



| leisure

ANNUAL REPORT



2022

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	A Pringle (Chair) H Campbell J McClung J Montgomerie I Murdoch J Sweeney A Todd L Tulloch
Interim chief executive officer	M McPhail
Senior management team	M McPhail C Glencorse L Barrie
Solicitor	Shepherd and Wedderburn 1 West Regent Street Glasgow G2 1RW
Auditors	Azets Audit Services Limited Registered Auditors 5 Whitefriars Crescent Perth PH2 0PA
Bankers	Clydesdale Bank 151 High Street Irvine KA12 8AD

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FOREWORD

As Chair of KA Leisure, I am pleased to provide this Foreword and share with you our 2021/2022 Annual Report.

As we all emerge from the effects of the COVID pandemic, it is exciting to see active leisure and fitness resuming in the communities of North Ayrshire. KA Leisure adapted with imagination and innovation to the enforced temporary closure of our major facilities, creating digital platforms for live class streaming and tailor-made activities on behalf of our clients. We made use of the North Ayrshire parks and countryside to develop programmes and classes of outdoor activity.

Our outstanding team built on their engagement with priority groups, including those who are vulnerable, isolated and at greatest risk of inactivity. We initiated new concepts in our health and fitness offer and the Active Zone and Health and Wellbeing Hub at Bridgegate, Irvine.

This work was co-ordinated and planned through a Covid Recovery Strategy, developed in conjunction with key partners, particularly North Ayrshire Council. This strategy focusses on long term sustainability to build an adaptive, resilient model for KAL's future operations. Encouraging signs of financial recovery are already in evidence, as we re-build our membership base and steadily turn round the unavoidable deficit incurred over the past two years.



The long period of disruption for all the employees of KAL was a particular cause of concern for the Board and senior managers. As a people-oriented business staff are our greatest asset. We are acting with urgency in supporting staff wellbeing and helping our people recover personally from COVID. We aim to enable all to work at optimum level after the COVID period, by improving internal communication and showing that we value every individual. Using personal development reviews, business outcomes are aligned with personal outcomes. We are embarking on a new culture within the organisation and putting in place a staff structure to reflect the changing environment.





Two of KAL's long-serving leaders stood down in 2022. Gary Higgon, a member of the Board for 20 years, ten of them as Chairman, and Libby Cairns, Chief Executive since 2012 both gave unstinting service to KAL and led it through many changes with notable success. We are grateful to Gary and Libby for their immense contribution to KAL and wish them well for the future.

To conclude I would like to thank our employees, Board of Directors, and all strategic partners for their dedication and commitment over the previous twelve months, and in particular North Ayrshire Council for their ongoing support, guidance, and encouragement during a difficult period.

Ashley N Pringle

Ashley N Pringle

Chair



INTRODUCTION



As Interim CEO of KA Leisure, I am delighted to be introducing this Annual Report. This is my second year as the organisations CEO, and I am enjoying working with the talented team we have here in North Ayrshire.

We have two clear areas of focus as we embark on our Business Recovery Plan from COVID 19; financial recovery and our humanitarian response based on wellbeing and good health for all residents in North Ayrshire.





We look forward to meeting up with our customers, old, new and returning over the next few months. They will enjoy some new programmes and activities and be greeted with a very warm welcome.

I would like to thank my colleagues at North Ayrshire Council for all their support during the pandemic which has further strengthened the bond and relationship between the two organisations.

Finally, I would like to thank our Board for all their support and time they put into KA Leisure. It is truly appreciated by all the staff.

Malcolm McPhail

Malcolm McPhail

Interim Chief Executive Officer



DIRECTORS' REPORT

(incorporating the 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

Community Sport

Health & Wellbeing Service

**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 Directors who served during the year and up to date of signature of the financial statements were:

G Higgon (Chair)	Resigned 19 July 2022	
A Pringle	Appointed as Chair 20 July 2022	
T Billings	Resigned 5 May 2022	
H Campbell		
S Macaulay	Resigned 5 May 2022	
J McClung	Resigned 5 May 2022	Reappointed 20 July 2022
J Montgomerie	Appointed 20 July 2022	
I Murdoch	Appointed 20 July 2022	
J Sweeney	Resigned 5 May 2022	Reappointed 20 July 2022
A Todd		
L Tulloch		

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 and Impact 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.

The Company supports equality of opportunity in the provision of our services to the community and in relation to employment. We oppose all forms of unlawful or unfair discrimination on the grounds of race, disability, gender, religion/belief, age, sexual orientation, marital/civil partnership status, gender reassignment, and pregnancy and maternity.

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 300 employees. The Company has a Senior Management Team comprising of a Chief Executive, Head of Active Communities and Head of Operations and Customer Service. The remuneration of key management personnel is reviewed annually and normally increased in line with local government agreements.

The Company continues to acknowledge that our employees are central to the development and delivery of our positive health and wellbeing culture. This has led to KA Leisure successfully achieving the RoSPA (Royal Society for the Prevention of Accidents) Gold Award for 8 consecutive years, in addition to this the Company has achieved the RoSPA Gold Leisure Safety Award for the past 4 years. This is a fantastic achievement by our employees and a testament to their commitment, co-operation and involvement in health and wellbeing.



The Company has launched a new employee culture programme,

**Know the way,
Show the way,
Go the way.**



The programme has been shaped by colleagues across the business and will become part of everything we do at KA Leisure, from the way we recruit, to how we evaluate our performance and development. The programme will encourage everyone across the organisation to embrace being better every day.

High performing members of our teams will be rewarded through our sentinel programme. Our sentinels will stand for the best of what we do. They will be people who make good decisions, lead regardless of their role and have the ultimate 'can do' attitude. Employee engagement is crucial to ensure that we can fulfil and achieve our future goals and our sentinels will provide a foundation for employee engagement.

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 2022.

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.

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

Risk Management

The Company recognises that in pursuing our strategic objectives will inevitably carry risk. Our risk management strategy ensures that our exposure to risk is reduced in order for us to deliver on our objectives.

All strategic risks are documented on the strategic risk register where they are monitored and managed to mitigate the impact of risk on our services. Risk management is integrated into KA Leisure's day to day activities.

Health and Wellbeing

The Company continues to be committed to developing a positive health and wellbeing culture through the involvement and commitment of all employees in delivering a quality service.

The Company recognises the impact that a positive health and wellbeing culture can have on the organisation. During December 2021 the Company launched the HSE Management standards Indicator Tool Survey to help inform the development of a caring and mentally healthy workplace culture. From the survey a programme of staff support and training opportunities has been provided throughout the year.

The Company commitment to employee health and wellbeing is underpinned by the launch of our new internal culture programme:



The programme, shaped by colleagues across the business, encourages everyone across the organisation to embrace being better every day regardless of their role.

Recognition of the Company health and wellbeing culture has led to KA Leisure being awarded a fourth consecutive Gold Medal from the Royal Society for the Prevention of Accidents (RoSPA) for achieving eight consecutive annual Gold Awards through RoSPA's international awards scheme. KA Leisure is the only leisure trust in Scotland to be awarded the RoSPA Gold Award. Additionally, the Company has successfully achieved a fourth consecutive RoSPA Gold Leisure Safety Award, making KA Leisure one of only four Companies to have achieved this honour in the UK.

**Know
the way**

**Show
the way**

**Go the
way**



Making a Difference

Despite what has been and continues to be the most uncertain of times in living memory, we have continued to make good progress in executing our Recovery and Renewal Strategy delivering against the milestones endorsed by the KA Leisure Board of Directors and North Ayrshire Council and achieving our ambition of:

NORTH AYRSHIRE MORE ACTIVE MORE OFTEN

Underpinned by our priorities:

Expanding our reach to maximise the impact on the health and wellbeing of North Ayrshire.

Balancing inclusiveness, accessibility, and affordability with charitable sustainability.



Health & Wellbeing Service

Our Health & Wellbeing Service is one of the key ways we support people in North Ayrshire to move forward from the pandemic. It's a critical part of delivering our Recovery and Renewal programme and helped in the response to the collective challenges we faced as a Community Planning Partnership.

We continually strive to deliver innovative programmes through collaboration with key partners who share the same outcomes which:

- Engage with priority groups including those who are vulnerable, isolated and at greatest risk of inactivity.
- Support early intervention and prevention. Offering the right support at the right time in the local community.
- Target specific health issues including long-term conditions and mental health & wellbeing.

OBJECTIVES AND ACTIVITIES

There are 4 Core Delivery Areas within the Health & Wellbeing Service

- 1 Active North Ayrshire – Physical Activity Referral Programme
- 2 Community Outreach Programme
- 3 ACTIVATOR
- 4 Bridgegate Active Zone and Health & Wellbeing Hub



During the pandemic it was vital that participants continued to receive support, remain physically active and access mental health support. This was vital particularly for those who were isolated, vulnerable or who lived alone.

It was crucial that the Health & Wellbeing Service adapted, and we looked for new innovative ways to deliver the service which included:



Telephone Support Programme



Active North Ayrshire Online



Walking for Health Programme



Social support



Mental Health Support



Doorstep Visits



Home Based Physical Activity Programmes



As we moved forward from the pandemic the customer engagement campaign – ‘Make the Comeback’ was developed to give the public confidence that our facilities were safe and COVID-19 secure.

Within the re-opening framework there was a gradual reintroduction on a phased basis of the Health & Wellbeing Service to our venues. We introduced a skeleton programme in May 2021 and gradually increased both the number of opportunities and the capacity within as restrictions eased.

The whole Health and Wellbeing Service is supported by a Partnership Steering Group, that shares expertise, promotes and develops the overall service and ensures it aligns to locality priorities. The group is well attended by a range of health, social care and 3rd sector partners who refer participants to the service.

The number of participants who were referred by a health professional or self-referred to the Active North Ayrshire programme gradually increased throughout the year, reaching pre-pandemic levels in January 2022.

We recognised that many of our participants are vulnerable and were more anxious and reluctant to return to our venues so we continued to deliver the innovative Walking for Health Programme that was developed during the pandemic, encouraging use of our fantastic green spaces to support people to remain active.

A new tiered model of intervention was developed within our Walking for Health programme to demonstrate the ability levels of the walks on offer and provide a template for our health partners to access. The model has 5 ability levels and provides an access point for participants who require 1-2-1 support through to those who are looking for a more intensive group walk.

Doorstep Programme

Emerging from the pandemic we identified that a number of our more vulnerable participants were not able to make a return to our venues due to frailty. To support these participants we developed a targeted Doorstep intervention programme to address:

- Social Isolation
- Decline in functional capacity and increased risk of falls
- Poor Mental Health

The North Ayrshire Doorstep programme is a unique, versatile and accessible service that is currently offering a lifeline to people within North Ayrshire communities who are isolated within their own home are not otherwise engaging on other activities within their local community. In March 2022 we were awarded £49,631 from the Communities Mental Health & Wellbeing Fund to expand and deliver the service for a further 12 months. Health professionals are now referring participants to the service for whom they otherwise would have no access to appropriate supports or services.

We know that the programme has a positive impact on mental health and wellbeing, functional abilities and social connectedness, because key data captured, demonstrates a positive impact in both qualitative and quantitative measures.



HEALTH & WELLBEING

Health & Wellbeing Service Annual Attendances



Pre-Pandemic 2019/20	During Pandemic 2020/21	Recovery from Pandemic 2021/22
62,530	17,820	24,392

New Referrals Screened

Pre-Pandemic 2019/20	During Pandemic 2020/21	Recovery from Pandemic 2021/22
896	91	846

Weekly Classes

Pre-Pandemic 2019/20	During Pandemic 2020/21	Recovery from Pandemic 2021/22
70	0	40

Weekly Online Classes

Pre-Pandemic 2019/20	During Pandemic 2020/21	Recovery from Pandemic 2021/22
0	15	8

Annual Walking Opportunities

Pre-Pandemic 2019/20	During Pandemic 2020/21	Recovery from Pandemic 2021/22
454	2,163	808

AGE AT POINT OF REFERRAL

Age in years	Active North Ayrshire	Mind and Be Active
65+	56%	3%
51-64	28%	18%
41-50	7.5%	24%
31-40	5%	20%
21-30	2%	27%
UNDER 20	1%	8%



1,727
ACTIVE NORTH
AYRSHIRE CLASSES

214
SUPPORTED GYM
SESSIONS

2,138
TELEPHONE SUPPORT
CALLS WERE MADE

4,179
ATTENDANCES IN THE
WALKING FOR HEALTH
PROGRAMME

96
1-2-1
BUDDY WALKS

92
PARTICIPANTS
RECEIVED SPECIFIC
WEIGHT MANAGEMENT
SUPPORT



295
DOORSTEP VISITS
TOOK PLACE

DOORSTEP DATA

78

PEOPLE HAVE BEEN
SUPPORTED SINCE
NOVEMBER 2021



295
DOORSTEP VISITS
TOOK PLACE

22

PARTICIPANTS HAVE
COMPLETED AND
PROGRESSED TO
CENTRE BASED
CLASSES



13
PARTICIPANTS
CURRENTLY RECEIVING
LONG TERM DOORSTEP
INTERVENTION

19

PARTICIPANTS HAVE
NOT COMPLETED 12
VISITS DUE TO ILL
HEALTH



**'FALLS
RISK'**

IS THE MOST
COMMON REASON
FOR REFERRAL



21

PARTICIPANTS ARE
CURRENTLY BEING
SUPPORTED WITHIN
THE DOORSTEP
PROGRAMME

Impact assessment data captured for participants who have completed 12 visits has shown the following changes in assessment data:

	% Improved	No Change	% Decline
Mental Health Thermometer Score	55%	15%	30%
Physical Health Thermometer Score	40%	35%	25%
Fear of Falling Score	40%	45%	15%
EQ5D Quality of Life Assessment	50%	15%	35%

Community Outreach Programme

As COVID-19 restrictions eased and community venues started to re-open, community classes and walking groups and that had been part of the programme of community based activities prior to the COVID 19 pandemic were gradually restarted. This process has taken time due to both the hesitancy of individual groups and the time for community venues to reopen for public use.

We worked closely with community groups providing support to ensure that activities and venues were fully compliant with Government and industry guidance for re-opening venues and restarting activities.

The ACTIVATOR returned to the road and attended a small number of community events throughout the summer months before undergoing a programme of essential maintenance work. The programme of Community Visits resumed early in 2022 delivering health checks and lifestyle advice as an early intervention within the heart of local communities across North Ayrshire.



Delivery Area	Pre-Pandemic 2019/20	During Pandemic 2020/21	Recovery from Pandemic 2021/22
COMMUNITY PROGRAMME			
Annual attendances	12,249	219	11,237
Weekly Classes	32	5	14

ACTIVATOR			
Annual attendances	20,169	0 (Garaged 2020/21)	6,179

Community Venues

Our portfolio of venues continues to play a pivotal role supporting positive health and wellbeing across our communities. Despite the disruption to the provision of services and activities from the COVID-19 pandemic the work completed to date has provided a strong foundation for recovery and renewal.

The introduction of a sales team, the development of new products and services aligned to a revised communication and marketing strategy has contributed to a positive start across the year.



Marketing and Communications

As we continued our recovery from the pandemic our aim was to continue to engage with customers. Utilising a range of channels both traditional and digital our campaigns focused on -

- The benefits of staying active
- The fantastic value of being a member of KA Leisure
- The range of opportunities available to everyone in North Ayrshire.

The continued development of the new Customer Relationship Management System has allowed us to keep our members and customers more up to date than ever. The KA Leisure app launched in August 2021 has strengthened our brand, assisted with the retention and acquisition of members and deliver digital fitness using the unique power of mobile. Connected email marketing also allows us to share information with customers including service updates, promotions and programme changes.



The Power of Sport

Our dynamic Community Sport programme is committed to supporting individuals, clubs, partners and volunteers to find their place in sport. We harness its unique power to ensure our activities are Welcoming, Inclusive and Fun.

The pandemic caused huge disruption to sports and the ability for individuals to connect and stay active. Our teams worked

tirelessly throughout 2021/2022 to develop our programs and create new imaginative opportunities for people of all ages to get involved in sports. They also provided assistance and training for community clubs to rebuild from the pandemic, increase their membership and create exciting new activities using sport to tackle local priorities.

Inspire Membership

Launched in November 2021 our Inspire membership provides value, variety and quality access to sporting activities, arts, drama, dance and music. As well as term time activities the membership includes discounted access to KA Leisure's holiday programmes, discounted birthday party bookings, and access to public swimming, skating and our golf courses.

 Membership	 MEMBERSHIPS AGED 3-13 YEARS	 93 CLASSES PER WEEK	 PARTNERS NORTH AYRSHIRE COUNCIL, ACTIVE SCHOOLS
LAUNCHED NOVEMBER 2021 	 21 TYPES OF CLASSES	 FOOTBALL, BASKETBALL, GYMNASTICS, DANCE, NETBALL, SWIMMING, ICE SKATING, GOLF, ATHLETICS, ARTS, DRAMA, SINGING AND MORE	 HOLIDAY PROGRAMME & BIRTHDAY PARTIES

Community Sport Hubs

Community engagement through the Sport Hub programme has remained a key focus in allowing us to grow sporting opportunities in North Ayrshire. Our Officers empower local people to improve sport & physical activity in localities across North Ayrshire.

We deliver the North Ayrshire CSH programme 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 needs and local resources. However, all our hubs work to the following **five principles**:

- 1** Growth in participation
- 2** Engage the local community
- 3** Promote community leadership
- 4** Offer a range of sporting opportunities
- 5** Bring all appropriate partners, group and people together

The Community Sport Hub programme is funded by The National Lottery and, along with Active Schools, is one of sportscotland's key programmes in ensuring everyone benefits from Scotland's sporting system.



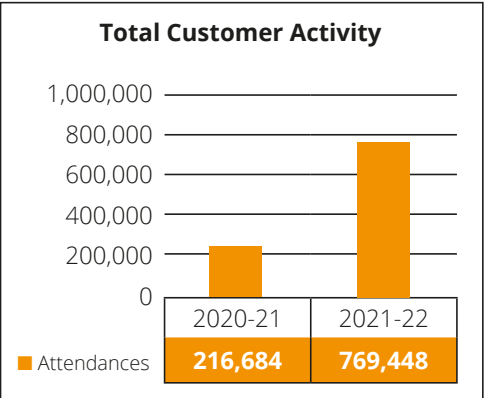
ACHIEVEMENTS AND PERFORMANCE

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).

We have demonstrated an encouraging start to our recovery, however, the customer visits recorded reflect the previous disruption caused by the pandemic on operational activity and changing customer behaviour.

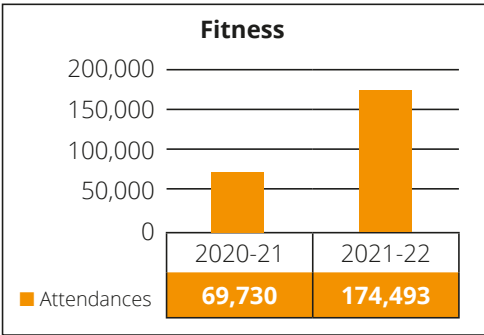
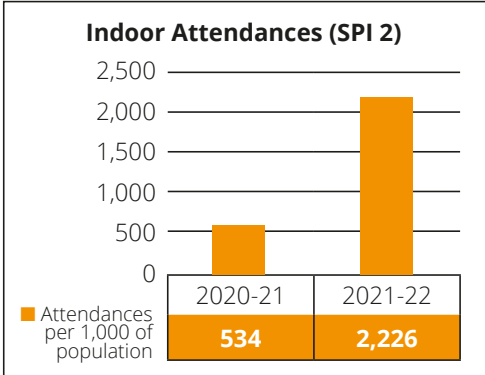
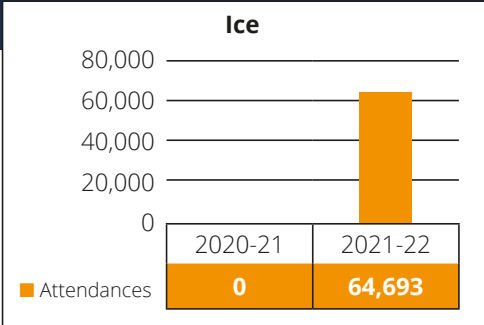
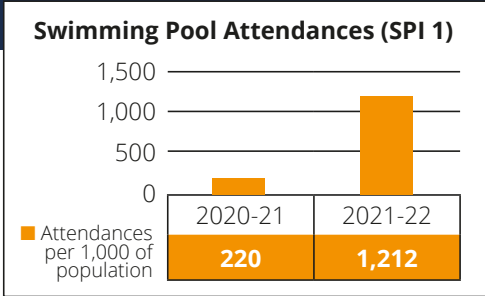
Overall attendance figures for the Company in 2021/22 have shown an increase of 552,764 in comparison to 2020/21 however reported visits remain below pre-pandemic levels. The following graphs highlight core areas of activity.

Key Facts



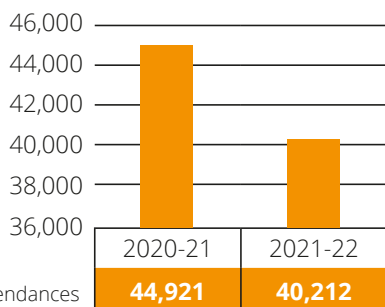
Individually and collectively customer visits have increased across core delivery areas, with individual users, class sessions and club participation gradually moving back towards pre-pandemic levels. The only exception to this is golf. During the pandemic local golf visits reflected a national spike in golf participation and during 2021/22 KA Leisure golf visits have mirrored the national levelling off and slight decrease in participation.

Attendance figures are provided in the following graphs on an area-by-area basis:

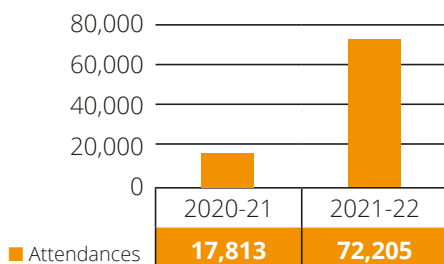




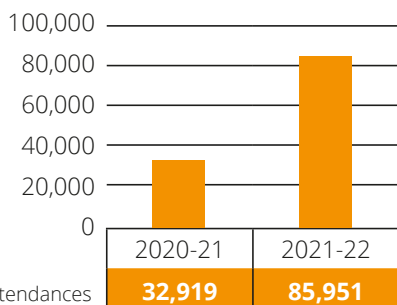
Golf Courses



Physical Activity



Outdoor Sports



FINANCIAL REVIEW



The financial statements for North Ayrshire Leisure Limited at 31 March 2022 show a turnover of £7,914,047 (2021: £7,182,592), an Investment Reserve of £290,066 (2021: £304,379), and General Reserves of £982,329 incorporating £766,000 reflecting Defined Benefit Pension Fund (2021: reserves deficit £3,187,671, incorporating £3,404,000 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 £3,780,977 (2021: £3,954,173).

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 2022 the general reserve amounted to £982,329 (2021: deficit £3,187,671). 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 2022 the investment reserve amounted to £290,066 (2021: £304,379).

Defined Benefit Pension Asset

The trustees acknowledge the net pension balance at 31 March 2022 of £766,000 (2021: deficit £3,404,000). 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.

STRATEGIC DIRECTION

The pre-COVID-19 challenges North Ayrshire faced have been accelerated by the pandemic and as an organisation, we need to ensure a sustainable balance of income generation with wider social objectives to reduce health inequalities. Adapting and revitalising our approach for the present and future is crucial to achieving our ambition of:

North Ayrshire More Active More Often

Underpinned by our priorities

- Expanding our reach to maximise the impact on the health and wellbeing of North Ayrshire.
- Balancing inclusiveness, accessibility and affordability with charitable sustainability.

Our vision is to transform traditional leisure services into the first Community Health and Wellbeing Alliance in Scotland. Our Community Health and Wellbeing Alliance represents a future iteration of how we can engage meaningfully to address health inequalities through prevention and early intervention utilising a whole systems approach.

There is a compelling need for a radical shift in emphasis from fitness to wellness, reimagining leisure services to improve the health and wellbeing of the communities of North Ayrshire. The North Ayrshire Community Planning Partnership (NACPP) Local Outcomes Improvement Plan (LOIP) 2022 – 2030 has identified the three priorities of Wellbeing, Work and World. The aim of the 'Wellbeing' priority is to reduce inequalities through targeted support to improve individual, family and community health and wellbeing.

The formation of the Alliance will provide KA Leisure with the opportunity to lead the delivery of the LOIP 'Wellbeing' priority through an innovative alliance of local and national partners, working collaboratively to share resources and identify opportunities to do things differently. In developing our approach, we will engage with partners and communities on their specific area of focus to develop the scope of the Community Health and Wellbeing Alliance. The approach will shape opportunities for innovation and improvements with partners for the delivery of services.

Future Plans

The strategic response to the COVID-19 pandemic has not only provided a framework for recovery but has helped shape the future of the organisation. This future involves the transformation of leisure services from a service provider for sport and leisure to a core delivery partnership for health and wellbeing. The concept of a whole systems approach led by creation of a new Community Health and Wellbeing Alliance, governed, led and owned by all the NACPP Partners through a contracted agreement with KA Leisure.

The creation of a Health and Wellbeing Alliance has been positively received by NACPP members with the adoption of a joint strategic approach accelerated through the formation of a Wellbeing Alliance Steering Group to provide leadership in the development and delivery of the 'Wellbeing' LOIP Priority with a clear focus on early intervention and prevention and a whole system approach.

Building upon our well-established, sector leading, Health and Wellbeing Service we will support workforce development and capacity building to provide more scalable and replicable specialist wellbeing interventions to support the delivery of the NACPP 'Wellbeing' LOIP priority.

Principal Risks and Uncertainties

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 objectives. 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.

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. Failure to address these issues may bring into question the future viability of the charity and going concern nature of the Company accounts.	The Company is participating in on-going discussions with NAC on future Service Level Agreement including revenue and capital funding. NAC has advised that they deem the Company a going concern and are including the Company's situation in the overall recovery plan for the Council.
Energy Market Crisis	Increase in wholesale gas and electricity prices causing unprecedented energy price increase across KA Leisure facilities. Energy Bill Relief Scheme (EBRS). This is in place between 1st Oct 22 and 31 Mar 23. Risk of strain on already tight financial budgets if government support is not extended beyond March 2023.	The Board of Directors continually monitoring energy markets as these effects the UK and abroad. Operations exploring energy reduction opportunities.
Asset Management	Major plant and machinery failure may require large replacement/repair costs placing increased pressure on Company finances. Facilities presented in poor operational and decorative order reduce customer satisfaction, adversely impact community perceptions of Company facilities and reduce partner confidence	Contracting specialist providers to maintain and repair plant and equipment. Halo system to identify and record maintenance issues. Continual use of Quality Leisure Management audits to assess health & safety effectiveness across facilities. Collaborative working with partners to ensure service meets expectation.

Strategic Risk	Possible Impact	Mitigating Actions
Social, Economic, Environmental, & Legislative Pressures	The Coronavirus pandemic has highlighted that it is impossible to plan for every eventuality even with robust procedures in place. However, the Company must respond proactively to minimise the impact COVID19 has had on operations. Failing to adequately monitor and react to pressures from the external environment could result in increasing costs, loss of customer satisfaction and loss of revenue and loss of confidence with strategic partners.	Follow all Government guidance in response to the Coronavirus pandemic to ensure compliance. Membership of industry body, engagement and consultation with external advisors and strategic partners to enable service delivery whilst adhering to legislative and guidance requirements.
Power Failure	Power grid comes under stress from winter pressures or from an imbalance in the system could result in a power failure. This would impact telecommunications, transportation, supply chain, public health facilities, police, and emergency services. KA Leisure would have to close for a period due to this. No telecommunications available to contact employees to provide updates etc	Establishing emergency arrangements as part of business continuity planning. Partnership working and supporting NAC with their emergency arrangements as part of Blackstart.
Security Issues	Risk of increased information security issues and Cybercrime. Due to recent events where emails have been sent to employees claiming to be HMRC asking to change bank details via an HR document this has been added to the risk register.	Continue to review internal security and fraud related policies and ICT security measures. Employees to be informed not to give personal details. HR document updated.

Strategic Risk	Possible Impact	Mitigating Actions
Health, Safety and Wellbeing of Staff and Customers	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 to include specific COVID19 sessions, health and safety forum, maintenance of RoSPA Gold Accreditation. Compliance with all Government guidance in relation to the Coronavirus pandemic. Staff training on mental health awareness and signposting and access to strategies and interventions. Employees also have access to counselling and physiotherapy via Occupational Health provision.
Information and Communication Technology	Over the period of the pandemic the importance of ICT has never been more significant as the Company is working more virtually with customer activities also being delivered in a digital format. Data protection legislation demands safe storage and use of personal data stored on corporate IT systems. Non-compliance may result in a large financial fine. 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.	IT policies and control procedures for staff to ensure appropriate use of IT and communication systems. Ongoing corporate ICT development and training to ensure compliance with General Data Protection Regulation.
Partnership Working	Loss of funding from NAC would seriously impact the ongoing viability of the Company. During the pandemic NAC has provided assurance to the Company that it will remain a going concern via cashflow support. Robust engagement with NAC is more important than ever to ensure going forward from the pandemic that facilities are fit for purpose and programmed activities meet local need.	Development of funding arrangements with NAC and membership of the North Ayrshire Community Planning Partnership. Regular meetings take place with NAC officers. Attendance at partnership forums, meetings and events by senior members of staff. NAC's approval of the Recovery and Renewal Plan demonstrates ongoing support through the recovery period.

Trustees' Responsibilities for the Financial Statements

The trustees (who are also the Directors for the purposes of Company Law) are responsible for preparing the Trustees' 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

A Pringle, Trustee

Date: 15 December 2022

ANNUAL ACCOUNTS

Statement of Financial Activities (incorporating income and expenditure account)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income from donations and legacies				
Lottery and other funded projects	-	550,257	550,257	495,809
Income from charitable activities				
Services provided to North Ayrshire Council	3,780,977	-	3,780,977	3,954,173
Charitable trading operations	3,554,652	27,662	3,582,314	2,732,195
Income from investments				
Investment income	499	-	499	415
Total income and endowments	<u>7,336,128</u>	<u>577,919</u>	<u>7,914,047</u>	<u>7,182,592</u>
Expenditure on charitable activities				
Charitable activities	8,557,441	577,919	9,135,360	7,757,861
Total resources expended	<u>8,557,441</u>	<u>577,919</u>	<u>9,135,360</u>	<u>7,757,861</u>
Net expenditure	<u>(1,221,313)</u>	<u>-</u>	<u>(1,221,313)</u>	<u>(575,269)</u>
Actuarial gains / (losses) on defined benefit pension schemes	5,377,000	-	5,377,000	(1,577,000)
Net movement in funds	<u>4,155,687</u>	<u>-</u>	<u>4,155,687</u>	<u>(2,152,269)</u>
Funds brought forward at 1 April 2021	(2,883,292)	-	(2,883,292)	(731,023)
Funds carried forward at 31 March 2022	1,272,395	-	1,272,395	(2,883,292)

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 2022

	2022 £	2021 £
Fixed assets		
Tangible assets	208,514	339,564
Investments	1	1
	<u>208,515</u>	<u>339,565</u>
Current assets		
Stocks	35,203	44,460
Debtors	1,571,140	1,328,519
Cash at bank and in hand	75,541	62,901
	<u>1,681,884</u>	<u>1,435,880</u>
Creditors: amounts falling due within one year	(1,350,392)	(1,174,144)
Net current assets	331,492	261,736
Total assets less current liabilities	540,007	601,301
Creditors: amounts falling due after more than one year	(33,612)	(80,593)
Net assets excluding pension asset / (liability)	506,395	520,708
Net pension asset / (liability)	766,000	(3,404,000)
Net assets / (liabilities) including pension asset / (liability)	1,272,395	(2,883,292)
Funds		
Designated funds: Investment Reserve:		
Unallocated	258,747	258,747
Allocated	31,319	45,632
Unrestricted funds: General Reserve	982,329	(3,187,671)
	<u>1,272,395</u>	<u>(2,883,292)</u>

These financial statements were approved by the Board of Trustees on 15 December 2022 and are signed on their behalf by: A Pringle and A Todd - Trustees

Company Registration Number: SC202978



| leisure

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