

**South Ayrshire Council**

**Report by Assistant Director - People  
to Partnerships Panel  
of 9 February 2022**

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**Subject: The Quay Zone Performance Report**

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**1. Purpose**

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

**2. Recommendations**

- 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 Quayzone 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. The Partnerships Panel receives scrutiny reports on an annual basis for organisations receiving more than £50,000 in Council contribution.

**4. Proposals**

- 4.1 The Quay Zone has just completed its fourth year of operation. It has provided the performance report as attached as Appendix 1 to support scrutiny by the Panel.

**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 There are no financial implications arising from this report. The Service Level Agreement provides for the financial support from the Council to South Carrick Community Leisure to be reviewed on a five yearly basis with the first review due in April 2022. There is also an agreement in place in relation to the Quayzone recognising the Council's Access to Leisure Card.

## **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)*** - The proposals in this report do not represent a qualifying plan, programme, policy or strategy for consideration for SEA. There exists therefore no obligation to contact the Scottish Government Gateway and no further action is necessary. An SEA has not been undertaken.

## **11. Options Appraisal**

11.1 An option appraisal has not been carried out in relation to the subject matter of this report.

## **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 Chris Cullen, Portfolio Holder for Economy and Culture, 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](#)**

**Person to Contact**    **Ali Mutch, Co-ordinator (Sport and Leisure)**  
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**Date: 1 February 2022**



**Subject:** South Carrick Community Leisure, The Quay Zone – Performance Update 2020/21

**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 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021

## 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 SAC which is reviewed beginning on the 5<sup>th</sup> anniversary financial year (being 1<sup>st</sup> April 2022) and each fifth anniversary date thereafter.
- iii. The Quay Zone (TQZ) comprising a swimming pool, gym, studios, soft play and café opened its doors to the public on 27<sup>th</sup> April 2017.
- iv. Reports to previous Performance Panels in 2018, 2019 and 2020 outlined the progress in the first three years of operating TQZ and this report provides a further update on the Charity’s activities at The Quay Zone for the 2020/21 financial year.
- v. Governance of the charity is provided by a Board of Trustees who meet at regular intervals. The 9 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 in lockdown having closed its doors to the public on 18<sup>th</sup> March to help prevent the spread of Coronavirus (Covid 19).
- ii. At a meeting on the 18<sup>th</sup> March staff were told that we anticipated a closure of a month or two and nothing had prepared us for the year that was to follow.
- iii. In the circumstances TQZ was put onto a care and essential maintenance regime. The swimming pool water temperature was reduced and water treatment was

maintained in lines with the Pool Water Treatment Advisory Groups (PWTAG) advice at that time. In practice the pool environment benefited from the absence of bathers and our treatment costs were minimised. Elsewhere in the building all, non-essential equipment was shut down.

- iv. We were eventually allowed to re-open on 7<sup>th</sup> September after nearly 6 months of closure. In common with all leisure facilities opening was conditional on implementing a wide range of enhanced cleaning and hygiene arrangements, restricting and rigorously controlling access and numbers participating and maintaining records of attendance.
- v. At TQZ this comprised expenditure of circa £10k on Perspex screens, alterations to layouts and technology support systems, introduction of hygiene and sanitisation stations together with signage and publicity materials to advertise the new arrangements.
- vi. Although we were initially able to offer sessions for swimming, gym and fitness classes, the restrictions meant that we were operating un-economically. In addition, our café, soft play, parties and general building hire all remained suspended.
- vii. We had no sooner settled into the initial operating arrangements when the Government was forced to re-introduce further restrictions because of an upturn in the prevalence of the virus in the community. This required us to suspend our fitness class programme on 9<sup>th</sup> October thereby further reducing the services we could provide.
- viii. On 20<sup>th</sup> November The Government introduced level four restrictions across 11 Council areas, including South Ayrshire, causing TQZ to once more close its doors.
- ix. Initially it was hoped that the closure would only remain in place until early December 2020, but in the event we did not re-open for the rest of the financial year.
- x. In all TQZ was open for less than 8 weeks throughout 2020/21 and for all of that period was only able to offer a restricted service.
- xi. Community support throughout the year was tremendous and although attendances did not return to pre-pandemic levels during our short opening period, everything we were able to provide was warmly welcomed by the public.
- xii. This was no better illustrated than by the 70 or so members who continued to pay their membership subscription between December and the end of the year even though we were unable to offer them any services.
- xiii. In the event we ended the financial year as we had started it.

### **3. Finance**

- i. The audited financial accounts for 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 are included with this report and in line with our status as a Scottish Charitable Incorporated Organisation (SCIO) will be lodged with the Scottish Charity Regulator (OSCR) for publication on its website once they are approved by the Board later this month.
- ii. The Statement of Financial Activities (page 8 of the accounts) shows that:
  - a. Income at £602,279 for the year was down £82,916 compared with the previous year. This was largely as a consequence of limited trading allowing us to only raise £66,662 compared with £402,279 the previous year. Indeed, our income was largely supported by furlough and other business-related grants totalling £248,657.
  - b. As might have been expected expenditure was also down by £170,555 year on year. In practice the difference in expenditure was largely caused by not

needing purchase café supplies and only being able to carry out essential maintenance. This latter factor will have a knock-on effect into the next financial year.

- iii. Our overall net income and expenditure position for the year was a positive £32,432.
- 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 5 we invested in £6,235 of new equipment during the year which meant that after depreciation the Net Book Value of our fixed assets had decreased from £174,465 in 2019/20 to £112,903.
- v. Our **total current asset** show a healthy position of £334,225 up from £301,793 the previous year made up of £231,373 unrestricted funds and £102,852 restricted funds.
- vi. Overall our cash position at the end of the year had improved largely as a result of reduced and deferred expenditure.
- vii. It is also the case that were it not for the support provided by Government our financial position during 2020/21 would have been precarious.

#### 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. As this report is presented TQZ is open and trading across most of its previous activities. However, this has only been the case since early August and income this year will once again be severely impacted by the loss of most of our summer trading.
- iii. Since July government financial support has tapered off and ceased altogether at the end of September.
- iv. In practical terms our costs have increased as we have provided the full range of services. However, income has not yet returned to the levels sustained in previous years. In addition, the impact of delayed maintenance and aging equipment will see our building and equipment costs increase during the year. The net effect of these impacts will be to materially worsen the positive financial position we ended 2020/21 in.
- v. The challenge for 2021/22 will be to maintain services and progressively develop them. Such development will be in part dictated by the confidence the community has to once more frequent indoor spaces such as The Quay Zone which in turn will be influenced by government advice and restrictions. Customer confidence has inevitably been damaged by the events of the last 18 months or so and it will take well into 2022 for activity to return to pre-pandemic levels.
- vi. The Board will continue to manage the service and financial position of TQZ over the coming winter and respond to changes in community confidence and any trading restrictions necessary to play its part in preventing the spread and impact of Coronavirus (Covid 19).

Peter Linton  
General Manager The Quay Zone  
South Carrick Community Leisure  
8<sup>th</sup> November, 2021

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

Report of the Trustees and  
Financial Statements for the Year Ended 31 March 2021  
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

Contents of the Financial Statements  
for the Year Ended 31 March 2021

	Page
Report of the Trustees	1 to 4
Report of the Independent Auditors	5 to 7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10 to 14
Detailed Statement of Financial Activities	15 to 16



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 2021. 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**

To say that the last financial year has been unprecedented is a bit of an under-statement. Indeed, few people will have lived through a time when the restrictions to our everyday lives have been so draconian or prolonged.

At the end of last year's statement, we reported that we anticipated that trading throughout 2020/21 would be "severely compromised" as a consequence of having to meet the social distancing and hygiene requirements needed to combat the spread of the Covid virus and the uncertainty surrounding future openings. In the event we did not predict the extent and duration of the restrictions that were in place throughout the year and which have continued into 2021/22.

We closed for business on 18th March 2020 and were not permitted to re-open until 7th September at which point we were able to provide a member only service for swimming, gym, fitness stations and classes. Of necessity the numbers permitted to access the various sessions were less than half those permitted in normal times and availability was further reduced by the requirement to incorporate a strict booking arrangement with additional cleaning and sanitisation between session. Subsequently we were able to extend the member only provision to the wider community by facilitating pay-as-you-go attendance.

Although we were able to re-introduce our Learn 2 Swim classes in October, this was short lived as by 20th November we were forced to suspend all services and once again return the building to a care and maintenance arrangement. Initially it was hoped that the shutdown would only be for a short period. However, in the event it lasted until 26th April 2021.

Overall trading throughout 2020/21 was only possible for 11 weeks and even within that period activities were severely restricted and for some services (café, soft play, parties, hires and fun sessions) no trade was possible at all.

We started the financial year in a healthy cash position and have been fortunate to have received substantial support from the Government's Coronavirus Job Retention Scheme (the Furlough Scheme) and other business support grants, which together with our core funding from South Ayrshire Council and windfarm benefit fund support has enable us to weather the significant trading loss we have suffered.

When we have been able to trade the community has shown its support and encouragement for the Quay Zone and the services we provide. We hope that one of the positives to come out of the pandemic will be a heightened sense of awareness of the importance of health and fitness and look forward to supporting the community in 2021/22 with renewed enthusiasm and opportunities

## **OBJECTIVES AND ACTIVITIES**

### **The contribution of Government and other Agencies**

In previous years we have outlined the support provided by South Ayrshire Council towards the construction and commissioning of the Quay Zone. The building is owned by South Ayrshire Council and operated by South Carrick Community Leisure on the basis of a full repairing lease and Minute of Agreement. South Ayrshire Council also make a significant contribution towards the annual running costs of the facility.

Additional unrestricted financial support is provided by the Girvan & District Assel Valley Community Fund funded by Falck Renewables and the Tralorg Community Benefit Fund.

### **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**

### **Restricted Funds**

Current restricted funds as shown within the accounts are made up of the following:

<b>Restricted Bank Funds</b>	<b>Opening</b>	<b>Funds In</b>	<b>Funds Out</b>	<b>Balance</b>
PB Payment	0.00			0.00
Carrick Futures	0.00			0.00
Leader	19,578.19			19,578.19
SAC	0.00			0.00
Creditors	-2,450.00			-2,450.00
Assets (Cfwd-depreciation)	153,525.12		66,908.47	86,616.65
	<b>170,653.31</b>	<b>0.00</b>	<b>66,908.47</b>	<b>103,744.84</b>

### **Reserves policy**

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

## **FUTURE PLANS**

As outlined above service provision throughout 2020/21 was severely compromised. 2021/22 will also be a severely compromised year with restrictions likely to be a feature of our operation throughout the year. Although the Government has made good progress with its vaccine programme it remains to be seen what the long-term efficacy will be. From a trading perspective it is likely that the year will be dominated by the extent to which Covid restrictions impede access to, and the provision of services. The emphasis will be on trying to rebuild customer confidence, increase membership numbers and get back to developing services

## **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

### **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  
A Rattray Chairperson  
Ms E McCarrey Secretary (now co-opted as lives out with area)  
Ms S Dunn  
Ms S Clark  
H Shedden  
C Copes  
D Copes

### **Senior Statutory Auditor**

Jeff Rogers

**REFERENCE AND ADMINISTRATIVE DETAILS**

**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).

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:

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 2021

	Notes	Unrestricted fund £	Restricted fund £	Endowment fund £	31.3.21 Total funds £	31.3.20 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and legacies		307,125	-	-	307,125	103,041
<b>Charitable activities</b>						
General		315,279	-	-	315,279	602,279
<b>Total</b>		622,404	-	-	622,404	705,320
<b>EXPENDITURE ON</b>						
Raising funds		377,487	-	-	377,487	430,431
<b>Charitable activities</b>						
General		144,684	67,801	-	212,485	330,096
<b>Total</b>		522,171	67,801	-	589,972	760,527
<b>NET INCOME/(EXPENDITURE)</b>		100,233	(67,801)	-	32,432	(55,207)
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		131,140	170,653	-	301,793	357,000
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>231,373</u>	<u>102,852</u>	<u>-</u>	<u>334,225</u>	<u>301,793</u>

The notes form part of these financial statements

South Carrick Community Leisure

Balance Sheet  
31 March 2021

	Notes	Unrestricted fund £	Restricted fund £	Endowment fund £	31.3.21 Total funds £	31.3.20 Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	5	27,180	85,723	-	112,903	174,469
<b>CURRENT ASSETS</b>						
Debtors	6	988	-	-	988	3,393
Cash at bank		<u>215,230</u>	<u>19,578</u>	<u>-</u>	<u>234,808</u>	<u>182,982</u>
		216,218	19,578	-	235,796	186,375
<b>CREDITORS</b>						
Amounts falling due within one year	7	<u>(12,025)</u>	<u>(2,449)</u>	<u>-</u>	<u>(14,474)</u>	<u>(59,051)</u>
<b>NET CURRENT ASSETS</b>		<u>204,193</u>	<u>17,129</u>	<u>-</u>	<u>221,322</u>	<u>127,324</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>231,373</u>	<u>102,852</u>	<u>-</u>	<u>334,225</u>	<u>301,793</u>
<b>NET ASSETS</b>		<u>231,373</u>	<u>102,852</u>	<u>-</u>	<u>334,225</u>	<u>301,793</u>
<b>FUNDS</b>						
Unrestricted funds	8				231,373	131,140
Restricted funds					<u>102,852</u>	<u>170,653</u>
<b>TOTAL FUNDS</b>					<u>334,225</u>	<u>301,793</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

The notes form part of these financial statements

## 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.

## 2. NET INCOME/(EXPENDITURE)

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

	31.3.21	31.3.20
	£	£
Depreciation - owned assets	<u>67,801</u>	<u>75,386</u>

**3. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

**4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fund £	Endowment fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	103,040	1	-	103,041
<b>Charitable activities</b>				
General	602,279	-	-	602,279
<b>Total</b>	<b>705,319</b>	<b>1</b>	<b>-</b>	<b>705,320</b>
<b>EXPENDITURE ON</b>				
Raising funds	430,431	-	-	430,431
<b>Charitable activities</b>				
General	254,709	75,387	-	330,096
<b>Total</b>	<b>685,140</b>	<b>75,387</b>	<b>-</b>	<b>760,527</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>20,179</b>	<b>(75,386)</b>	<b>-</b>	<b>(55,207)</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<b>110,961</b>	<b>246,039</b>	<b>-</b>	<b>357,000</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>131,140</b>	<b>170,653</b>	<b>-</b>	<b>301,793</b>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

**5. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2020	290,253	41,650	39,481	371,384
Additions	<u>4,664</u>	<u>529</u>	<u>1,042</u>	<u>6,235</u>
At 31 March 2021	<u>294,917</u>	<u>42,179</u>	<u>40,523</u>	<u>377,619</u>
<b>DEPRECIATION</b>				
At 1 April 2020	172,648	9,052	15,215	196,915
Charge for year	<u>60,233</u>	<u>2,025</u>	<u>5,543</u>	<u>67,801</u>
At 31 March 2021	<u>232,881</u>	<u>11,077</u>	<u>20,758</u>	<u>264,716</u>
<b>NET BOOK VALUE</b>				
At 31 March 2021	<u>62,036</u>	<u>31,102</u>	<u>19,765</u>	<u>112,903</u>
At 31 March 2020	<u>117,605</u>	<u>32,598</u>	<u>24,266</u>	<u>174,469</u>

**6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.21	31.3.20
	£	£
Trade debtors	<u>988</u>	<u>3,393</u>

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.21	31.3.20
	£	£
Trade creditors	14,181	18,108
Social security and other taxes	(7,120)	38,493
Other creditors	4,963	-
No description	<u>2,450</u>	<u>2,450</u>
	<u>14,474</u>	<u>59,051</u>

**8. MOVEMENT IN FUNDS**

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

**8. MOVEMENT IN FUNDS - continued**

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

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

**Comparatives for movement in funds**

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
<b>Unrestricted funds</b>			
UNRESTRICTED	110,961	20,179	131,140
<b>Restricted funds</b>			
RESTRICTED	246,039	(75,386)	170,653
	<u>        </u>	<u>        </u>	<u>        </u>
<b>TOTAL FUNDS</b>	<u>357,000</u>	<u>(55,207)</u>	<u>301,793</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
UNRESTRICTED	705,319	(685,140)	20,179
<b>Restricted funds</b>			
RESTRICTED	1	(75,387)	(75,386)
	<u>        </u>	<u>        </u>	<u>        </u>
<b>TOTAL FUNDS</b>	<u>705,320</u>	<u>(760,527)</u>	<u>(55,207)</u>

**8. MOVEMENT IN FUNDS - continued**

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

	At 1.4.19 £	Net movement in funds £	At 31.3.21 £
<b>Unrestricted funds</b> UNRESTRICTED	110,961	120,412	231,373
<b>Restricted funds</b> RESTRICTED	246,039	(143,187)	102,852
<b>TOTAL FUNDS</b>	<u>357,000</u>	<u>(22,775)</u>	<u>334,225</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 £
<b>Unrestricted funds</b> UNRESTRICTED	1,327,723	(1,207,311)	120,412
<b>Restricted funds</b> RESTRICTED	1	(143,188)	(143,187)
<b>TOTAL FUNDS</b>	<u>1,327,724</u>	<u>(1,350,499)</u>	<u>(22,775)</u>

**9. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2021.

South Carrick Community Leisure

Detailed Statement of Financial Activities  
for the Year Ended 31 March 2021

	31.3.21	31.3.20
	£	£
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Gifts	2	3
Grants	200,000	-
Community Benefit Funding - Falk Assel	38,123	103,038
Community Benefit Funding - Tralorg	<u>69,000</u>	<u>-</u>
	307,125	103,041
<b>Charitable activities</b>		
Charitable activities	66,622	602,279
Grants	<u>248,657</u>	<u>-</u>
	<u>315,279</u>	<u>602,279</u>
<b>Total incoming resources</b>	622,404	705,320
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Wages	376,258	388,217
<b>Other trading activities</b>		
Purchases	1,229	40,072
Direct Expenses	<u>-</u>	<u>2,142</u>
	1,229	42,214
<b>Charitable activities</b>		
Sundries	8,484	1,585
<b>Support costs</b>		
<b>Management</b>		
Insurance	17,156	18,210
Telephone	6,602	5,614
Postage and stationery	1,429	988
Advertising	14,063	10,734
Cleaning	3,132	9,290
Consulting	1,350	2,292
Gym Equipment Expense	7,133	115
Travel	78	14
PPE	251	1,971
Pool Equipment Expense	549	457
Residual VAT	<u>(24,737)</u>	<u>41,864</u>
	27,006	91,549
<b>Finance</b>		
Bank charges	3,161	6,605
Carried forward	3,161	6,605

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South Carrick Community Leisure

Detailed Statement of Financial Activities  
for the Year Ended 31 March 2021

	31.3.21	31.3.20
	£	£
<b>Finance</b>		
Brought forward	3,161	6,605
Plant and machinery	60,232	67,821
Fixtures and fittings	2,025	2,022
Computer equipment	<u>5,544</u>	<u>5,544</u>
	70,962	81,992
<b>Information technology</b>		
Repairs and renewals	37,768	62,985
<b>Human resources</b>		
Software licences	1,385	17,904
Staff Training	<u>1,479</u>	<u>5,864</u>
	2,864	23,768
<b>Other</b>		
Light and heat	60,652	61,348
<b>Governance costs</b>		
Accountancy and legal fees	3,620	6,011
Subscriptions	<u>1,129</u>	<u>858</u>
	<u>4,749</u>	<u>6,869</u>
Total resources expended	<u>589,972</u>	<u>760,527</u>
<b>Net income/(expenditure)</b>	<u><u>32,432</u></u>	<u><u>(55,207)</u></u>

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