

REGISTERED CHARITY NUMBER: SC008314

**Report of the Trustees and
Financial Statements For The Year Ended 31 March 2012
for**

**Kilmarnock Leisure Centre Trust
t/a The Galleon Centre**

DC/DI/REPORTS/FINANCIALSTATEMENT2012

Registered Auditors
Chartered Accountants
29 Portland Road
Kilmarnock
KA1 2BY

05.06.12

Kilmarnock Leisure Centre Trust
t/a The Galleon Centre

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for the Year Ended 31 March 2012

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Kilmarnock Leisure Centre Trust
t/a The Galleon Centre

Report of the Trustees
for the Year Ended 31 March 2012

The trustees present their report with the financial statements of the charity for the year ended 31 March 2011. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
SC008314

Principal address
The Galleon Centre
99 Titchfield Street
Kilmarnock
KA1 1 QY

Trustees

J Armstrong	
G Niven	
Councillor H Ross	
Councillor A Brown	
Provost S Young	Resigned 17.05.12
Councillor G Cree	
Councillor R Keohone	Resigned 17.05.12
Provost J Todd	Appointed 17.05.12
Councillor L Jones	Appointed 17.05.12

Auditors

Rogerson & Goldie
Registered Auditors
Chartered Accountants
29 Portland Road
Kilmarnock
KA1 2BY

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity, a not for profit organisation, is controlled by its governing document, a Deed of Trust set up in 1985.

Recruitment and appointment of new trustees

Trustees of the "Kilmarnock Leisure Centre Trust" are categorised as

Appointed Trustee - Five from East Ayrshire Council
Business Trustee - Two from the business community
Sports Council Trustee - Two from the local Sports Council

The purpose of the Trust is to encourage the widest use of the recreation facilities provided by residents within and visitors to East Ayrshire (East Ayrshire by natural succession from Kilmarnock and Loudoun) District. To provide facilities for the development of sport including coaching and training, to ensure that young persons, the disabled and minority and underprivileged social groups have access to the facilities on reasonable terms and otherwise to promote leisure and recreational activities within East Ayrshire.

Induction and training of new trustees

All Trustees are already familiar with the work of the Galleon Centre and its importance and role in the community.

Trustees are offered training and development when required and this is recorded at Trust meetings.

All Trustees are requested to sign and date the Trustees Declaration and to act with due care and diligence managing the affairs of the Kilmarnock Leisure Centre Trust.

Kilmarnock Leisure Centre Trust
/a The Galleon Centre

Report of the Trustees
for the Year Ended 31 March 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees have appointed a management team to advise the Trustees on the management and operation of The Galleon Centre and to undertake such duties as the Trustees may decide.

Board of Trustees
General Manager
Depute General Manager
Operations Manager

A scheme of delegation is in place and it is the responsibility of the General Manager in conjunction with his management team for the responsibility for the provision of the services and ensuring that the charity delivers the services specified and that key performance indicators are met. The General Manager through delegation to his team is responsible for the day to day operational management of the Centre, individual supervision of the staff team and also that the team continue to develop their skills and working practices in line with good practice and best value.

Related parties

The charities objectives are guided by local and national policy.

The Galleon Centre works in partnership with East Ayrshire Council CHIP (Community Health Improvement Project) and the GP referral scheme, Young Scot and Shout Cards that assist to meet the Deed of Trust.

The General Manager is chair of East Ayrshire Sports Council, a member of Sports and Recreation Trusts Association (SPORTA) and Scottish Ice Rink Association.

The Galleon Centre is Quest registered and will continue to utilise Quest outlining the trusts commitment to continuous improvement in conjunction with Visit Scotland Visitor Attraction Quality Assurance Scheme.

Risk management

The Trust has conducted a review of the major risks to which the charity is or could be exposed to. Where appropriate systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by implementation of procedures for authorisation of all transactions and projects and covered by our Scheme of Delegation and Financial Regulation procedures.

Insurance cover for Material Damage, Business Interruption Money & Assault, Employers Liability, Public Liability, Products Liability, Terrorism, Engineering Inspection, Fidelity Guarantee and Directors and Officers Liability are all in place.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust objects and principal activities are to:-

Encourage the widest use of the recreational facilities provided by residents within and visitors to East Ayrshire District. To provide facilities for the development of sport including coaching and training, to ensure that young persons, the disabled and minority and underprivileged social groups have access to the facilities on reasonable terms and otherwise to promote leisure and recreational activities within East Ayrshire.

Significant activities

The Kilmarnock Leisure Centre trust has developed the business into five main activity departments which are Swimming Pool, Ice Rink, Bowls Hall, Health Suite and Dryside for the purpose of performance indicators and two others which are Administration and Bar, Vending and Catering as secondary spend departments. This allows Trustees to evaluate the business performance monthly, quarterly and annually and internal benchmarking is evaluated each year with previous year's comparison.

Kilmarnock Leisure Centre Trust
t/a The Galleon Centre

Report of the Trustees
for the Year Ended 31 March 2012

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In conjunction with the figures outlined in significant activities the Trust supports many other charitable (local and national) organisations in fundraising by offering complimentary tickets for activities at the Galleon Centre as well as entering differing sporting competitions to assist them meet their obligations.

The Trust donated £16,982 in complimentaries and held in house activities which are included in the above. These include the following but have contributed to many more.

- The Lighthouse Foundational (Local)
- Ayrshire Cancer Support (Local)
- Children of Chernobyl (Visit to the Centre)
- Wear it Pink Day (National)
- Cash for Kids (National)
- BT Swimathon (National)
- Stewarton Academy Sponsorship of Pupil Development
- Variety of individual clubs and groups.

Internal and external factors

Trustees in assessing these factors have many to take into consideration, national and local trends, the continuing increase in electricity, gas and water all present their own challenges.

The phase out of R22 refrigerant gas presents a completely different challenge which will have to be reviewed.

New business in the private gym sector, the new PFI School Build programmes all impact on the operation of the charity. Trustees will continually review and asses these as they arise.

FINANCIAL REVIEW

Financial Review

The Kilmarnock Leisure Centre Trust secured funding from East Ayrshire Council until 2012/13 and has been approved as follows:-

2011/12 £200,572

2012/13 £200,572

There are seven main leisure activity departments of Administration, Swimming Pool, Ice Rink, Bowl's Hall, Heath & Fitness, Dryside and Bar & Catering which cumulatively generated £1,948,008 which added to the above operational subsidy returned £2,148,580 in income generation.

Kilmarnock Leisure Centre Trust
t/a The Galleon Centre

Report of the Trustees
for the Year Ended 31 March 2012

FINANCIAL REVIEW

Reserves Policy

Trustees continue to monitor the charities requirements for reserves in light of the main risks to the organisation. General reserves carried forward from 2011/12 of £124,549 have been increased by the over budget income generation of £15,618 to reserves of £140,177.

The Trust will continue with the strategy of continuing to increase reserves at every opportunity in the long and short term to build added security to meet the business needs. This will be achieved further by capital investment required to continue to operate to all legislative requirements in conjunction with continuous improvement of the fabric of the building.

Principal funding sources

The principal funding sources are generated from the services to the general public of all the activities within the Galleon Centre and the operational revenue from East Ayrshire Council.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in Scotland, the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 charity 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 charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:


.....
Trustee

Date: 27/9/12.....

**Report of the Independent Auditors to the Trustees of
Kilmarnock Leisure Centre Trust
t/a The Galleon Centre**

We have audited the financial statements of Kilmarnock Leisure Centre Trust t/a The Galleon Centre for the year ended 31 March 2012 on pages six to eleven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under Section of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2012 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Rogerson & Goldie

Rogerson & Goldie
Registered Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
29 Portland Road
Kilmarnock
KA1 2BY

Date: 27/9/12

Kilmarnock Leisure Centre Trust
t/a The Galleon Centre

Statement of Financial Activities
for the Year Ended 31 March 2012

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Activities for generating funds	2	1,947,787	-	1,947,787	1,917,598
Investment income	3	221	-	221	218
Incoming resources from charitable activities					
Charitable Activities	4	<u>200,572</u>	<u>-</u>	<u>200,572</u>	<u>206,350</u>
Total incoming resources		2,148,580	-	2,148,580	2,124,166
RESOURCES EXPENDED					
Charitable activities					
Charitable Activities	5	2,131,462	-	2,113,462	2,111,273
Governance costs	7	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>1,500</u>
Total resources expended		2,132,962	-	2,132,962	2,112,773
NET INCOMING RESOURCES					
		15,618	-	15,618	11,393
RECONCILIATION OF FUNDS					
Total funds brought forward		8,624,545	-	8,624,545	8,613,152
TOTAL FUNDS CARRIED FORWARD		<u>8,640,163</u>	<u>-</u>	<u>8,640,163</u>	<u>8,624,545</u>

The notes form part of these financial statements

Kilmarnock Leisure Centre Trust
t/a The Galleon Centre

Balance Sheet
At 31 March 2012

	Notes	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
FIXED ASSETS					
Tangible assets	10	8,605,148	-	8,605,148	8,628,948
CURRENT ASSETS					
Stocks	11	34,834	-	34,834	37,446
Debtors	12	48,435	-	48,435	83,266
Cash at bank		<u>210,368</u>	<u>-</u>	<u>210,368</u>	<u>184,735</u>
		293,637	-	293,637	305,447
CREDITORS					
Amounts falling due within one year	13	<u>(203,910)</u>	<u>-</u>	<u>(203,910)</u>	<u>(230,908)</u>
NET CURRENT ASSETS		<u>89,727</u>	<u>-</u>	<u>89,727</u>	<u>74,539</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		8,694,875	-	8,694,875	8,703,487
CREDITORS					
Amounts falling due after more than one year	14	<u>(54,712)</u>	<u>-</u>	<u>(54,712)</u>	<u>(78,942)</u>
NET ASSETS		<u>8,640,163</u>	<u>-</u>	<u>8,640,163</u>	<u>8,624,545</u>
FUNDS					
Unrestricted funds	15			<u>8,640,163</u>	<u>8,624,545</u>
TOTAL FUNDS				<u>8,640,163</u>	<u>8,624,545</u>

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



 Trustee

Kilmarnock Leisure Centre Trust
t/a The Galleon Centre

Notes to the Financial Statements
for the Year Ended 31 March 2012

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Charities and Trustee Investment (Scotland) Act 2005 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

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. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

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

Freehold property

Short leasehold

Long leasehold

Improvements to property

Plant and machinery

- 10% on cost

Fixtures and fittings

Motor vehicles

Computer equipment

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

2. ACTIVITIES FOR GENERATING FUNDS

	2012	2011
	£	£
Charges for facilities	1,766,684	£1,728,699
Bar & catering income	181,103	188,899
	<u>1,947,787</u>	<u>1,917,598</u>

Kilmarnock Leisure Centre Trust
t/a The Galleon Centre

Notes to the Financial Statements - continued
for the Year Ended 31 March 2012

3. INVESTMENT INCOME

	2012	2011
	£	£
Deposit account interest	<u>221</u>	<u>218</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2012	2011
	£	£
East Ayrshire Council Grant	<u>200,572</u>	<u>206,350</u>
Activity		
Charitable Activities		

Grants received, included in the above, are as follows:

	2012	2011
	£	£
Other grants	<u>200,572</u>	<u>206,350</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 6)	Totals
	£	£	£
Charitable Activities	<u>2,114,480</u>	<u>16,982</u>	<u>2,131,462</u>

6. GRANTS PAYABLE

	2012	2011
	£	£
Charitable Activities	<u>16,982</u>	<u>18,182</u>

The total grants paid to institutions during the year was as follows:

	2012	2011
	£	£
	<u>-</u>	<u>-</u>

7. GOVERNANCE COSTS

	2012	2011
	£	£
Accountancy	<u>1,500</u>	<u>1,500</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2012 nor for the year ended 31 March 2011.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 March 2012 nor for the year ended 31 March 2011.

Kilmarnock Leisure Centre Trust
t/a The Galleon Centre

Notes to the Financial Statements - continued
for the Year Ended 31 March 2012

9. STAFF COSTS

Staff costs including pension costs amounted to £1,073,435 (2011 - £1,069,517).

10. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Totals £
COST			
At 1 April 2010 and 31 March 2012	<u>8,500,000</u>	<u>234,730</u>	<u>8,734,730</u>
DEPRECIATION			
At 1 April 2011	-	105,782	105,782
Charge for year	<u>-</u>	<u>23,800</u>	<u>23,800</u>
At 31 March 2012	<u>-</u>	<u>129,582</u>	<u>129,582</u>
NET BOOK VALUE			
At 31 March 2012	<u>8,500,000</u>	<u>105,148</u>	<u>8,605,148</u>
At 31 March 2011	<u>8,500,000</u>	<u>128,948</u>	<u>8,628,948</u>

11. STOCKS

	2012 £	2011 £
Stocks	<u>34,834</u>	<u>38,446</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade debtors	28,449	29,987
Other debtors	<u>19,986</u>	<u>53,279</u>
	<u>48,435</u>	<u>83,266</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Bank loans and overdrafts	30,000	36,000
Trade creditors	10,029	10,565
Taxation and social security	16,646	32,288
Other creditors	<u>147,235</u>	<u>152,055</u>
	<u>203,910</u>	<u>230,908</u>

Kilmarnock Leisure Centre Trust
t/a The Galleon Centre

Notes to the Financial Statements - continued
for the Year Ended 31 March 2012

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Bank loans	<u>54,712</u>	<u>78,942</u>

15. MOVEMENT IN FUNDS

	At 1.4.11 £	Net movement in funds £	At 31.3.12 £
Unrestricted funds			
General fund	124,545	15,618	140,163
Revaluation reserve	<u>8,500,000</u>	-	<u>8,500,000</u>
	<u>8,624,545</u>	<u>15,618</u>	<u>8,640,163</u>
TOTAL FUNDS	<u>8,624,545</u>	<u>15,618</u>	<u>8,640,163</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,148,580	(2,132,962)	15,618
TOTAL FUNDS	<u>2,148,580</u>	<u>(2,132,962)</u>	<u>15,618</u>

Kilmarnock Leisure Centre Trust
t/a The Galleon Centre

Detailed Statement of Financial Activities
for the Year Ended 31 March 2012

	2012 £	2011 £
INCOMING RESOURCES		
Activities for generating funds		
Charges for facilities	1,766,684	1,728,699
Bar & catering income	<u>181,103</u>	<u>188,899</u>
	1,947,787	1,917,598
Investment income		
Deposit account interest	221	218
Incoming resources from charitable activities		
East Ayrshire Council Grant	<u>200,572</u>	<u>206,350</u>
Total incoming resources	2,148,580	2,124,166
RESOURCES EXPENDED		
Charitable activities		
Wages & nic	1,073,435	1,069,517
Bar & catering costs	104,212	119,969
Repairs & maintenance	318,968	317,925
Fixtures & fittings	16,093	6,865
Energy costs	222,146	224,894
Rates	41,384	46,577
Insurance	29,740	27,417
Equipment, tools & furniture	138,163	127,382
Cleaning supplies	28,962	26,531
Clothing, uniforms & laundry	28,411	7,801
Office & other admin costs	5,160	32,665
Plant and machinery	36,962	23,800
Communications	23,800	5,074
Fees for services	8,029	27,773
Marketing costs	38,627	19,709
Bank interest & charges	8,847	9,192
Grants to institutions	<u>16,982</u>	<u>18,182</u>
	2,131,462	2,111,273
Governance costs		
Accountancy	<u>1,500</u>	<u>1,500</u>
Total resources expended	2,132,962	2,112,773
Net income	<u>15,618</u>	<u>11,393</u>

This page does not form part of the statutory financial statements