

South Ayrshire Council

**Report by Director of Strategic Change and Communities
to Partnerships Panel
of 8 February 2023**

Subject: The Quay Zone Performance Report

1. Purpose

1.1 The purpose of this report is to invite Panel members to scrutinise the performance of The Quay Zone.

2. Recommendation

2.1 **It is recommended that the Panel scrutinises the performance of The Quay Zone as detailed in Appendix 1.**

3. Background

3.1 The Quay Zone in Girvan is operated by South Carrick Community Leisure under arrangements agreed by Council in March 2017. A Service Level Agreement provides the framework for the Council's financial support of £200,000 per annum. A review of the current financial support that the Council is to provide is due to go to Cabinet for consideration in February 2023.

4. Proposals

4.1 The Quay Zone is an important partner in delivering the Council's strategic objectives to ensure that sport and physical activity is accessible to everyone across South Ayrshire. A summary of progress is set out in Appendix 1.

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 The Service Level Agreement provides for the financial support from the Council to South Carrick Community Leisure and since 2011/12 the Council has made available a revenue budget of £200,000 per annum. A review of the current financial support is due to go to Cabinet for consideration in February 2023.

6.2/

6.2 There is also an agreement in place in relation to the Quayzone recognising the Council's Access to Leisure Card. There is a recharge for the costs incurred which is directly linked to the uptake of the discount, however it is generally in the region of an additional £30-40,000 per annum. These costs are accommodated within the existing Destination South Ayrshire service budget.

7. Human Resources Implications

7.1 Not applicable.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 If the recommendation is rejected then there is a risk that the Council is not considered to have discharged its scrutiny function appropriately.

9. Equalities

9.1 The proposals in this report allow scrutiny of performance. The report does not involve proposals for policies, strategies, procedures, processes, financial decisions and activities (including service delivery), both new and at review, that affect the Council's communities and employees, therefore an equality impact assessment is not required.

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Commitment 3 of the Council Plan: Grow Well, Live Well, Age Well/ Health and care systems that meet people's needs.

13. Results of Consultation

13.1 There has been no public consultation on the content of this report which relates to performance of an external organisation.

13.2 Consultation has taken place with Councillor Alec Clark, Portfolio Holder for Tourism and Rural Affairs, and the contents of this report reflect any feedback provided.

Background Papers **Report to South Ayrshire Council of 2 March 2017- [Formal Agreements Relating to The Quayzone, Girvan](#)**
Report to Partnerships Panel of 9 February 2022 - [The Quay Zone Performance Report](#)

Person to Contact **Laura Kerr, Service Lead – Destination South Ayrshire
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Date: 31 January 2023



Subject: South Carrick Community Leisure, The Quay Zone – Performance Update 2021/22

Purpose: The purpose of this report is to outline the work of South Carrick Community Leisure in its management of The Quay Zone Community Leisure Centre for the period 1st April 2021 to 31st March 2022

1. Background

- i. South Carrick Community Leisure (SCCL) was formed in 2012 and is a Scottish Charitable Incorporated Organisation (SC043090). Amongst other things, it has as one of its purposes, **“the establishment and operation of a community arts and leisure facility in Girvan, Ayrshire (incorporating accommodation for community groups and a cafe/restaurant)”**.
- ii. The Quay Zone (TQZ) is operated by SCCL under a 40-year lease and Minute of Agreement with South Ayrshire Council. As part of the Minute of Agreement SCCL receives £200,000 of annual grant support from South Ayrshire Council to support the operation of the facility and the services provided therein.
- iii. Whilst the Council’s grant remains the same as provided in 2017 the Minute of Agreement requires that it be reconsidered in the fifth year of operation. This will be progressed and considered by the Council as part of its budget setting process for 2022/23.
- iv. The Quay Zone (TQZ) comprising a swimming pool, gym, studios, soft play and café opened its doors to the public on 27th April 2017. During its first five years it has enjoyed excellent community support and remained viable despite the service interruption caused by the Covid pandemic.
- v. Reports to previous Performance Panels have outlined the progress and this report provides a further update on the Charity’s activities at The Quay Zone for the 2021/22 financial year.
- vi. Governance of the charity is provided by a Board of Trustees who meet at regular intervals. Trustees together with South Ayrshire Council observers scrutinize and direct the activities delivered on behalf of the Charity. The Board is supported by The General Manager of TQZ who, together with his team, are responsible for day to day operations at The Quay Zone.

2. Service and General Operations

- i. The Quay Zone started the last financial year under the burden of continuing Covid restrictions. Although societal lockdowns were no longer a daily reality, unrestricted service provision did not resume until August 2021.

- ii. From April to August 2021 TQZ gradually returned to more “normal” operating arrangements.
- iii. Whilst encouraging social distancing and hand hygiene measures, the requirements to book before arrival and wear masks were gradually relaxed. However, it was not possible to re-open the soft play and provide a café service until August.
- iv. Generally, although the South Carrick community were quick to return and support us, the gradual relaxation of restrictions and phased re-introduction of services meant that we missed out on most of the Scottish school’s holiday summer trade. This was particularly the case for the café and soft play.
- v. When we were able to re-open the café it was with a redesigned menu offering a greater selection of hot food options as a result of the purchase of a new, high-speed oven (often used by national café establishments).
- vi. Membership is a key part of the financial model that sustains TQZ. Swim, gym and class membership levels gradually increased month on month throughout the year and although not entirely back to pre-pandemic levels were on a strong footing at the year end.
- vii. Participation in our Learn 2 Swim programme also steadily increased throughout the year. The increase was thought, in part, to reflect the pent-up demand that had arisen as a result of the interruption to services during 2020 and 2021 caused by the Covid restrictions. Indeed, the impact of the restrictions meant that a whole year group missed the opportunity to learn to swim. As a result, in April 2021 Learn 2 Swim membership stood at 218 children. However, this figure had increased to over 300 by the year end.
- viii. By the end of the financial year TQZ had been in operation for five years. As a consequence, the fabric of the building and equipment essential to its operation were developing faults requiring increased levels of maintenance and repair. The specialist nature of some of the equipment operated and the relatively remote location of TQZ mean that maintenance costs are comparatively high. The burden presented by this is expected to increase over the next 5–10 years of operation as elements of equipment reach the end of their life or service expectancy.

3. Finance

- i. The audited financial accounts for 1st April 2021 to 31st March 2022 are included with this report and in line with our status as a Scottish Charitable Incorporated Organisation (SCIO) have been lodged with the Scottish Charity Regulator (OSCR).
- ii. The Statement of Financial Activities (page 8 of the accounts) shows that:
 - a. Total Income at £743,721 for the year was up by £121,317 compared with the previous year. As outlined above this partially reflected the removal of Covid restrictions which allowed us to increase trading income. However, whilst charitable activity income was up £271,491 compared with the previous year, we still enjoyed government Covid business grant support totalling £97,396.
 - b. As would be expected expenditure increased by £75,682 compared with the previous year reflecting the improvement in trading activities and the purchase of input materials.
- iii. Our overall net income and expenditure position for the year was a positive £78,068.

- iv. On the Balance Sheet (page 9 of accounts) our **fixed assets** are categorised as: Plant & Machinery; Fixtures & Fittings and; Computer Equipment. As illustrated in Note 6 we invested in £6,012 in new assets (mainly the new high-speed oven) which meant that after depreciation, the Net Book Value of our fixed assets had decreased from £112,903 in 2020/21 to £79,484 in 2021/22.
- v. Our **total current assets** show a healthy position of £412,293 up from £334,225 the previous year made up of £325,078 unrestricted funds and £87,215 restricted funds.
- vi. The improved overall financial position reflects tight management of funds during the period of Covid restrictions and reduced and deferred expenditure in relation to marketing and some elements of maintenance and repairs.
- vii. It is also the case that were it not for the Covid related business support provided by Government we would have sustained a trading loss of £19,328.

4. Looking Forward

- i. The Board of Trustees and Management of TQZ are committed to operating and providing service at TQZ so as to support the health and wellbeing of the community in South Carrick.
- ii. In practical terms our costs have increased as we have provided the full range of services. Earned income has increased but is still below the levels reached in previous years. In addition, the impact of delayed maintenance and aging equipment will see our building and equipment costs increase during the year.
- iii. The challenge for 2022/23 will be to maintain services and progressively develop them. Such development will be in part be dictated by the confidence the community has to continue using indoor facilities but more importantly by the impact of increasing energy costs and the impact of inflation which as the financial year drew to a close was 9% generally but more for key inputs such as fuel and food.
- iv. Whilst the development of services is uppermost in the Board's mind sustaining a trading recovery in a deteriorating economic situation nationally will be critical in 2022/23.

Peter Linton
General Manager The Quay Zone
South Carrick Community Leisure
12th January, 2023

REGISTERED COMPANY NUMBER: SC043090 (Scotland)
REGISTERED CHARITY NUMBER: SC43090

Report of the Trustees and
Financial Statements for the Year Ended 31 March 2022
for
South Carrick Community Leisure

Colin McNally B.A. Hon's; F.C.M.A
6 Crofthead Road
Prestwick
Ayrshire
KA9 1HW

South Carrick Community Leisure

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for the Year Ended 31 March 2022

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To assist in the provision of recreational facilities (and, where appropriate, the organisation of recreational activities) available to members of the public at large, with the object of improving their conditions of life;

To advance citizenship and community development (including urban and rural regeneration);

To promote civic responsibility, volunteering, the voluntary sector and the effectiveness and efficiency of charities; and

To advance public participation in sport; in particular within the area (the Community) shown outlined in red on the map attached to this constitution, primarily through (a) the establishment and operation of a community arts and leisure facility in Girvan, Ayrshire (incorporating accommodation for community groups and a café/restaurant) and (b) the provision of support (whether financial or otherwise) to a range of organisations, initiatives, activities and events which further one or more of the above purposes

Significant activities

The 2021-22 financial year started very much as the previous one had finished, with trading restrictions and significant uncertainty as to the outlook for even the immediate future. Although societal lockdowns were no longer a daily reality we were not able to trade unrestricted until August 2021. The impact of this was to miss most of the Scottish school's holiday period further impacting income in what would, otherwise, have been a key revenue generating period for The Quay Zone.

The removal of restrictions and the gradual reintroduction of "normal" working practices enabled good summer and autumn holiday programmes to be provided which were well received by the community. During the period of closures and restrictions the opportunity was taken to re-vamp the café menu to include more hot food options as a result of the investment in the MerryChef oven. Financial viability remains a challenge in this area of our activities because of the relatively high input costs for ingredients and staff, However, the café provides a social glue that enables other activities provided at TQZ to prosper.

Swim, gym and class membership levels gradually increased month on month and although not entirely back to pre-pandemic levels this revenue stream continues to be critical to our financial success. Numbers participating in our Learn 2 Swim programme also steadily increased throughout the year. This improvement was thought to reflect pent up demand that has arisen as a result of the constant service interruptions over the previous two years and the fact that there was at least one cohort of young people who missed out on learning to swim during school and other closures and restrictions.

Overall, we were able to open TQZ and provide an increasing level and range of services to the community and visitors during 2021 -22. However, towards the end of the year it was becoming apparent that there were emerging significant input cost pressure on all fronts. Our wage bill, material costs, repair costs and most significantly of all energy costs all increased significantly in the last quarter of trading. Government and other agency forecasts are for an inflationary spike of around 10% before the end of 2022. However, energy costs are spiralling and we anticipate at least a doubling of our gas and electricity costs in the immediate future. This represents a substantial threat to the financial viability of TQZ in the next financial year and we are braced for a difficult 2022 -23.

During the year The Quay Zone continued to benefit from national and local government Covid related support financial support via the furlough scheme and support for small businesses. Without such assistance it is unlikely we would have remained viable during 2021-22.

OBJECTIVES AND ACTIVITIES

The contribution of Government and other Agencies

2021 -22 is the fifth year of trading for The Quay Zone under the auspices of South Carrick Community Leisure (SCCL) (the Charity). Although the building is owned by South Ayrshire Council the Charity operates it under a Minute of Agreement concluded with the Council in 2017. Within this agreement there is provision for the financial support provided by the Council (£200,000 in 2021-22) to SCCL to be re-considered every fifth year. As a result, during 2022-23 the charity expects to put in place a further five-year financial agreement that will continue to underpin the financial viability of The Quay Zone.

Additional unrestricted grant support was provided by the Girvan & District Assel Valley Community Fund funded by Falck Renewables and administered by Foundation Scotland together with Tralorg Community Benefit Fund. The extent of these contributions is acknowledged elsewhere in these accounts.

The Contribution of Volunteers

The Board is made up of members of the local community and are all unpaid volunteers, their continued support and contribution enables the ongoing delivery of this much needed asset for the local area.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The opening and operation of The Quay Zone represents a significant milestone in the life of South Carrick Community Leisure and fulfils one of the key objectives and aims of the charity as set out in its constitution. However, significant as achieving that objective has been the challenge during the last year has been operation of the Centre so as to provide facilities and services that the community wants in a financially sustainable way.

FINANCIAL REVIEW

Financial position

Current restricted funds as shown within the accounts are made up of the following; £412,293

Reserves policy

The Directors have the power to invest in such assets as they see fit.

FUTURE PLANS

As outlined above although service provision continued to be affected by Covid related restrictions TQZ traded successfully and showed good signs of emerging in a relatively good position. However, the change in the macro-economic climate and the significant head-winds now facing the charity mean that 2022-23 will be a more challenging year than anticipated. The focus of Trustees and management will be on ensuring the viability of TQZ, such is the level of financial jeopardy facing the charity. A successful re-negotiation of the financial support from South Ayrshire Council together with tight control of expenditure and maximisation of income will be required as a minimum

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

South Carrick Community Leisure was formed in 2012 as a SCIO (Scottish Charitable Incorporated Organisation). A SCIO provides limited liability and separate legal identity to organisations that want to become charities, but do not want or need the complex legal structure of company law. SCIO's are regulated by OSCR and do not need to register with Companies House. South Carrick Community Leisure is governed by its Constitution drawn up by Burness Solicitors.

As the role of the charity has developed we have continued to create and improve all our processes, policies and overall governance

Recruitment and appointment of new trustees

Trustees are appointed to the Board by the membership at an Annual General Meeting. Three trustees must stand down each year at an AGM, but maybe re-elected if they are willing to stand.

Where there is a vacancy between Annual General Meetings then members may be co-opted to the Board, however anyone co-opted in this way must also put themselves up for election at the next Annual General Meeting

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The board has regular monthly meetings where it deals with all financial matters relating to its objectives along with all other aspects of its objectives.

Induction and training of new trustees

Training and relevant information on South carrick Community leisure is given to new trustees in addition to an OSCR Trustee information pack.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC043090 (Scotland)

Registered Charity number

SC43090

Registered office

Town House
25 Knockcushan Street
Girvan
KA26 9AG

Trustees

K S Johnstone Treasurer
J Barr Deputy Chairman (resigned 20.10.21)
A Rattray Chairperson
Ms E McCarrey Secretary(now co-opted as lives out with area)
Ms S Dunn
Ms S Clark
H Sheddon

Company Secretary

Senior Statutory Auditor

Jeff Rogers

Auditors

Jeffrey A Rogers
Chartered Accountants and Registered Auditor
Colin McNally B.A. Hon's; F.C.M.A
6 Crofthead Road
Prestwick
Ayrshire
KA9 1HW

Bankers

Royal Bank of Scotland
14 Dalrymple Street
Girvan
KA26 9AF

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of South Carrick Community Leisure for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

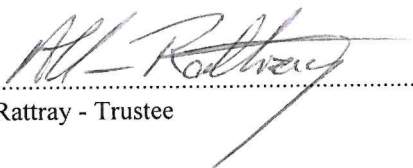
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Colin McNally B.A. Hon's; F.C.M.A, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on and signed on its behalf by:


.....
A Rattray - Trustee

Report of the Independent Auditors to the Trustees and Members of
South Carrick Community Leisure

Independent auditor's report to the members and trustees of South Carrick Community Leisure

Opinion

We have audited the financial statements of South Carrick Community Leisure (the 'charitable company') for the year ended 31 March 2018 which comprise a Statement of Financial Activities, Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

o give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its income [and receipt of endowments] and expenditure for the year then ended;

o have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

o have been prepared in accordance with the requirements of the Companies Act 2006, 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

o the trustees' (who are also the directors of the company for the purposes of company law) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

o the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

Report of the Independent Auditors to the Trustees and Members of
South Carrick Community Leisure

In our opinion, based on the work undertaken in the course of the audit:

- o the information given in the directors' report, prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- o the directors' report, included within the trustees' annual report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- o adequate and proper accounting records have not been kept, [or returns adequate for our audit have not been received from branches not visited by us]; or
- o the financial statements are not in agreement with the accounting records; or
- o certain disclosures of trustees' remuneration specified by law are not made; or
- o we have not received all the information and explanations we require for our audit; or
- o the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report, included within the trustee' annual report, and from the requirements to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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 under the Companies Act 2006 and report in accordance with the Acts 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Report of the Independent Auditors to the Trustees and Members of
South Carrick Community Leisure

- o 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. 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.
- o Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- o Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- o Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- o Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Jeffrey A Rogers (Senior Statutory Auditor)
For and on behalf of
Phelan & Prescott
Chartered Accountants and Registered Auditor
River House
Home Avenue
Newry
Co Down
Date: 1/11/2022

Jeff Rogers Jeff Rogers
Phelan Prescott Colin McNally B.A. Hon's; F.C.M.A
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
6 Crofthead Road
Prestwick
Ayrshire
KA9 1HW

Date:

South Carrick Community Leisure

Statement of Financial Activities
for the Year Ended 31 March 2022

	Notes	Unrestricted fund £	Restricted fund £	Endowment fund £	31.3.22 Total funds £	31.3.21 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies		307,148	1	-	307,149	307,125
Charitable activities						
General		435,509	-	-	435,509	315,279
Other income		<u>1,064</u>	<u>-</u>	<u>-</u>	<u>1,064</u>	<u>-</u>
Total		<u>743,721</u>	<u>1</u>	<u>-</u>	<u>743,722</u>	<u>622,404</u>
EXPENDITURE ON						
Raising funds		406,921	-	-	406,921	377,487
Charitable activities						
General		<u>243,096</u>	<u>15,637</u>	<u>-</u>	<u>258,733</u>	<u>212,485</u>
Total		<u>650,017</u>	<u>15,637</u>	<u>-</u>	<u>665,654</u>	<u>589,972</u>
NET INCOME/(EXPENDITURE)		93,704	(15,636)	-	78,068	32,432
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>231,373</u>	<u>102,852</u>	<u>-</u>	<u>334,225</u>	<u>301,793</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>325,077</u></u>	<u><u>87,216</u></u>	<u><u>-</u></u>	<u><u>412,293</u></u>	<u><u>334,225</u></u>

The notes form part of these financial statements

South Carrick Community Leisure

Balance Sheet
31 March 2022

	Notes	Unrestricted fund £	Restricted fund £	Endowment fund £	31.3.22 Total funds £	31.3.21 Total funds £
FIXED ASSETS						
Tangible assets	6	11,848	67,636	-	79,484	112,903
CURRENT ASSETS						
Debtors	7	100,958	-	-	100,958	988
Cash at bank		<u>261,527</u>	<u>19,578</u>	<u>-</u>	<u>281,105</u>	<u>234,808</u>
		362,485	19,578	-	382,063	235,796
CREDITORS						
Amounts falling due within one year	8	(49,255)	1	-	(49,254)	(14,474)
NET CURRENT ASSETS		<u>313,230</u>	<u>19,579</u>	<u>-</u>	<u>332,809</u>	<u>221,322</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>325,078</u>	<u>87,215</u>	<u>-</u>	<u>412,293</u>	<u>334,225</u>
NET ASSETS		<u>325,078</u>	<u>87,215</u>	<u>-</u>	<u>412,293</u>	<u>334,225</u>
FUNDS	9					
Unrestricted funds					325,078	231,373
Restricted funds					<u>87,215</u>	<u>102,852</u>
TOTAL FUNDS					<u>412,293</u>	<u>334,225</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:


.....
A Rattray - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.22	31.3.21
	£	£
Depreciation - owned assets	<u>38,390</u>	<u>67,801</u>

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

4. STAFF COSTS

The average monthly number of employees during the year was as follows:

	31.3.22	31.3.21
Staff	<u>25</u>	<u>25</u>

No employees received emoluments in excess of £60,000.

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	307,125	-	-	307,125
Charitable activities				
General	<u>315,279</u>	-	-	<u>315,279</u>
Total	<u>622,404</u>	-	-	<u>622,404</u>
EXPENDITURE ON				
Raising funds	377,487	-	-	377,487
Charitable activities				
General	<u>144,684</u>	<u>67,801</u>	-	<u>212,485</u>
Total	<u>522,171</u>	<u>67,801</u>	-	<u>589,972</u>
NET INCOME/(EXPENDITURE)	100,233	(67,801)	-	32,432
RECONCILIATION OF FUNDS				
Total funds brought forward	131,140	170,653	-	301,793
TOTAL FUNDS CARRIED FORWARD	<u>231,373</u>	<u>102,852</u>	-	<u>334,225</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2021	294,917	42,179	40,523	377,619
Additions	<u>5,863</u>	<u>149</u>	<u>(1,041)</u>	<u>4,971</u>
At 31 March 2022	<u>300,780</u>	<u>42,328</u>	<u>39,482</u>	<u>382,590</u>
DEPRECIATION				
At 1 April 2021	232,881	11,077	20,758	264,716
Charge for year	<u>15,277</u>	<u>10,720</u>	<u>12,393</u>	<u>38,390</u>
At 31 March 2022	<u>248,158</u>	<u>21,797</u>	<u>33,151</u>	<u>303,106</u>
NET BOOK VALUE				
At 31 March 2022	<u>52,622</u>	<u>20,531</u>	<u>6,331</u>	<u>79,484</u>
At 31 March 2021	<u>62,036</u>	<u>31,102</u>	<u>19,765</u>	<u>112,903</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade debtors	<u>100,958</u>	<u>988</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade creditors	20,856	14,181
Social security and other taxes	(641)	(7,120)
Other creditors	<u>29,039</u>	<u>7,413</u>
	<u>49,254</u>	<u>14,474</u>

9. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
UNRESTRICTED	231,373	93,705	325,078
Restricted funds			
RESTRICTED	102,852	(15,637)	87,215
TOTAL FUNDS	<u>334,225</u>	<u>78,068</u>	<u>412,293</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

9. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
UNRESTRICTED	743,721	(650,016)	93,705
Restricted funds			
RESTRICTED	1	(15,638)	(15,637)
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>743,722</u>	<u>(665,654)</u>	<u>78,068</u>

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
UNRESTRICTED	131,140	100,233	231,373
Restricted funds			
RESTRICTED	170,653	(67,801)	102,852
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>301,793</u>	<u>32,432</u>	<u>334,225</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
UNRESTRICTED	622,404	(522,171)	100,233
Restricted funds			
RESTRICTED	-	(67,801)	(67,801)
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>622,404</u>	<u>(589,972)</u>	<u>32,432</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

9. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.20 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
UNRESTRICTED	131,140	193,938	325,078
Restricted funds			
RESTRICTED	170,653	(83,438)	87,215
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>301,793</u>	<u>110,500</u>	<u>412,293</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
UNRESTRICTED	1,366,125	(1,172,187)	193,938
Restricted funds			
RESTRICTED	1	(83,439)	(83,438)
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>1,366,126</u>	<u>(1,255,626)</u>	<u>110,500</u>

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.

South Carrick Community Leisure

Detailed Statement of Financial Activities
for the Year Ended 31 March 2022

	31.3.22	31.3.21
	£	£
INCOME AND ENDOWMENTS		
Donations and legacies		
Gifts	-	2
Grants	200,000	200,000
Community Benefit Funding - Falk Assel	36,149	38,123
Community Benefit Funding - Tralorg	<u>71,000</u>	<u>69,000</u>
	307,149	307,125
Charitable activities		
Charitable Activities	338,113	66,622
Grants	<u>97,396</u>	<u>248,657</u>
	435,509	315,279
Other income		
VAT Repayment	<u>1,064</u>	<u>-</u>
Total incoming resources	743,722	622,404
EXPENDITURE		
Raising donations and legacies		
Wages	365,816	376,258
Other trading activities		
Purchases	33,059	1,229
Pensions	<u>8,046</u>	<u>-</u>
	41,105	1,229
Charitable activities		
Sundries	3,366	8,484
Support costs		
Management		
Insurance	20,966	17,156
Telephone	13,206	6,602
Postage and stationery	926	1,429
Advertising	1,436	14,063
Cleaning	4,323	3,132
Consulting	1,667	1,350
Gym Equipment Expense	90	7,133
Motor Vehicle Expenses	-	78
PPE	-	251
Pool Equipment	2,100	549
Residual VAT	39,648	(24,737)
Event Costs	<u>27</u>	<u>-</u>
	84,389	27,006

This page does not form part of the statutory financial statements

South Carrick Community Leisure

Detailed Statement of Financial Activities
for the Year Ended 31 March 2022

	31.3.22	31.3.21
	£	£
Management		
Finance		
Bank charges	5,215	3,161
Plant and machinery	30,818	60,232
Fixtures and fittings	2,038	2,025
Computer equipment	<u>5,036</u>	<u>5,544</u>
	43,107	70,962
Information technology		
Repairs and renewals	39,616	37,768
Human resources		
Software licences	20,048	1,385
Staff Training	<u>3,779</u>	<u>1,479</u>
	23,827	2,864
Other		
Light and heat	57,390	60,652
Governance costs		
Accountancy and legal fees	5,995	3,620
Subscriptions	<u>1,043</u>	<u>1,129</u>
	<u>7,038</u>	<u>4,749</u>
Total resources expended	<u>665,654</u>	<u>589,972</u>
Net income	78,068	32,432