges.

Funded for two years the Champions for Change has **two distinct strands**, each delivered in two selected SIMD localities in North Ayrshire – Garnock Valley and Irvine.

- Community/Senior Pupil Leadership Programme - A volunteer project which develops the skills of people who don't traditionally get involved in sport and physical activity. The development project aims to support individuals gain the necessary skills and training to deliver community sports and physical activity opportunities in their communities and increases employment opportunities or progression into positive destinations.
- Schools and Community Participant Programme - Individuals who have participated in our Leadership programme will be supported to design and deliver their own sports and activity programmes. The delivery method will be interactive and educational and will focus around the awareness of alcohol and drug issues combined with non-traditional sports and physical activity sessions combined with family community events.



North Ayrshire Community Sport Hubs

National Lottery funded Community Sport Hubs (CSH) are one of **sportscotland**'s key programmes which support local sports clubs to play their part in promoting "Sport for Life". In doing so, these clubs are playing a crucial part in creating a long-term legacy which will have a positive impact on our future generations. We support 5 Community Sport Hubs in the North Ayrshire CSH programme which is in partnership with North Ayrshire Council.

CSH's provide information, support and advice on a wide range of sports and physical activities to make it easier for local people to get involved and engage in a more active and healthier lifestyle. The specifics of each hub and what it offers vary according to local need and local resource. However, all our hubs work to the following five principles:

- Growth in participation
- Engage the local community
- Promote community leadership
- Offer a range of sporting opportunities
- Bring all appropriate partners, groups and people together

CSH's across North Ayrshire aim to support local sports clubs and individuals who may experience barriers to participation with a focus on age, disability, gender, and social and economic disadvantage.

Meadow Activity Club

Community Sport Hub funding received from the GO LIVE! Get Active! programme was launched in October 2018 in partnership with Irvine Meadow Community Club. The Irvine Meadow Activity Club offered weekly health and nutrition education, a weekly weigh-in option and a variety of physical activity and sports activities. The 12-week programme supported 12 participants aged between 34 and 80 years. At the end of the programme the twelve participants lost a combined weight of 41.3kg.

Following its success, the Meadow Activity Club will be replicated in early 2019 in Kilwinning in partnership with Kilwinning Sports Club and Kilwinning Rangers.

Cross Country

Following 27 years of the Annual North Ayrshire Schools Cross-Country League, attendances have continued to rise in recent years. Delivered in partnership with North Ayrshire Athletics Club the Cross-Country League is a key part of the local athletics calendar. Last year the attendances increased by 18%, however since 2014 our attendances have risen by 75% with 410 individuals taking part.



Walking Football

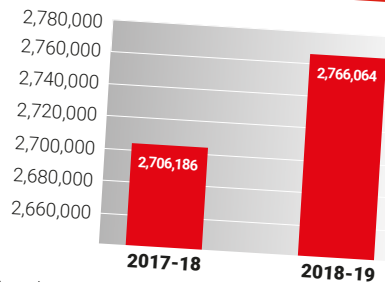
Walking Football has continued to flourish since its inception in November 2015. There are now four weekly sessions available to interested footballers at different venues across North Ayrshire, St. Matthews Academy, Inverclyde Largs and the Portal, Irvine. On average, 60 players of 50+ age attend these sessions on a weekly basis. December 2018 saw the first North Ayrshire festival take place at the Weir 3g indoor centre in Largs in partnership with Inverclyde National Sports Centre where we had 5 teams participating on the day.

ACHIEVEMENTS AND PERFORMANCE

To measure performance the Company provides Statutory Performance Indicators (SPIs) information to North Ayrshire Council on an annual basis. The Company also produces a series of key performance indicators (KPIs).

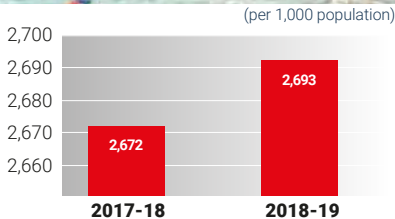
Overall attendance figures for the Company in 2018/19 have shown an increase of 59,878 visits and an operational surplus of £68,842. The following graphs highlight the main areas of activity and report on any fluctuations.

TOTAL CUSTOMER ACTIVITY



Overall Customer Activity visits have marginally increased during 2018/19. A further breakdown of each activity area is highlighted in the following graphs:

SWIMMING POOL ATTENDANCES (SPI 1)

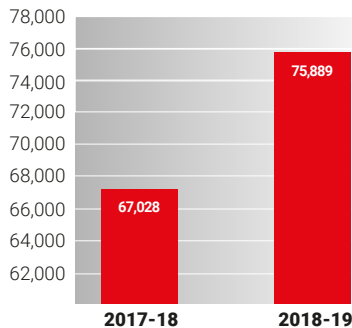


Aquatic activity is comparable with the previous year despite a small number of pool closures at the Portal to complete necessary investigation works. However, these reductions have been offset by increased attendance across the KA Leisure Learn to Swim programme.

ICE



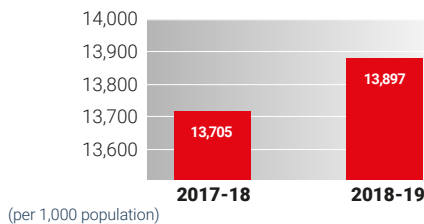
Customer visits to the ice rink at Auchenharvie Leisure Centre have recorded an increase in comparison to attendances in 2017-18 largely assisted by the installation of dehumidification plant.



INDOOR ATTENDANCES (SPI 2)

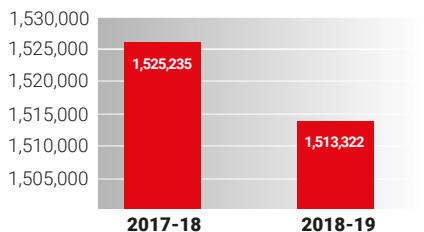


Attendances across indoor sports facilities have maintained a similar number of customer visits to the previous year.

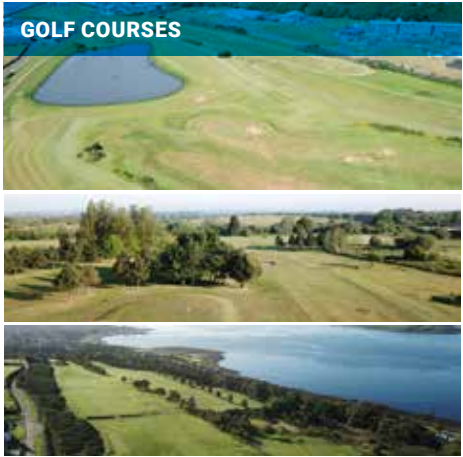




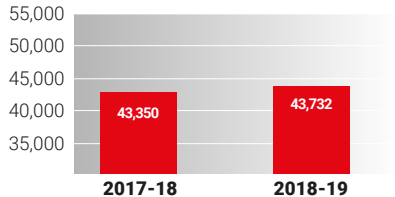
FITNESS



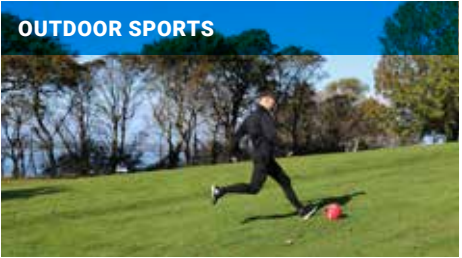
Attendances to fitness activities maintained a similar level to that of the previous year. Visits have varied across sites with visits to fitness activities at Campus facilities decreasing.



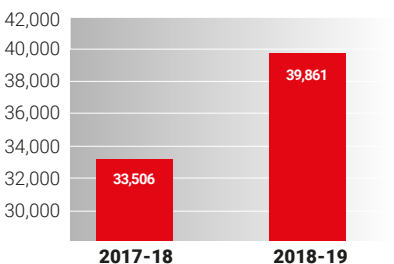
GOLF COURSES



Customer visits to the three golf courses are comparable to the previous financial year. Recorded visits mirror national figures however development of the KA Leisure golf coaching programme is expected to contribute to a small increase moving forward.



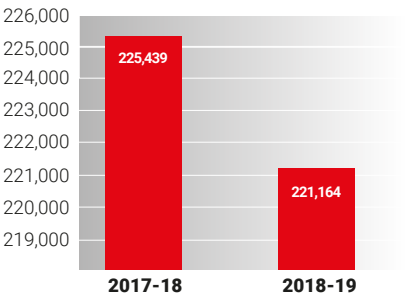
OUTDOOR SPORTS



Customer visits to Outdoor Sports have increased in comparison to the previous financial year. A milder winter has increased the availability of grass sports pitches contributing to increased visits.



PHYSICAL ACTIVITY



Attendances across physical activity have reduced by 2% in comparison to the previous financial year. This is primarily due to a reduction in attendances recorded at the Rugby and Basketball School of Sport Programmes as well as a variety of community events which were not repeated during the year.

FINANCIAL REVIEW



The financial statements for North Ayrshire Leisure Limited at 31 March 2019 show a turnover of £8,264,945 (2018: £7,926,952), an Investment Reserve of £331,061 (2018: £302,186), and General Reserves in deficit by £3,353,327, incorporating £3,529,000 reflecting Defined Benefit Pension Fund liabilities (2018: reserves deficit £707,169, incorporating £864,000 pension liability). The Company is an Admitted Body to Strathclyde Pension Fund.

North Ayrshire Council's financial contribution towards the cost of maintaining facilities and delivering services is £2,886,624 (2018: £3,036,624).

Reserves Policy

It is the policy of the Company to hold reserves of funds which have not yet been committed or designated for any particular purpose.

The trustees have set aside these general reserves in order to protect future operations of the Company from the effects of any unforeseen variations in its income streams as part of a policy of good financial management practice. At 31 March 2019 the general reserve amounted to a deficit of £3,353,327 (2018: deficit £707,169). Setting aside the pension deficit the trustees are aware that the Company has minimal free reserves and are working on improving this position by ensuring the Company is operating efficiently.

It is also the policy of the Company to provide a designated reserve where it is deemed necessary in considering the future intentions of the Company. Such a reserve has been set aside for investment. At 31 March 2019 the investment reserve amounted to £331,061 (2018: £302,186).

Pension Deficit

The trustees acknowledge the net pension deficit at 31 March 2019 of £3,529,000 (2018: deficit £864,000). This is in relation to the Company's share of assets and liabilities within the Strathclyde Pension Fund, a local government pension scheme. The Company continues to meet its ongoing commitments in accordance with the payment plan.

Going Concern

The trustees have assessed, based on future budgets, that there are adequate resources in place from both committed funding and cash resources to meet the ongoing costs of the Company for a minimum of 12 months from the date of signing these financial statements. Accordingly, these financial statements are prepared on the going concern basis.





PLANS FOR FUTURE PERIODS

Strategic Direction

Our collaboration with the North Ayrshire Community Planning Partnership (NACPP) underpin our commitment towards developing more active communities. We continue to work towards our aim of delivering exceptional service for all our stakeholders.

Our place within the North Ayrshire Active Communities Strategic Partnership (NAACSP) has created a network of organisations which promote joint working across our localities. We continue to strengthen our partnerships across all sectors including public, private and voluntary. Partnership working is key to increasing the health and wellbeing of the people of North Ayrshire.

Our work involves the delivery of person-centred approaches which foster a fun and social environment for our participants to feel confident and motivated to take part in sport and physical activity. We support all staff to ensure they are equipped with the skills, experience and qualities to deliver these activities along with messages which highlight the benefits of staying active to increase both our physical and mental health.

We understand the barriers which people face in taking part in sport and physical activity. The work we do within our communities gives us the knowledge to create inclusive programmes which are focused to remove pre-conceived obstructions including age, gender, disability or social economic disadvantage.

Our continued investment towards our programmes, staff and facilities has ensured that we remain the leading fitness provider in North Ayrshire. This has created a strong platform to ensure we support everyone to get more active no matter their chosen activity or level of participation.



Future Plans

KA Leisure continues to work in partnership with North Ayrshire Council regarding the development of new facilities. The next facilities to be introduced will be the indoor and outdoor football facilities at the Circuit, Irvine, in the second half of 2019.

We will continue our collaborative working with NAC and other partners to ensure facility and service provision meets the expectation of North Ayrshire communities.

We will carry out a review of corporate service functions to ensure the effective management of information across the organisation.

The Company is committed to ensuring that it responds to and manages any challenges that may impact on the organisation. The Company recognises that a certain amount of risk is inevitable if the organisation is to achieve its priorities. A risk management framework is in place to assist with taking informed decisions regarding the risks that impact on the Company's priorities, whether Strategic or Operational.

Principle risks identified through the Company Strategic Risk Register which have the potential to seriously affect the performance, future prospects or reputation of the Company are detailed below along with mitigating actions being taken by the Company.

Principal Risks and Uncertainties

Strategic Risk	Possible Impact	Mitigating Actions
Maintenance of Adequate Corporate Reserves	Maintaining low reserves levels could result in the organisation being unable to absorb unforeseen or unplanned expenditure.	Development of revised funding agreement with North Ayrshire Council and a reserves budgetary provision within the 2019/20 revenue budget.
Strategic Workforce Issues	Retention or failure to attract quality employees will reduce development and adversely affect the way the Company reacts to its environment.	Continual review of workplace requirements to include Living Wage, staffing structures, grade differentials & staff training.
Information & Communication Technology	If the business does not remain current with the continual developments within ICT it could lead to inefficient operating systems, lack of customer satisfaction and data security.	Ongoing corporate ICT development and training to ensure compliance with General Data Protection Regulation.
Asset Management	The age of facilities operated by the Company and relative lack of investment to date, identify facility management as a significant risk to the Company. New facilities operated in partnership with North Ayrshire Council must be reflective of community requirements.	Specialist contractors to maintain plant and equipment, the installation of a computerised maintenance management system to enable identification of general maintenance issues and develop a facilities management agreement with North Ayrshire Council.
Partnership Working	Loss of funding from North Ayrshire Council would seriously impact the ongoing viability of the Company.	Development of funding arrangements with North Ayrshire Council and membership of the North Ayrshire Community Planning Partnership.

Strategic Risk	Possible Impact	Mitigating Actions
Customer Satisfaction	Maintaining customer satisfaction levels is a high priority for the Company. Ensuring income targets are achieved through customer loyalty; favourable perception from key partners; minimising competitor activity; achievement of key and statutory performance indicators and avoidance of adverse publicity within the local and national press.	Maintenance of customer consultation forums; adoption of social media communication techniques; ongoing customer service training for staff; maintenance of competitive pricing structure and roll out of the customer charter.
Governance & Management	The Company would be at risk if it were reporting poor statistical and satisfaction levels and there was evidence of non-adherence to charity and company law and best practice guidance	External audit, retention of Company solicitors, membership of Industry body, Director training, records held with Companies House and OSCR
Social, Economic, Environmental, & Legislative Pressures	Failure to respond to external factors may result in legal action, loss of customer satisfaction, increased costs, loss of confidence and missed opportunities	Retention of Company solicitors, membership of industry body, attendance at seminars, development of procurement guidelines
Business Continuity	Loss of one of more Company facilities would result in loss of income and customer loyalty whilst increasing opportunity for competitors	Asset management plan, health and safety policy and strategy, financial monitoring of individual sites, secure financial and customer databases
Health & Safety	Failure to provide a safe environment for staff, contractors and customers may lead to a forced closure of a facility resulting in lost income, loss of confidence and reduced customer satisfaction and loyalty	Comprehensive health and safety policy and strategy, training for staff and Directors, health and safety forum, maintenance of RoSPA Gold Accreditation



TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The trustees (who are also the Directors for the purposes of Company Law) are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under Company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the results of the Company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and Statements of Recommended Practice 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 Company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Company law, as the Company's Directors, we certify that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- as the Directors of the Company we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

BY ORDER OF THE TRUSTEES

G Higgon
Trustee
27 June 2019

ANNUAL ACCOUNTS

Statement of Financial Activities (incorporating income and expenditure account)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Income from donations and legacies				
Lottery and other funded projects	-	443,883	443,883	401,443
Income from charitable activities				
Services provided to North Ayrshire Council	2,886,624	-	2,886,624	3,036,624
Charitable trading operations	4,770,790	159,479	4,930,269	4,485,326
Income from investments				
Investment income	4,169	-	4,169	3,559
Total income and endowments	<u>7,661,583</u>	<u>603,362</u>	<u>8,264,945</u>	<u>7,926,952</u>
Expenditure on charitable activities				
Charitable activities	8,289,866	603,362	8,893,228	8,625,642
Total resources expended	<u>8,289,866</u>	<u>603,362</u>	<u>8,893,228</u>	<u>8,625,642</u>
Net income / (expenditure)	<u>(628,283)</u>	<u>-</u>	<u>(628,283)</u>	<u>(698,690)</u>
Actuarial (losses)/ gains on defined benefit pension schemes	(1,989,000)	-	(1,989,000)	4,369,000
Net movement in funds	<u>(2,617,283)</u>	<u>-</u>	<u>(2,617,283)</u>	<u>3,670,310</u>
Funds brought forward at 1 April 2018	(404,983)	-	(404,983)	4,075,293
Funds carried forward at 31 March 2019	<u>(3,022,266)</u>	<u>-</u>	<u>(3,022,266)</u>	<u>(404,983)</u>

There is no difference between the result as disclosed in the Statement of Financial Activities and the result on an unmodified historical cost basis.

None of the Charitable Company's activities were acquired or discontinued during the above two years.

Balance sheet as at 31 March 2019

	2019 £	2018 £
Fixed assets		
Tangible assets	476,831	513,548
Investments	1	1
	<u>476,832</u>	<u>513,549</u>
Current assets		
Stocks	38,229	38,071
Debtors	969,723	818,774
Cash at bank and in hand	170,099	163,480
	<u>1,178,051</u>	<u>1,020,325</u>
Creditors: amounts falling due within one year	<u>(983,797)</u>	<u>(904,999)</u>
Net current assets	<u>194,254</u>	<u>(115,326)</u>
Total assets less current liabilities	<u>671,086</u>	<u>628,875</u>
Creditors: amounts falling due after more than one year	<u>(164,352)</u>	<u>(169,858)</u>
Net assets excluding pension liability	<u>506,734</u>	<u>459,017</u>
Net pension liability	(3,529,000)	(864,000)
Net assets including pension liability	<u>(3,022,266)</u>	<u>(404,983)</u>
Funds		
Designated funds: Investment Reserve:		
Unallocated	293,401	263,140
Allocated	37,660	39,046
Unrestricted funds: General Reserve	(3,353,327)	(707,169)
	<u>(3,022,266)</u>	<u>(404,983)</u>

These financial statements were approved by the Board of Trustees on 27 June 2019 and are signed on their behalf by: G Higgon and A Pringle - Trustees



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North Ayrshire Leisure Limited is a Company Limited by Guarantee No.202978
and a recognised Scottish Charity No.SC029780.

KA Leisure is a trading name of North Ayrshire Leisure Limited