

CHARITY NO: SC045726

COMPANY NO: SC486489

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

**EAST RENFREWSHIRE CULTURE & LEISURE LIMITED
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

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EAST RENFREWSHIRE CULTURE & LEISURE LIMITED REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

The Directors, who are the trustees for the purposes of charity law, are pleased to present their annual report for the year ended 31 March 2024. East Renfrewshire Culture & Leisure Limited has been entered into the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustees Investment (Scotland) Act to refer to itself as a charity registered in Scotland.

Reference and administrative information

The trustees of the charity who were in office during the year and up to the date of the signing of the financial statements (unless otherwise stated) were:

Trustees

Professor Grant Jarvie (Chair)
Dalvir Johal
Rob Crusher
Councillor Paul Edlin
Steven Larkin
Councillor Colm Merrick
Councillor Owen O'Donnell
Councillor Andrew Anderson
Susie Malcolm (appointed September 2023)

Registered Office

East Renfrewshire Culture & Leisure Limited
1 Burnfield Avenue
Giffnock
Glasgow, G46 7TL

Independent Auditors

Wbg (Audit) Limited
168 Bath Street
Glasgow, G2 4TP

Solicitors

Shepherd & Wedderburn LLP
1 West Regent Street
Glasgow, G2 1RW

Bankers

Virgin Money
30 St Vincent Place
Glasgow, G1 2HL

Company number SC486489 (registered in Scotland)
Scottish Charity number SC045726

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

East Renfrewshire Culture & Leisure (ERCL) is a company limited by guarantee, with charitable status and governed by its Articles of Association. In addition to being regulated by the Companies Act (2006), the company is also subject to the charities regulator in Scotland, OSCR (Office of the Scottish Charity Regulator). The sole member is East Renfrewshire Council (ERC) and this makes the company a subsidiary arms-length external organisation (ALEO) of ERC.

The company is responsible, under contract, for the strategic and operational management of ERC's Arts and Culture, Sport and Leisure facilities, Community Facilities, Sports Development and Libraries. Trustees (Directors)

There are nine members of the company who act as trustees (in line with the Articles of Association) comprising of:

- a maximum of four Council Trustees
- a maximum of four Independent Trustees
- a maximum of one Employee Representative Trustee

They have oversight of the company subject to providing the services in accordance with the Legal Agreement reached with ERC and provide strategic direction to the Chief Executive and their management team.

Recruitment and Training of trustees

Recruitment

Authority and responsibility for the appointment of Council Trustees sits with ERC who allocate this responsibility to four ERC Councillors.

Authority and responsibility for the recruitment of Independent Trustees is delegated by the Board of Directors to the Nominations Committee.

Selection of the Employee Representative Trustee, is agreed upon amongst Eligible Employee Representatives from time to time and this individual agrees to act as an Employee Representative Trustee.

Training to new Board Members is provided as an induction by legal advisors prior to their first Board Meeting.

Policies and procedures for induction and training of trustees

An induction training process is in place for all new trustees, and this covers both the strategic and operational issues affecting the charity. The ongoing training needs of the directors are considered by the Board, supported by a skills assessment and where appropriate internal and external training is provided.

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Statement of Trustees responsibilities

The trustees (who are also directors of East Renfrewshire Culture & Leisure Limited for the purposes of company law) are responsible for preparing the Trustees Report and 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Statement to auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

Management arrangements

The Board meets quarterly to consider company business with decisions taken to set the overall strategy for the business as well as to monitor its activities. Management are charged with the task of implementing these decisions. The Board can also refer decision making on Independent Directors; Chief Executive recruitment; overseeing of company finances; approving finance reports and disciplinary appeals to sub committees.

A Chief Executive is appointed by the Board to manage the day to day operations of the Company. To ensure that operations are carried out effectively, the Chief Executive has delegated authority within an approved scheme for matters including Personnel; Finance; Procurement; and Operations.

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Key Management Personnel

Chief Executive – Anthony McReavy
Director of Finance and Commercial Services – Karen Storie (resigned May 2023)
Director of Finance and Business – Margaret McQueen (appointed September 2023)
Head of Operations – Robert Hammond
Head of Communities and Arts – Moira McFadden
Head of Sport and Physical Activity – Ian Pye
Head of Libraries and Information Services – Scott Simpson
Head of Sales and Marketing – Jude Smith

The remuneration for senior staff is set at the levels prescribed in the grading and job evaluation process set out by ERC and adopted by ERCL and managed within the provisions of the Board Charter. The majority of the management team previously worked for the council and were transferred to the charity under TUPE regulations.

The full Board met four times during the period ended 31 March 2024. These meetings were held with management representatives to consider the business of the Company.

Board Committees met in the periods between the Board meetings to consider business and to make formal recommendations to the full Board of Trustees.

Finance, Audit and Risk Committee – met four times in the year and is responsible for monitoring the financial performance of the Trust; for the recruitment and appointment of an external auditor to audit the final accounts for submission to Companies House and OSCR; the review of any internal Audits; and monitoring the company's Risk Register.

HR, Health & Safety and Appeals Committee – the committee met twice during the year and acts as the focal point for all matters relating to the management of Fire, Security and Health and Safety; development of the People Strategy and HR Policies; oversight of absence and staff development; responsible for hearing and determining appeals against dismissal and appeals against all disciplinary action taken by the Chief Executive and to consider and reach decisions on Stage 3 grievances by employees in terms of the Trust's Grievance Procedure; responsible for recommending appropriate individuals for the appointment as Independent Trustees and Employee Representative to form the Board and responsible for the recruitment and appointment of the Chief Executive.

**EAST RENFREWSHIRE CULTURE & LEISURE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024**

Trustee representation on Board Committees are:

Committee	Members
Finance Audit & Risk	Dalvir Johal (Chair) Prof. Grant Jarvie Cllr Andrew Anderson Cllr Owen O'Donnell Susie Malcolm (appointed September 2023)
Health & Safety, HR, Appeals & Appointments	Rob Crusher (Chair) Cllr Paul Edlin Steven Larkin Cllr Colm Merrick

An update on all Committees in the previous quarter (including copies of the draft minutes of the meeting) is presented by the Chair of the Committee at each Board Meeting.

Risk management

There are many risks to the Trust's service delivery and these can affect ERCL's performance, customers and members of the public.

Managing risks effectively is essential in achieving the Trust's strategic outcomes and targets, creating confidence among service users and the public, and ensuring effective governance. Effective risk management also allows delivery of service improvements taking account of the context and environmental factors.

As the culture and leisure business environment is customer driven, and internal and external changes to that environment ultimately influence overall performance, risk factors which could have an impact on service delivery require to be identified on an annual basis with appropriate actions to minimise such risks.

The management team carries out an annual risk analysis, and a Risk Register with appropriate actions is identified to minimise the impact on service delivery and overall performance. This register is reviewed on a monthly basis and reported to the Finance, Audit and Risk Committee twice yearly, who then scrutinise the progress of the register and where appropriate report to the Board to assist in managing the risks to the Trust.

The main external risk to ERCL is the continued funding required from ERC to allow the Trust to deliver services on the Council's behalf. The Board are delighted that the Council committed £6.05m by way of a base service fee to the Trust in 2023/24 which was supplemented by a capital programme to help enhance and improve both new and existing facilities. For 2024/25 ERC has committed a base service fee of £6.1m. Discussions are continuing in relation to longer term funding arrangements to enable the Trust to plan for future service delivery improvements.

In addition, the Trust is insured by Zurich, who review the cover provided on an annual basis to highlight any uninsured risks and exposure elements of cover that require adjusting or deleting. Insurance cover based on this assessment is in place.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

1.1 Objectives and activities

The Charitable objectives of ERCL are laid out in the Articles of Association.

The Company will promote, advance and further charitable purposes and activities through the provision of services which enhance and contribute to the health, fitness, personal development and wellbeing of the residents of East Renfrewshire (and beyond) including, but not limited to, educational, sporting, culture and heritage and community activities.

In promoting, advancing and furthering charitable purposes and activities the Company seeks to:

- encourage the population of the East Renfrewshire area to be more active in promoting and supporting the development of sporting and health and fitness opportunities that are accessible for everyone;
- support people to be more creative and nurture potential for personal success and wellbeing through the provision of cultural facilities and resources;
- help individuals and community groups to benefit from social engagement, community interaction and volunteering; and
- promote and make available lifelong learning opportunities, including the promotion of literacy and digital inclusion and stemming from these opportunities make a social and economic contribution to society.

For the purposes of the Charities Act the following charitable purposes are relevant and have been identified as applicable from section 7(2) of the Charities Act:-

- the advancement of education;
- the advancement of the arts, heritage or culture;
- the advancement of public participation in sport; and
- the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons from whom the facilities or activities are primarily intended.

1.2 Strategic aims

A. A financially sustainable business model

The Trust will be realistic and aware of how best to use its assets to generate earned income and effectively manage expenditure. We will develop a collective responsibility for the financial stability of the organisation and will be meticulous in exercising tight financial control. A balance of strong cultural and sporting ambitions with commercial viability will be achieved. The Board will be engaged, proactive and trained, capable of strong oversight and able to support the Executive Team in the achievement of the organisation's strategic and artistic ambitions..

B. An understanding of customers and audiences, and an offer that attracts and inspires them

The Trust will develop an understanding of who uses and who does not use the facilities and services offered. It will work in partnership with sporting, cultural, civic and community organisations at a national, regional and local level to deliver a multi-layered approach to increasing attendances, particularly by people currently least engaged in sports, arts and culture. The Trust recognises the different barriers to access of different demographic groups and will create targeted initiatives to remove these barriers. The Trust will redesign business processes to the needs of customers to enable it to be efficient, responsive, competitive and always focused on a quality experience for customers. The vision for ERCL is customer focused and aims to increase the breadth, depth and quality of experiences for audiences and participants. Connecting people with each other and with their communities will mean ERCL will be a hub for the regions' residents and visitors.

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1.2 Strategic aims (continued)

C. A strong, diverse, resilient and committed workforce

The Trust will have an open and honest approach to providing opportunities for people and ideas to grow within the organisation. It will share its vision, brand and values across all areas of operations. ERCL will utilise talent and create a team which is flexible, responsive and welcoming to a mix of voices and cultures. ERCL will create a culture of continuous improvement; quality services and team working. It will create increased expectations of performance and empower staff to meet these.

D. Vibrant communities

ERCL seeks an East Renfrewshire where sport, art and cultural community participation is a way of life for everyone; where it is at the heart of our communities and makes a positive impact on everyone's lives.

ERCL will take a considered approach to the range and scope of its services, working with communities to identify need, and the best ways of meeting it. ERCL will consider its facilities and programmes offered in the widest terms so as to consider not just direct outcomes (e.g. participation and consequent benefits), but indirect ones such as social isolation.

ERCL will support the development of the physical, economic, cultural and human assets of the communities it serves.

E. Resilient, dynamic and productive partnerships that are developed and nurtured.

ERCL will work to develop effective and meaningful partnerships that will support its work; help achieve best value in the provision of its services and programmes; and maximise returns on investments, both financially and in terms of impact. ERCL will look for partnerships, including commercial ones, which demonstrate its ability and desire to work with partners to support them and broaden the profile of the Trust.

1.3 Mission and vision

Our vision is to help and inspire people to be actively involved in sport, arts and culture.

Our mission is to be the highest-performing Leisure Trust in Scotland.

The Trust takes this to mean that it will not only be more efficient and achieve more from its resources, but that it will grow with a view to becoming self-sufficient.

1.4 Principal activities

ERCL is a charity with over 300 employees delivering sport, leisure, arts and culture services in East Renfrewshire. It operates 10 libraries, 4 sports centres with gyms and pools, a 330 seat theatre, 16 community facilities incorporating a wide range of halls, social function and events venues, community centres and pavilions. It also manages the letting of 32 schools in the evenings and weekends.

The Trust delivers a wide variety of programmes like sports development (including swimming lessons, sports coaching, Active Schools Programme), arts development (including classes and events), and library and literacy programmes (ranging from Bookbug to Book Week, authors' talks to book groups).

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1.4 Principal activities (continued)

The Trust's Community Facilities provide a vital network of centres across the authority and host a huge range of community and commercial activities, helping a wide array of groups to deliver services directly to the heart of communities in East Renfrewshire.

The Trust exists to promote the health, fitness, personal development and wellbeing of the residents of East Renfrewshire (and beyond) by:

- **encouraging** the population of the East Renfrewshire area to be more active in promoting and supporting the development of sporting and health and fitness opportunities that are accessible for everyone;
- **supporting** people to be more creative and nurture potential for personal success and wellbeing through the provision of cultural facilities and resources;
- **helping** individuals and community groups to benefit from social engagement, community interaction and volunteering; and
- **promoting** and making available lifelong learning opportunities, including the promotion of literacy and digital inclusion and stemming from these opportunities make a social and economic contribution to society.

1.5 Strategic review

1.5.1 2023-24 Achievements

2023-24 saw the Trust continue to build on the growth of the prior year, with sustained increases in all the key services. This was despite market factors such as increased competition in key areas such as gyms and fitness, or the cost of living crisis on the one hand, or continued internal pressures, principally in staff shortages.

Particular highlights include:-

- The continued growth of gyms and fitness – beating the previous year's all-time-high. This was driven by meticulous marketing and product development, including sales and retention programmes underpinned by excellent customer care in venues, and targeted quality engagement with customers on the gym floor.
- The reestablishment of the full swimming programme following the reopening of Eastwood High School Sports Centre swimming pool, achieving the highest ever membership of our Learn to Swim programme.
- The integration of sports pitches into our letting portfolio managed by the Business Support Team, including the modernisation of policies and procedures including scheduling, work force scheduling, bookings and payments, and staff management and HR. A significant improvement programme to the pavilions was also implemented by the Community Facilities team.

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1.5.1 2023-24 Achievements (continued)

- The continued success of the Theatre, once again breaking our box-office records. Over 18,000 people – 97% of sell-out – came to see the Beauty and the Beast, and the show achieved both a 4* trade-press review and an NPS of 92.
- Attendances at leisure centres continuing to grow –up almost 10% on the prior year (and over 17% on pre-covid levels), exceeding our targets significantly.

Business Development

The Trust continues to explore ways in which we can improve the digital customer journey in venues and online, embedding customer service in the culture of the organisation. The effectiveness of the sophisticated marketing activities, built on refined management information, was reflected in many of the successes noted above, together with our highest sales, retention, customer satisfaction and NPS figures.

Some highlights in the year included:

- **Venue Access:** Access control entry barriers were installed at Barrhead Foundry. Customers can now use their All Access card at the entry barriers to access gym, swim and mark attendance at fitness classes in the building. This will provide a seamless customer journey throughout the venue. Work to install entry barriers at Eastwood Park Leisure will be done later in 2024.
- **WiFi Spark:** A new public network was installed in libraries and leisure centres with the aim of modernising infrastructure, upgrading hardware, increasing coverage and improving the customer digital experience. The project was completed in Q4 of 23/24 and all ERCL libraries and sports centres are now connected to the new FTTC network (a type of superfast fibre broadband) delivering faster speeds, enhanced WiFi coverage and improved customer registration experience.
- **Outdoor Sports Pitches:** On the transfer of management of the pitches from ERC to the Trust in August 2023, much work was done to integrate the service and align to our existing offer. Customers could already book on the Pitch Bookings platform before the transfer, but the Trust reviewed the processes and delivered changes to enhance the customer experience. This review also resulted in improvements to processes for the staff team who were transferred to the Trust.
- The design, construction and opening of “The Grid”, a new 200m² functional training space to complement the gyms and fitness offer in the Barrhead Foundry.

The Business Support Team continued to support the wider business with the introduction of streamlined processes which delivered further improved performance on invoice payment (99%) and the recovery of debt. The team enabled the implementation and management of the expansion of direct debit for swimming and gym members.

Within the Community Hall, School letting we continue to see recovery towards post covid levels of income and usage and we achieved the successful operational integration of pitches and football pavilions into the team.

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1.5.1 2023-24 Achievements (continued)

Following the TUPE transfer of pitches staff to ERCL we delivered extensive induction and facilities managing training to align with existing Halls protocol. We have implemented new Health and Safety guidelines and are undertaking significant aesthetic improvements to the football pavilions with an initial survey of users identifying improvement (65% very satisfied with improvements and a further 23% satisfied).

Gyms & Fitness

Our Gyms & Fitness operation had an exceptional trading year in 2023/24 surpassing forecasts for total membership numbers and earned income. At the end of March 2024 total membership stands at 3,573 which is a new record high.

Swimming

The Trust's Learn to Swim Programme was shortlisted for the Scottish Swimming Provider of the Year Awards 2023. This recognised the progress the team has made in consolidating the programme. We were particularly commended on the development of workforce and programme performance management.

The Swimming Development programme is now operating at record levels with an additional 1,000 members in the programme taking it to over 3,300 participants per week (over 30% higher than pre-covid). The market is tightening with competition for staff and customers from increased private lesson providers. We are undertaking a re-evaluation exercise to try to address this issue.

Operationally, supply chain for chemicals, supplies and maintenance of plant remains disrupted. Costs are also high and so we are collaborating with ERC colleagues to establish a solution to try to mitigate service disruption.

Community & Arts

The Culture Strategy for East Renfrewshire 2024-2029 was developed. A consultation event was held in December 2023 bringing together colleagues, external corporate partners, community groups, individuals and national arts and heritage organisations to preview, consult and comment on the draft strategy. The responses from those present, along with written submissions were incorporated for approval by ERC cabinet.

The Communities and Arts team continued to deliver events to celebrate the 50th anniversary of Eastwood Park Theatre, including a weekend festival with participatory visual art, musical, drama, dance and physical. There were theatre events for all ages in the Theatre, Eastwood House and Eastwood Park supported by items from our heritage collection referencing the development and opening of the theatre in 1973.

Professional Panto continued to build on previous successes with 64 performances generating tickets at 93% of capacity, with 19,224 attendances over the run, an increase of over 700 against 2022's pantomime.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

1.5.1 2023-24 Achievements (continued)

Venues

Performance for the year has been exceptional. Leisure attendances are 100k higher than planned reaching just over 700k (up 17%), despite staffing compliment remaining under pressure and no new resources being able to be allocated.

We ceased to operate Mass Vaccination Centres in January 2024.

Libraries

Libraries have been slowest to recover, but all have continued to grow month on month in all areas, most notably, physical visits and borrowing. The East Renfrewshire Culture and Leisure Public Library strategy for 2024 – 29 was developed, and approved by the council in Q4 of 2023-24. Aligning with the national public library strategy this local version sets out the vision and strategic direction of the library service for the next five years in East Renfrewshire. It centres around three key themes of Place, People and Partnership.

HR and Organisational Development

The Trust continues to deliver against its People Strategy which was revised in 2021. A staff Engagement Survey was conducted in the year, with the results informing organisational development planning.

In response to continued staffing challenges within the sector, the Trust has begun a review of pay and grading for frontline roles, beginning with those areas most affected by challenges in recruitment and/or retention.

Operations

Robert Hammond is responsible for swimming development and the swimming lesson programme, together with Corporate Health and Safety in addition to his venues remit as Head of Operations.

As Head of Communities and Arts, Moira McFadden is responsible for visual and performing arts development including Eastwood Theatre, and the Heritage Service, together with responsibility for civil contingencies and the business support team. In addition to her responsibility for the management of Community Halls and School Letting, the letting of sports pitches and associated pavilions transferred to her team in 2023.

As Head of Sport and Physical Activity, Ian Pye has responsibility for the gyms and fitness, Active Schools and Community Sports Development as well as working in partnership with Health and Social Care Partnership (HSCP) in relation to Active Health and Wellbeing activities.

Scott Simpson operates as Head of Libraries and Information Services with responsibility for the Macmillan Cancer Information service and represents ERCL on the Information Security / Data Protection forum.

Margaret McQueen (appointed September 2023), has responsibility for Finance and Business Services incorporating Business Information, Business & Performance Management, Operational change and represents ERCL on the ERC Business Systems & Process Board.

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1.5.1 2023-24 Achievements (continued)

Jude Smith, as Head of Sales and Marketing, is responsible for all sales, marketing and customer communications activities across all ERCL services and represents ERCL on the ERC Digital Transformation Programme Board.

Staff development and training programmes continue to support the cultural and organisational change programmes and ERCL continues to work closely with the trade unions and staff.

1.5.2 2023/24 Performance

Venues

During this period Venues have now fully returned to attendance levels in excess of pre-covid visitor numbers. Performances for the year have been exceptionally strong, with attendances at leisure centres up 10% on the prior year and 18% (100,000) on pre-covid levels.

We have concluded the refurbishment of Eastwood High School which has allowed us to quickly re-establish our programme there. Customer feedback has been positive and the area is now fit for purpose.

Staffing presents our biggest challenge. Vacancies in frontline staffing are running at around 20% which has led to a requirement to rely on overtime and casual staffing to maintain stable operational opening and compliance with Health and Safety staffing levels, and has on occasion led to some partial closures or withdrawals of service. In the meantime we have expanded all of our vocational workforce programme, are reviewing our terms and conditions, and are investigating a new recruitment contract where the candidate is trained for skills required. We secured a £10k award from Scottish Swimming which is allowing us to train School pupils to deliver Swimming and achieve a swimming Qualification.

Sports & Physical Activity

The exceptional performance of our gyms and fitness programme has been achieved through the successful recruitment of specialist gym instructors, consistent staff training and development with a priority focus on customer engagement. The Net Promotor Score (NPS) for the service over 2023/24 has been higher than the sector average and is a testament to the quality of the service being delivered on a routine basis.

A comprehensive operational marketing and promotion programme has supported the gyms & fitness service throughout the year and has highlighted and supported special events staged in the gyms, members unique stories and the opportunities on offer across our four sites. The Group Fitness programme has been a particular success with a quicker reaction to trends being offered and class delivery being a focus.

Community Sports

The delivery of sports coaching programmes across East Renfrewshire has almost entirely returned to the levels before covid even though Sports Governing Bodies haven't fully re-established their coach education pathways which restricts the pool of qualified coaches. We are solving this situation by developing our own workforce through the Sports Leadership Academy (SLA), providing sports

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

1.5.2 2023-24 Performance (continued)

coaching employment within ERCL to the graduating senior ERC pupils. Relative performance in 2023/24 is higher than 2022/23 as we have a higher pro-rata number of participants in a lower number of overall classes. This has been achieved through rationalising the number of venues we use and concentrating our programme on a smaller number of Hub sites.

School Holiday camps are still an important focus of the service providing a holiday hunger service to vulnerable pupils and a mainstream sports and activity opportunity for children across East Renfrewshire in the school holidays. A combination of free places, subsidised concession places and commercially charged places are offered to widen access as much as possible.

Active Schools

Our Active Schools service is now fully operational in all East Renfrewshire Primary and Secondary Schools even though there is a reduced number of available volunteers after the pandemic. There are out of school hours sports programmes in every school, a full programme of inter school sports competitions ranging from athletics to gymnastics and dance, targeted programmes for girls, children with Additional Support Needs and disabilities to support them in their physical activity journey. Pro-rata our schools are the best performing in the new national school sports awards with whole clusters such as the Woodfarm cluster having all its schools sitting at Gold Award status.

Health & Wellbeing

Participation in our Live Active (GP Referral) and Vitality programmes is at an all-time high.

The For Your Entertainment (FYE) programme operated successfully in 2023/24 providing vulnerable children with free access to ERCL activities like gym membership, sports and arts activities. The children placed on these programmes are from Social Work and the Education Department.

The Health for Heroes programme (free gym & fitness membership for veterans living in East Renfrewshire) was fully operational in 2023/24, supporting a number of veterans with specialised fitness programmes and social opportunities to meet each other and network with services such as the Money Advice Team.

We started to support an activity class for Parkinson's patients in 2023/24 and this is going from strength to strength. The Health and Wellbeing Team have also been instrumental in delivering a Mental Health Awareness Training programme across ERC and ERCL.

Libraries and Information Services

Over the course of the year 2023-24 library visits and book borrowing continued to grow from the previous year's figures.

Physical visits rose from 243,403 to 298,188 in the 12 months from April 2023 representing a 22.5% increase. In the same period virtual visits rose from 218,918 to 244,136 representing an increase of 11.5%.

Virtual visits contribute to the library service's overall visitor figures and are based on users accessing online resources such as Borrowbox, Press Reader and Britannica, users conducting online

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

1.5.2 2023-24 Performance (continued)

transactions using our website, online catalogue and library app, and users engaging with us on social media.

The library activities and events programme is aimed at both adults, and children and families. It supports a number of key strategic aims including tackling social isolation, improving health & wellbeing, promoting literacy & numeracy, etc. In 2022-23 43,253 participants took part in 1,920 sessions. In 2023-24 58,639 participants took part in 2,656 sessions across our libraries representing a 35.5% increase in participation.

A significant proportion of library book issues is from people accessing and downloading digital newspapers and magazines through our Press Reader platform. The total book issues (including e-issues) for 2022-23 was 973,358 which rose to 990,028 in 2023-24. Participation in the Summer Reading Challenge continues to be high in comparison to other library services.

A national survey of public library users was carried by the Scottish Library & Information Council (SLIC) with each authority having access to its own set of results. In East Renfrewshire the feedback from users was overwhelmingly positive and a section which allowed users to leave their comments revealed just how valued both the service and in particular the staff are. Of the 467 East Renfrewshire respondents 97% agreed that the library improved their quality of life, 99% agreed that the library was a welcoming place to visit and 99% said that the library is important to them.

A funding bid to Macmillan Cancer to maintain the operation of the Macmillan Cancer Information and Advice service was successful, and funding for the project is in place through to September 2026.

Funded projects continue to be delivered. The *#RootCause* project has seen the external space at Thornliebank library developed into a community garden. Our partnership with Barrhead Housing Association has seen us develop and deliver an ongoing programme of ICT support and taster sessions, in addition to our normal high level of ICT support referrals.

Communities and Arts

The professional theatre programme included 191 events, and continued to attract high calibre performers with attendances increasing by almost 5,000 against 2022. House sizes continued to grow with 19 sold out events (70% of live shows met or exceeded targeted ticket sales). Compared to the prior year, income was up 28% and the average ticket price was up 30%.

Work continued on the Scottish Government Remembering Together project; Covid Community Memorial project which entered phase 2. Two artists were appointed who will utilise the community consultation information gathered during phase 1.

The Heritage Service introduced heritage talks at Eastwood House, utilising a 'Pay What You Can' model to increase the accessibility of the events. The service's volunteer programme restarted, with eight regular volunteers working with the local history collection.

We carried out the first review of the Visual Arts service since the establishment of ERCL which included a public consultation survey to understand barriers to participation. The redesign of a sustainable and inclusive program for 2024 and beyond has now been implemented.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

1.5.2 2023-24 Performance (continued)

Holiday camps were held for children during spring and summer in visual and performing arts, with all camps continuing to achieve 100% capacity. The summer also saw the introduction of an Eco Art and Drama camp, linking in with the Root Cause project at Thornliebank Library and promoting sustainability and environmental awareness through the art and drama activities and resources used.

1.6 Plans for the future

In February 2024 the Board approved a budget for the year to March 2025. The focus is on sustaining the exceptional growth of the previous year, and continuing to return a surplus on trading activity.

Whilst the effects of the pandemic continues to be felt in parts of the sector, the Trust has successfully moved beyond these, achieving genuine growth, despite competition from private sector ventures in the area in gyms, fitness and swimming in particular.

However, staffing is the one area where the Trust has shared in the difficulties experienced by the wider sector. To complement the training and workforce development initiatives mentioned above a significant project will be the review of pay and grading for frontline staff, as part of a coherent plan to try and attract staff to the leisure sector in general, and East Renfrewshire Culture and Leisure in particular. This will undoubtedly create a budget pressure going forward, and in the context of severe challenges to our partner East Renfrewshire Council's budget, financial challenges and plans to address them, will constitute a major focus for our work in the coming 24 months.

Work continues to support East Renfrewshire Council capital projects, principally the £55m development of a replacement leisure centre and theatre in Eastwood Park. In addition we will continue to explore other opportunities to enhance the culture and leisure offer in East Renfrewshire in line with the Trust's vision and the Council's strategies for Libraries and information Services, Arts and Heritage and Sport and Physical Activity.

Further information on the company's performance and future plans can be found online at <http://www.ercultureandleisure.org/about>

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

1.7 Financial review

Financial summary

The Trust reported an operating surplus of £572k (loss of £66k excluding pension service cost) for the year ended 31 March 2024 (2023: £1,414k deficit; £87k surplus excluding pension service costs), which was in line with expectations. This is before allowing for the net actuarial loss of £638k in respect of the multi-employer defined benefit pension scheme (2023: gain of £3,293k).

In summary, the financial position for the period ended 31 March is noted below:	Year ended 31 March 2024 £'000	As restated Year ended 31 March 2023 £'000	Movement £'000
Income	12,476	10,736	1,740
Net Income / (Expenditure)	572	(1,414)	1,986
Actuarial (losses) / gains	(638)	3,293	(3,931)
Total Funds (after retirement benefit scheme losses)	2,823	2,889	(66)

Reserves policy

During 2023/24 the Trust agreed for the unrestricted non-designated reserves to remain at £800k (increased from £500k in 2021/22). It was deemed that this increase would provide a small amount of insulation to the on-going challenges and allow for additional funds to support a reduction in income due to unknown customer behaviour as a result of both the pandemic and the current cost of living crisis together with providing the ability to fund recovery opportunities over and above those already designated, if required. This would be regularly monitored and reviewed annually by the Finance, Audit and Risk committee.

At the year end the charity had a total deficit of £66k (2023: restated surplus of £1,879k). There was a surplus of funds of £2,823k (2023: restated surplus of £2,889k), of which £35k (2023: restated surplus of £106k) was restricted and £2,788k (2023: restated surplus of £2,783k) was unrestricted. Of this amount, £1,588k was designated for Transformation and Recovery activities, £317k to support the Digital programme and £83k in respect of fixed assets, leaving free reserves of £800k.

The trustees will continue to strive to maintain the increased level of £800k unrestricted non-designated level of reserves in line with the reserves policy, but also to continue to rely on assurances of ERC as the sole member, to fund the Trust to meet its liabilities as they fall due, should the Trust be unable to do so.

Investment policy

ERC manage treasury investments on behalf of the Trust, following their own organisational investment policy, primarily aimed at mitigating risk associated with safeguarding funds, ensuring liquidity of these funds and finally investment returns. As a result, the policy aims to invest cash and cash-like investments up to a maximum level on acceptable counterparties. Activity is monitored regularly and the policy is reviewed annually.

**EAST RENFREWSHIRE CULTURE & LEISURE LIMITED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024**

1.7 Financial review (continued)

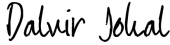
Any surplus funds held by the Trust are placed on deposit via ERC in line with the Treasury Management Policy.

Fixed assets

The Trust has a maintenance lease agreement with ERC for the use of the buildings and certain equipment linked with the charitable activities and as such these assets do not belong to the Trust.

This report has been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime of the Companies Act 2006.

Approved by the Trustees on 27 August 2024 and signed for on their behalf by:

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Name: Dalvir Johal

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF EAST RENFREWSHIRE CULTURE & LEISURE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of East Renfrewshire Culture & Leisure (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities (Incorporating an Income and Expenditure Account), the Balance Sheet, the Cashflow Statement 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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 other 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF EAST RENFREWSHIRE CULTURE & LEISURE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Other information

The other information comprises the information included in the Report and Financial Statements, 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

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

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

Matters on which we are required to report by exception

In the light of our 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 Report of the Trustees.

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

- 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF EAST RENFREWSHIRE CULTURE & LEISURE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- *The nature of the company and the sector; and*
- *Our enquiries of management about their identification and assessment of the risks of irregularities.*

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF EAST RENFREWSHIRE CULTURE & LEISURE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Based on our understanding of the company and the industry we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- *Regulations and legislation pertinent to the charitable company's sector; and*
- *UK tax and Employment legislation.*

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- *Posting inappropriate journal entries to increase revenue;*
- *Management bias in accounting estimates.*

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following;

- *Gaining an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and*
- *Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;*
- *Enquiring of management, the audit committee, the internal auditors and legal advisors concerning actual and potential litigation and claims;*
- *Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC;*
- *In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and, evaluating business rationale of any significant transactions that are unusual or outside the normal course of business.*

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would be to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.


A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF EAST RENFREWSHIRE CULTURE & LEISURE LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Scott Gillon BA(Hons) FCCA, CA (Senior Statutory Auditor)
For and on behalf of Wbg (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

Date: 27 August 2024

Wbg (Audit) Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2024

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2024	Restricted Funds 2024	Pension Fund 2024	Total Funds 2024	As Restated Unrestricted Funds 2023	As Restated Restricted Funds 2023	As Restated Pension Fund 2023	As Restated Total Funds 2023
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:									
Charitable activities	5	10,911	415	-	11,326	10,036	567	-	10,603
Other trading activities	6	44	-	-	44	42	-	-	42
Investments	7	190	-	638	828	91	-	-	91
Other incoming resources	8	278	-	-	278	-	-	-	-
Total Income		11,423	415	638	12,476	10,169	567	-	10,736
Expenditure on:									
Raising Funds									
Other trading activities	9	26	-	-	26	28	-	-	28
Charitable activities	10	11,392	486	-	11,878	10,015	540	1,567	12,122
Total Expenditure		11,418	486	-	11,904	10,043	540	1,567	12,150
Net income/(expenditure) for the year		5	(71)	638	572	126	27	(1,567)	(1,414)
Transfers between funds		(4)	4	-	-	-	-	-	-
Other recognised gains and losses									
Actuarial gains/(losses) on defined benefit pension schemes	25	-	-	(638)	(638)	-	-	3,293	3,293
Net movement in funds		1	(67)	-	(66)	126	27	1,726	1,879
Fund Reconciliation									
Total Funds brought forward as previously stated		2,839	50	-	2,889	2,734	2	(1,726)	1,010
Prior year adjustment		(52)	52	-	-	(73)	73	-	-
Funds brought forward as restated	24	2,787	102	-	2,889	2,661	75	(1,726)	1,010
Total Funds carried forward	20	2,788	35	-	2,823	2,787	102	-	2,889

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The notes on pages 26 to 47 form part of these financial statements

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**BALANCE SHEET AS AT 31 MARCH 2024**

	Note	2024 £'000	As Restated 2023 £'000
Fixed assets:			
Tangible assets	14	83	85
Current assets:			
Stocks	16	14	16
Debtors	17	1,056	1,051
Cash at bank and in hand	23	3,006	3,131
Total Current Assets		<u>4,076</u>	<u>4,198</u>
Liabilities:			
Creditors falling due within one year	18	<u>(1,336)</u>	<u>(1,394)</u>
Net Current Assets		2,740	2,804
Net Assets		<u>2,823</u>	<u>2,889</u>
The funds of the charity:			
General funds	20	800	751
Designated funds	20	<u>1,988</u>	<u>2,036</u>
Unrestricted funds		2,788	2,787
Pension fund	20	-	-
Restricted funds	20	35	102
Total funds		<u>2,823</u>	<u>2,889</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Approved by the Trustees on 27 August 2024 and signed on their behalf by:

DocuSigned by:

Dalvir Johal

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Name: Dalvir Johal

Signed by:

Grant Jarvie

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Name: Grant Jarvie

Company No: SC486489

The notes on pages 26 to 47 form part of these financial statements.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 MARCH 2024**

	Note	2024 £'000	2023 £'000
<i>Cash flows from operating activities:</i>			
Net cash (used out)/provided by operating activities	22	(264)	67
<i>Cash flows from investing activities:</i>			
Interest Received		190	91
Purchase of fixed assets	14	(36)	(20)
Interest Paid		(15)	(33)
Net cash provided by investing activities		<u>139</u>	<u>38</u>
Change in cash and cash equivalents in the year		<u>(125)</u>	<u>105</u>
Net cash brought forward	23	3,131	3,026
Net cash carried forward	23	<u><u>3,006</u></u>	<u><u>3,131</u></u>

The notes on pages 26 to 47 form part of these financial statements.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historic cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £'000.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective 1 January 2019, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The Trustees recognise the challenges that the post-Covid-19 operating environment will bring. However, on the basis of assurances provided by ERC, there are no material uncertainties about the charity's ability to continue as a going concern. At 31 March 2024 the balance sheet shows net assets of £2,823k.

The charity prepared budgets and cashflows which, at the time, demonstrated that it would be able to pay all of its liabilities, including pension contributions, as they fall due.

Accordingly, the Trustees have prepared the financial statements on the going concern basis.

(b) Funds structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 20.

(c) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024****1. Accounting Policies (continued)**

of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met (see note 19).

(d) Expenditure recognition

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (g) below.

- Expenditure on charitable activities includes the direct costs incurred and other activities undertaken to further the purposes of the charity and their associated support costs;
- Raising funds – other trading activities includes the cost of goods purchased by the charity for resale;

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

e) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(f) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), any general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting Policies (continued)

to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(g) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on time spent. The allocation of support and governance costs is analysed in note 11.

(h) Fixed assets

Fixed assets are held at cost less accumulated depreciation and any impairment. Tangible fixed assets costing more than £5,000 are capitalised and included at cost. Depreciation is charged to write off the cost less the estimated residual value of fixed assets by equal instalments over their estimated useful lives as follows:

Equipment – 3 years

Furniture & Fittings – 5 years

(i) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

(j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(m) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities (SOFA) as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the SOFA.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting Policies (continued)

(n) Pensions

The company operates a defined benefit pension scheme. In accordance with the Financial Reporting Standard 102, the operating and financing costs of defined benefit plans are recognised separately in the SOFA: service costs are systematically spread over the service lives of employees, and financing costs are recognised in the periods in which they arise.

(o) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

(p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(q) Taxation

The charity is a charitable company within the meaning of Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Charitable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

2. Judgements and key sources of estimation and uncertainty

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Trustees are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Depreciation of fixed assets – fixed assets are depreciated over the useful life of the asset. The useful lives of fixed assets are based on the knowledge of senior management, with reference to assets expected life cycle.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024****2. Judgments and key sources of estimation and uncertainty (cont.)**

Allocation of expenditure between activities – Support costs are allocated between charitable activities and governance based on the time spent by senior management on undertaking the charity's activities.

Pension Liability

The determination of any pension scheme surplus or deficit is based on assumptions determined with independent actuarial advice. The assumptions used include discount rate, inflation, pension increases, salary increases, the expected return on scheme assets and mortality assumptions. These assumptions will vary from year to year, as will the value of assets, and will be dependent on circumstances at the date of valuation. Refer to note 25 for details of pension commitments.

3. Legal status

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. The sole member is East Renfrewshire Council (ERC) and this makes the company a subsidiary arms-length external organisation (ALEO) of ERC.

4. Related party transactions and trustees' expenses and remuneration

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2023: £nil). Expenses paid to the Trustees in the year totalled £nil (2023: £nil). No trustees waived expenses which they were eligible to claim during the year. (2023: £240). During the year no trustee had any personal interest in any contract or transaction entered into by the charity (2023: none).

The charity works in partnership with ERC, the ultimate parent of the charity and a related party, with whom transactions have taken place during the year. During the year, ERCL received income of £7,110k (2023: £6,290k) and paid expenditure of £545k (2023: £488k) to ERC. As at 31 March 2024, amounts of £428k (2023: £441,000) were receivable from ERC. During the year ERC has also provided a number of support services to the charity on a free basis, and as the value of these is not readily determined they have not been recognised as Donated Services.

5. Income from charitable activities

	2024	2023
	£'000	£'000
Arts & Culture	651	606
Community Facilities	725	449
Libraries	69	151
Sport & Leisure	3,833	3,762
Service Level Agreement Income	6,048	5,635
	<u>11,326</u>	<u>10,603</u>

Income received under the Services Agreement with ERC relates to all charitable activities.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024****5. Income from charitable activities (cont)**

Included within income from charitable activities are government grants of £83k (2023: £60k) from NHS received towards the costs of delivering the Live Active and Vitality programmes together with grants from ERC of £255k (2023: £238k) towards the costs of delivering the Active Schools and Schools Sports Funding programmes, £24k (2023: £29k) towards costs in relation to the Community Sports Hub and HSPC Vitality programmes, £2k (2023: £49k) towards costs in relation to the Warm Spaces and Young Persons Guarantee Initiatives and £Nil (2023: £91k) from Creative Scotland.

6. Income from other trading activities

	2024	2023
	£'000	£'000
Resale of goods	44	42
	<u>44</u>	<u>42</u>

7. Income from Investments

	2024	2023
	£'000	£'000
Interest on deposits	190	91
Return on assets – defined benefit pension	638	-
	<u>828</u>	<u>91</u>

8. Other Incoming resources

	2024	2023
	£'000	£'000
Other Income	278	-
	<u>278</u>	<u>-</u>

9. Raising funds – expenditure on other trading activities

	Direct Costs	Support Costs	Total
	£'000	£'000	2024
			£'000
Cost of goods sold	26	-	26
	<u>26</u>	<u>-</u>	<u>26</u>

	Direct Costs	Support Costs	Total
	£'000	£'000	2023
			£'000
Cost of goods sold	28	-	28
	<u>28</u>	<u>-</u>	<u>28</u>

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024****10. Analysis of expenditure on charitable activities**

	Arts & Culture £'000	Community Facilities £'000	Libraries £'000	Sport & Leisure £'000	2023 £'000
Staff costs	307	726	967	5,066	7,066
Property costs	-	60	45	285	390
Transport costs	1	4	15	2	22
Supplies & services	379	209	197	295	1,080
Governance costs (note 11)	18	41	54	285	398
Support costs (note 11)	130	326	418	2,292	3,166
	835	1,366	1,696	8,225	12,122

	Arts & Culture £'000	Community Facilities £'000	Libraries £'000	Sport & Leisure £'000	2024 £'000
Staff costs	352	903	1,028	5,518	7,801
Property costs	-	80	57	353	490
Transport costs	2	5	16	2	25
Supplies & services	463	322	217	230	1,232
Governance costs (note 11)	10	27	30	163	230
Support costs (note 11)	92	246	270	1,492	2,100
	919	1,583	1,618	7,758	11,878

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024****11. Allocation of governance and support costs**

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	2023 Total Allocated £'000	Arts & Culture £'000	Community Facilities £'000	Libraries £'000	Sport & Leisure £'000	Governance related £'000	Basis of apportionment
Staff costs	3,090	117	278	370	1,939	386	W/A of payroll costs
Cleaning	14	1	1	2	10	-	W/A of payroll costs
Equipment	110	5	11	15	79	-	W/A of payroll costs
Consultancy & professional	21	-	3	1	17	-	Usage
Supplies & services	8	-	1	1	6	-	W/A of payroll costs
Travel Costs	7	-	1	1	5	-	W/A of payroll costs
Stationery	1	-	-	-	1	-	W/A of payroll costs
Telephones	21	1	2	3	15	-	W/A of payroll costs
Advertising & publicity	56	2	6	8	40	-	W/A of payroll costs
Training & conferences	10	-	1	1	8	-	W/A of payroll costs
Insurance	56	2	6	8	40	-	W/A of payroll costs
Subscriptions	14	1	1	2	10	-	W/A of payroll costs
Irrecoverable VAT	101	-	11	-	90	-	W/A of taxable income
Depreciation	10	-	1	1	8	-	
Bank charges	33	1	3	5	24	-	W/A of payroll costs
Total	3,552	130	326	418	2,292	386	

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

11. Allocation of governance and support costs (continued)

Cost type	2024						Basis of apportionment
	Total Allocated	Arts & Culture	Community Facilities	Libraries	Sport & Leisure	Governance related	
	£'000	£'000	£'000	£'000	£'000	£'000	
Staff costs	1,712	68	173	197	1,060	214	W/A of payroll costs
Cleaning	4	-	-	1	3	-	W/A of payroll costs
Equipment	163	7	19	21	115	-	W/A of payroll costs
Consultancy & professional services	23	-	3	1	19	-	Usage
Supplies & services	15	1	2	2	11	-	W/A of payroll costs
Travel Costs	7	-	1	1	5	-	W/A of payroll costs
Stationery	15	1	2	2	10	-	W/A of payroll costs
Telephones	16	1	2	2	11	-	W/A of payroll costs
Advertising & publicity	76	3	9	10	54	-	W/A of payroll costs
Training & conferences	3	-	-	-	3	-	W/A of payroll costs
Insurance	74	3	9	10	52	-	W/A of payroll costs
Subscriptions	14	1	2	2	9	-	W/A of payroll costs
Miscellaneous	21	-	3	-	18	-	W/A of taxable income
Irrecoverable VAT	143	6	17	19	101	-	W/A of taxable income
Depreciation	14	-	2	-	12	-	
Bank charges	14	1	2	2	9	-	W/A of payroll costs
Total	2,314	92	246	270	1,492	214	

W/A = weighted average

Governance costs:	2024	2023
	£'000	£'000
Auditor's remuneration	12	12
Legal fees	4	-
Support costs	214	386
	<u>230</u>	<u>398</u>

Breakdown of governance and support costs by activity;

	Support costs	Governance	2023
	£'000	£'000	£'000
Arts & Culture	130	18	148
Community Facilities	326	41	367
Libraries	418	54	472
Sport & Leisure	2,292	285	2,577
	<u>3,166</u>	<u>398</u>	<u>3,564</u>

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024****11. Allocation of governance and support costs (continued)**

	Support costs £'000	Governance £'000	2024 £'000
Arts & Culture	92	10	102
Community Facilities	246	27	273
Libraries	270	30	300
Sport & Leisure	1,492	163	1,655
	<u>2,100</u>	<u>230</u>	<u>2,330</u>

12. Analysis of staff costs and remuneration of key management personnel

	2024 £'000	2023 £'000
Salaries and wages	7,590	6,875
Social security costs	617	567
Other pension costs	1,289	2,668
Other staff costs	93	41
Total staff costs	<u>9,589</u>	<u>10,151</u>

During the year, the charity incurred costs of £48k (2023: £nil) on voluntary redundancy packages.

	2024 No.	2023 No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	<u>404</u>	<u>382</u>

	2024 £'000	2023 £'000
Key management personnel remuneration	<u>532</u>	<u>523</u>

The Trustees are not in a position to disclose the benefit to key management personnel from the actuarial movement in the pension, as in the Trustees' opinion, the fee payable to the actuaries to obtain the information was disproportionate to the benefit to the reader. The Trustees did not consider that this was reasonable use of charitable funds.

Six employees received benefits in excess of £60,000 (2023: Six).

	2024 No.	2023 No.
£60,001 to £70,000	2	2
£70,001 to £80,000	2	3
£80,001 to £90,000	1	-
£110,001 to £120,000	<u>1</u>	<u>1</u>

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024****13. Net income/(expenditure) for the year**

This is stated after charging:	2024	2023
	£'000	£'000
Auditor's remuneration: Audit fees	12	12
Depreciation	38	38
	<u>38</u>	<u>38</u>

14. Tangible Fixed Assets

	Equipment £'000	Furniture & Fittings £'000	Total £'000
Cost or valuation			
At 1 April 2023	108	93	201
Additions	14	22	36
At 31 March 2024	<u>122</u>	<u>115</u>	<u>237</u>
At 1 April 2023	70	46	116
Charge for the year	20	18	38
At 31 March 2024	<u>90</u>	<u>64</u>	<u>154</u>
At 31 March 2024	<u>32</u>	<u>51</u>	<u>83</u>
At 31 March 2023	<u>38</u>	<u>47</u>	<u>85</u>

Tangible fixed assets are amortised from the first month following purchase.

15. Fixed Asset Investments

The charity owns the entire ordinary share capital, 1 share of £1 each, of East Renfrewshire Culture & Leisure (Trading) Limited, a company limited by shares and incorporated in Scotland.

The company was dormant throughout this year and last.

16. Stock

	2024	2023
	£'000	£'000
Goods for resale	14	16
	<u>14</u>	<u>16</u>

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024****17. Debtors**

	2024	2023
	£'000	£'000
Trade debtors	139	435
Prepayments	117	109
Other debtors	412	66
Due from East Renfrewshire Council	388	441
	<u>1,056</u>	<u>1,051</u>

18. Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Trade creditors	34	43
Accruals	248	283
Deferred income (note 19)	590	426
Tax & social security	337	528
Other creditors	127	114
	<u>1,336</u>	<u>1,394</u>

19. Deferred income

	2024	2023
	£'000	£'000
Balance as at 1 April 2023	426	302
Amount released in the year	(426)	(302)
Amount deferred in year	590	426
Balance as at 31 March 2024	<u>590</u>	<u>426</u>

Deferred income comprises income from leisure activities and grant income received in advance for 2024/25.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

20. Analysis of charitable funds

Analysis of Fund movements	As Restated at 1 April 2022 £'000	Income £'000	Expenditure £'000	Gains / (losses) £'000	Transfers £'000	As Restated at 31 March 2023 £'000
Unrestricted funds						
Designated funds						
Pension Reserve	(1,726)	-	1,567	3,293	-	-
Transformation/Recovery Fund	1,468	-	-	-	120	1,588
Fixed asset designated fund	103	-	38	-	20	85
Digital Programme	363	-	-	-	-	363
Total designated funds	208	-	1,605	3,293	140	2,036
General funds	727	10,169	10,005	-	(140)	751
Total unrestricted funds	935	10,169	11,610	3,293	-	2,787
Restricted funds						
Active Schools	1	235	236	-	-	-
Sports Development	-	3	3	-	-	-
Creative Scotland – Phase 1	21	-	-	-	-	21
Creative Scotland – Phase 2	42	-	19	-	-	23
Creative Scotland – Phase 3	-	91	41	-	-	50
SFA	-	5	5	-	-	-
SFA – McDonald's	-	6	6	-	-	-
ERSDA	-	2	2	-	-	-
Live Active	-	55	55	-	-	-
Vitality	-	5	5	-	-	-
Vitality - HSCP	-	6	6	-	-	-
Housebound project	1	-	1	-	-	-
Community Sports Hubs – staffing spend	-	21	21	-	-	-
Community Sports Hubs – activation	-	2	2	-	-	-
Scottish Book Trust / Reading Agency	-	1	1	-	-	-
YS 22 Story Telling	-	3	3	-	-	-
Root Cause	10	4	9	-	-	5
Macmillan	-	42	42	-	-	-
Scottish Government – Library Covid Relief Fund	-	30	30	-	-	-
Keep the Heid	-	1	1	-	-	-
Digital Ambassador Toolkit	-	6	6	-	-	-
Warm Spaces	-	11	8	-	-	3
YPG	-	38	38	-	-	-
Total restricted funds	75	567	540	-	-	102
TOTAL FUNDS	1,010	10,736	12,150	3,293	-	2,889

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

20. Analysis of charitable funds (continued)

Analysis of Fund movements	As Restated at 1 April 2023	Income	Expenditure	Gains / (losses)	Transfers	As at 31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds						
Designated funds						
Pension Reserve	-	638	-	(638)	-	-
Transformation/Recovery Fund	1,588	-	-	-	-	1,588
Fixed asset designated fund	85	-	38	-	36	83
Digital Programme	363	-	46	-	-	317
Total designated funds	2,036	638	84	(638)	36	2,034
General funds	751	11,423	11,334	-	(40)	800
Total unrestricted funds	2,787	12,061	11,418	(638)	(4)	2,788
Restricted funds						
Active Schools	-	244	248	-	4	-
Sports development	-	11	11	-	-	-
Creative Scotland – Phase 1	21	-	5	-	-	16
Creative Scotland – Phase 2	23	-	19	-	-	4
Creative Scotland – Phase 3	50	-	49	-	-	1
SFA	-	5	5	-	-	-
SFA – McDonald's	-	4	4	-	-	-
ERSDA	-	6	6	-	-	-
Live Active	-	45	45	-	-	-
Live Active – 2024	-	12	4	-	-	8
Vitality	-	26	23	-	-	3
HSCP – Library	-	3	3	-	-	-
Community Sports Hubs – staffing spend	-	22	22	-	-	-
Community Sports Hubs – activation	-	2	2	-	-	-
Scottish Book Trust	-	1	1	-	-	-
Root Cause	5	-	2	-	-	3
Macmillan	-	25	25	-	-	-
Warm Spaces	3	2	5	-	-	-
Meet and Code	-	1	1	-	-	-
Investing in Communities	-	6	6	-	-	-
Total restricted funds	102	415	486	-	4	35
TOTAL FUNDS	2,889	12,476	11,904	(638)	-	2,823

The realised unrestricted funds are available to be spent for any of the purposes of the charity.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

20. Analysis of charitable funds (continued)

The Trustees have created the following designated funds:

Transformation/Recovery fund – Fund for delivery of improved swimming customer experience together with development of a robust management information platform.

Fixed asset designated fund - covers the funds which are tied up in fixed assets.

Digital Programme – funds set aside to support the delivery of a new digital programme.

The pension reserve represents the unrealised defined benefit pension liability.

Restricted funds comprise:

Creative Scotland – Phase 1 – Funding received through the Scottish Government performance arts venue relief to provide opportunities for supporting artists and creative practitioners to support continued public engagement while the theatre remains closed.

Creative Scotland – Phase 2 – received Scottish Government funding through Creative Scotland Performing Arts Venue Relief Fund round 2 to create commissioning and employment opportunities for freelance artists, professional theatre companies and creative practitioners to help maintain engagement with audiences and the local community through the navigation of the reopening of the theatre to audience/covid-19 restrictions lifting.

Creative Scotland – Phase 3 – Funding to enable cultural organisations, working primarily for public benefit, to rebuild and create opportunities to increase their financial resilience after COVID – 19 pandemic.

ERSDA - Funding received from East Renfrewshire Soccer Development Association. The partnership aims to grow participation in football by strengthening the infrastructure and culture of small-sided football in East Renfrewshire through the employment of venue co-ordinators. They are responsible for ensuring parents, coaches and players of local grassroots football clubs contribute to the creation of positive training and playing environments for players to be nurtured and flourish.

Housebound Project - National Lottery Awards for All funded project to extend the existing pilot service which provides local residents unable to get to their local library by delivering library resources to them in their homes.

Keep the Heid - Prize money received from the Scottish Library and Information Councils (SLIC) for supporting their initiative "Keep the Heid and Read".

Macmillan – To fund the establishment of a Macmillan fixed-term service for people with cancer in the East Renfrewshire area.

Root Cause - Funded by Scottish Library and Information Council (SLIC) to support communities to tackle the climate crisis. In partnership with Thornliebank Primary School, the outdoor space at Thornliebank library will be transformed into a wildlife haven and useable community space. There will be a year-long programme of events and activities across all libraries to empower individuals to take positive actions towards a greener community.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

20. Analysis of charitable funds (continued)

Meet and Code - grant provided by Meet and Code and Digital to support digital workshops to underserved, underrepresented and underprivileged young people in the UK.

Investing in Communities - The main objectives of the ICF Grant are to improve the lives and wellbeing of people in Scotland. This is through initiatives including community-led regeneration and projects that tackle inequality and disadvantage. The Trust is delivering activities on behalf of Barrhead Housing Association.

SFA – McDonald’s - The programme aims to provide children between the ages of 5 -11 across Scotland with a fun, safe and enjoyable football experience.

SFA – Core Funding - to support the Football Development Officer post and provide support toward the Scottish Football Associate Football Development Department objectives and national targets of the One National Plan.

The Active Schools fund – Sportscotland provide funding for staffing in order to provide more and higher quality opportunities to take part in sport and physical activity before school, during lunchtime and after school, and to develop effective pathways between schools and sports clubs in the local community.

The Community Sports Hubs fund (Staffing and Activation) - Are National Lottery funded and are one of Sportscotland’s key programmes which contributes to legacy and supports sport clubs to play their part in a world class sporting system. They bring together local sports clubs and key partners who want to develop and grow the sporting offering in a community and are focused on sustainable, community-led approaches that get clubs working together to develop welcoming, safe and fun environments for sport.

The Live Active fund – Funding from NHS Greater Glasgow & Clyde for a GP referral scheme. Patients are referred to our specialist Physical Activity and Health Advisors and receive bespoke advice and support to set lifestyle goals around increasing their physical activity levels, healthy eating and weight loss or simply living a more positive lifestyle through a tailored activity plan.

Live Active 2024 – Additional one-off funding provided by Live Active to support additional capacity in 2024 for programmes.

Vitality – Funding from HSCP to deliver specifically designed exercise classes for people living with medical conditions such as: Parkinson’s disease, MS, Stroke, Cardiac Conditions, Osteoporosis and Cognitive Impairment. The classes are also designed to help older people who have a fear and risk of trips, slips and falls or who are finding their strength and balance is starting to impact on their daily lives.

Vitality – HSCP – Funding to cover costs of running Vitality Level 1 and Level 2 classes as a pilot for 12 months.

Warm Spaces - Funding received through East Renfrewshire Council. This fund supports the Trust to provide warm and welcome spaces and activities over the winter for people to access.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

20. Analysis of charitable funds (continued)

HSCP Library – A grant provided to purchase library books that are available to HSCP staff and library users

SG Library Covid Relief Fund- A one-year Project Officer post at the Foundry, funded by The Scottish Government Public Library COVID Recovery Fund, to raise awareness of the library and the services that it offers within the community focusing on areas of multiple deprivation, identifying barriers to use and increasing usage.

Sports development – Funding from Sport Scotland to develop and deliver the ERCL Sports Leadership Academy for secondary school pupils. It also supports the delivery of the ERCL Sports Awards Programme.

YS 22 Storytelling - Funding received from Scottish Book Trust to provide an opportunity for people in East Renfrewshire to share their own lived stories of the Covid pandemic through an oral history project.

Scottish Book Trust – to support Book Week Scotland.

Digital Ambassador Toolkit - Funding received to develop digital learning resources for the community.

YPG - Young Person's Guarantee is a scheme run through East Renfrewshire Council to provide employment opportunities for individuals between the ages of 16 - 24 years old. It has supported the Trust to create apprenticeship roles during the year across Libraries, Sports Development and Venues.

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024****21. Net assets over funds**

	Unrestricted Funds £'000	Restricted Funds £'000	Pension Fund £'000	As Restated Total 2023 £'000
Fixed assets	85	-	-	85
Stock	16	-	-	16
Debtors	1,051	-	-	1,051
Bank & cash	2,997	126	-	3,131
Creditors	(1,370)	(24)	-	(1,394)
Pension reserve	-	-	-	-
	<u>2,779</u>	<u>102</u>	<u>-</u>	<u>2,889</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Pension Fund £'000	Total 2024 £'000
Fixed assets	83	-	-	83
Stock	14	-	-	14
Debtors	1,056	-	-	1,056
Bank & cash	2,884	122	-	3,006
Creditors	(1,249)	(87)	-	(1,336)
Pension reserve	-	-	-	-
	<u>2,788</u>	<u>35</u>	<u>-</u>	<u>2,823</u>

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024****22. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2024	2023
	£'000	£'000
Net (expenditure)/income for the year	(66)	1,879
Adjustments for:		
Interest received	(190)	(91)
Interest payable	15	33
Decrease in stocks	2	2
(Increase)/Decrease in debtors	(1)	56
(Decrease in creditors)	(62)	(124)
Net pension costs	-	(1,726)
Depreciation	38	38
Net cash (used in)/provided by operating activities	<u>(264)</u>	<u>67</u>

23. Analysis of cash and cash equivalents

	2024	2023
	£'000	£'000
Cash at bank and in hand	3,006	3,131
Total cash and cash equivalents	<u>3,006</u>	<u>3,131</u>

24. Prior year adjustment

During the year it became apparent that restricted funds had erroneously been classified as unrestricted or as transfers between funds. Restricted and unrestricted funds brought forward at 1 April 2022 and income, expenditure and transfers in the prior year to 31 March 2023 have been reclassified to fix this error.

	Unrestricted	Restricted	Pension	Total
	£'000	£'000	£'000	2022
				£'000
Opening funds at 1 April 2022	2,734	2	(1,726)	1,010
Reclassified transfer between funds	(73)	73	-	-
Restated balance at 1 April 2022	<u>2,661</u>	<u>75</u>	<u>(1,726)</u>	<u>1,010</u>

	Unrestricted	Restricted	Pension	Total
	£'000	£'000	£'000	2023
				£'000
Opening funds at 1 April 2023	2,839	50	-	2,889
2022 – Reclassified transfer between funds	(73)	73	-	-
2023 – Reclassified transfer between funds	(3)	3	-	-
2023 – Reclassification of expenditure	24	(24)	-	-
Restated balance at 1 April 2023	<u>2,787</u>	<u>102</u>	<u>-</u>	<u>2,889</u>

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024****24. Prior year adjustment (continued)**

	Unrestricted £'000	Restricted £'000	Pension £'000	Total 2023 £'000
Surplus/(Deficit) as previously reported	102	51	(1,567)	(1,414)
Actuarial gain	-	-	3,293	3,293
2022 – Reclassified transfer between funds	(73)	73	-	-
2023 – Reclassified transfer between funds	(3)	3	-	-
2023 – Reclassification of expenditure	24	(24)	-	-
	50	103	1,726	1,879

25. Pension commitments

The Strathclyde Pension Fund (SPF) is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contributions made for the year ended 31 March 2024 were £1,625k (2023: £1,455k), of which employer's contributions totalled £1,259k (2023: £1,113k) and employee's contributions totalled £366k (2023: £342k).

The major assumptions made by the actuary in valuing the scheme are as follows:

	2024 % p.a	2023 % p.a
Inflation/ Pension Increase Rate	2.75	2.95
Salary Increase Rate	3.45	3.65
Discount rate	4.85	4.75

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	Males	Females
Current pensioners	19.3 years	23.4 years
Future pensioners	20.6 years	24.5 years

	2024 £'000	2023 £'000
The Net Pension (Liability) was:		
Estimated Employer Assets	44,563	39,518
Present Value of Scheme Liabilities	(28,876)	(26,244)
Restriction on pension asset	(15,687)	(13,274)
Net Pension (Liability)	-	-

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024****25. Pension commitments (continued)**

Reconciliation of fair value of scheme assets:	2024	2023
	£'000	£'000
Opening fair value of scheme assets	39,518	39,003
Expected Return on Assets	1,904	1,087
Contributions by Members	366	342
Contributions by Employer	1,259	1,113
Actuarial Gains/(Losses)	2,158	(1,708)
Benefits paid	(642)	(319)
	<u>44,563</u>	<u>39,518</u>

Reconciliation of defined benefit obligation:	2024	2023
	£'000	£'000
Opening defined benefit obligation	26,244	40,729
Current Service Cost	1,182	2,617
Past service cost	76	-
Interest Cost	1,272	1,155
Contributions by Members	366	342
Benefits Paid	(647)	(324)
Actuarial Losses/(gains)	383	(18,275)
	<u>28,876</u>	<u>26,244</u>

History of remeasurement gains and losses for the years ended 31 March:

	2024	2023
	£'000	£'000
Scheme Assets	44,563	39,518
Defined benefit obligation	(28,876)	(26,244)
Restriction on pension asset	(15,687)	(13,274)
Surplus/(Deficit)	<u>-</u>	<u>-</u>

Remeasurement gains/(losses) on scheme assets	2,158	(1,708)
Remeasurement (gains)/gains on scheme liabilities	(383)	18,275

Analysis of the amount charged to staff costs	2024	2023
	£'000	£'000
Current Service costs	(1,182)	(2,617)
Less: contributions paid	1,259	1,113
Less: past service costs	(76)	-
Current service cost provision	<u>1</u>	<u>(1,504)</u>

EAST RENFREWSHIRE CULTURE & LEISURE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024****25. Pension commitments (continued)****Amount charged to operating costs:**

Expected Return on Employer Assets	1,904	1,087
Interest on Pension Scheme Liabilities	(1,272)	(1,155)
Net cost of financing and assets	<u>632</u>	<u>(68)</u>

	2024	2023
	£'000	£'000
Changes in value of scheme assets: Remeasurements	2,158	(1,708)
Changes in defined benefit obligations: Remeasurements	(383)	18,275
Actuarial gain recognised in SOFA (remeasurements)	<u>1,775</u>	<u>16,567</u>
Restriction on pension asset	(2,413)	(13,274)
Net (loss)/gain	<u>(638)</u>	<u>3,293</u>

Movement in surplus/(deficit) during the year:	2024	2023
	£'000	£'000
Deficit at beginning of the year	13,274	(1,726)
Movement in year:		
Cost of assuming liability		
Current Service Cost	(1,182)	(2,617)
Past Service Cost (including curtailments)	(76)	-
Employer contributions	1,259	1,113
Contributions in respect of unfunded benefits	5	5
Net return on financing and assets	632	(68)
Actuarial gains	1,775	16,567
Restriction on pension asset	<u>(15,687)</u>	<u>(13,274)</u>
Surplus/(Deficit) at end of year	<u>-</u>	<u>-</u>

The actuarial gain of £1,775k is offset against the difference between the current year restriction asset of £15,687 and the prior year restriction asset of £13,274 to arrive at the loss of £638k.

The estimated employer's contributions for the year to 31 March 2025 are £402k.