

**Leisure & Culture Dundee**

**Report and accounts  
for the period 29 June 2011 to 31 March 2012**

**Charity number SC042421**

# Leisure & Culture Dundee

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# Leisure & Culture Dundee

## Scottish Charitable Incorporated Organisation information

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<b>Trustees</b>	R Duncan (Chair) S Aitken (Vice Chair) S Murdoch (Managing Director) M Stewart (Finance Director) A Bovill A Cameron V Dinsmore B Gordon S Hunter I Luke A Rae G Robinson R McCready	(appointed 1 July 2011) (appointed 1 August 2011) (appointed 1 July 2011) (appointed 1 July 2011) (appointed 1 August 2011) (appointed 1 August 2011) (appointed 1 August 2011) (appointed 1 July 2011) (appointed 1 July 2011) (appointed 1 August 2011) (appointed 1 August 2011) (appointed 1 August 2011) (appointed 29 May 2012)
<b>Senior management team</b>	S Murdoch (Managing Director) J Dobbie (Head of Library and Information Services) C Findlay (Head of Support Services) B Gartley (Head of Cultural Services) G Wark (Head of Leisure and Sport)	
<b>Registered office</b>	Level 3 Central Library The Wellgate Dundee DD1 1DB	
<b>Website</b>	<a href="http://www.leisureandculturedundee.com">www.leisureandculturedundee.com</a>	
<b>E-mail address</b>	<a href="mailto:www.leisureandculturedundee.com/contactus">www.leisureandculturedundee.com/contactus</a>	
<b>Telephone</b>	01382 307460	
<b>Auditors</b>	Henderson Loggie Royal Exchange Panmure Street Dundee DD1 1DZ	
<b>Solicitors</b>	Burness Solicitors 50 Lothian Road Edinburgh EH3 9WJ	
<b>Bankers</b>	Royal Bank of Scotland plc Dundee Chief Office PO Box 70 Chief Office 3 High Street Dundee, DD1 9LY	
<b>Charity number</b>	SC042421	

# **Leisure & Culture Dundee**

## **Chairman's Report**

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We have had an excellent first year and I am delighted with the progress achieved on every front. Our key objectives of delivering quality services and reducing expenditure have been met.

Attendances across all service areas have been sustained and we have lots of positive feedback. I know that people in Dundee greatly value the services that are provided through their library, information, leisure, sport and cultural services.

I am particularly pleased at the innovations that Leisure & Culture Dundee has been able to bring about since it became an independent charitable body. The very significant financial support we've received from charitable trusts and sponsors is a vote of confidence and a responsibility which we respect and value.

What I hope for as Chair of Leisure & Culture Dundee is that we will continue to enhance the quality of life for those who live, work or visit this city.

I look forward to even greater things with the opening of the New Olympia, the completion of the new Regional Gymnastics Centre, expanding the use of the refurbished DISC pitches and other planned improvements to our facilities across the City.

On a personal basis I would like to end by thanking all those who have worked with me on the Board, who have shown an exceptional level of commitment, and to the staff for their enthusiasm and professionalism.

**R Duncan**  
**Chair, Leisure & Culture Dundee**

# Leisure & Culture Dundee

## Managing Director's report 2011/12

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### Putting quality into life

Leisure & Culture Dundee is a new type of organisation, and reflects a new way of managing and delivering key services. The purpose of the organisation was to bring together the services provided by the former Dundee Leisure Trust and services which, at that time, were managed by the City Council for the delivery of libraries, information, arts, heritage, halls, music, leisure, golf, sports development and the wildlife centre.

The new organisation was formally approved by the Office of the Scottish Charity Regulator (OSCR) in June 2011 and it was incorporated as one of the first SCIOs in Scotland established under new legislation with effect from 1 July 2011.

In the period between May and August 2011 the founding Trustees conducted a public appointments process through advert in the local press and local networks to recruit a Board of Trustees whose role it is to govern and support the delivery of the work of the new organisation.

The first full Board meeting was held in August and monthly meetings were held thereafter.

Leisure & Culture Dundee has set out to establish high standards of governance and has reviewed a wide range of policies under which its services are delivered. An independent audit of governance arrangements was completed and reported favourable results.

Our website [www.leisureandculturedundee.com](http://www.leisureandculturedundee.com) contains details of:

- the Trustee's role description;
- the Trustee's code of conduct;
- the Corporate Social Responsibility Policy

### Performance 2011-2012

Where performance figures are quoted, these are for the full year, part of which was under Dundee City Council and Dundee Leisure's management.

#### Library and Information Service

Library visitors - 1,348,375 visits across all locations, which represents 9,691 visits per 1,000 population to Libraries across the City - an increase on the previous year.

Library Services provided 4,150 activities which promoted reading, including school visits, story times and author events. As a result of a successful funding bid the Service launched a Live Archive project to capture local memories of Dundee which has enhanced access to the Local History collections.

Participation in Lifelong Learning – 62% of children in Dundee aged 12 and under are library members; internet log-ins, 1,307 per 1,000 population.

Dundee's Central Library was again Scotland's most visited library in 2011/12.

A fuller report on the work of Library and Information Services will follow on the website version of the Leisure & Culture Dundee Annual Report 2011-2012. <http://www.leisureandculturedundee.com/ourpubs>

# Leisure & Culture Dundee

## Managing Director's report 2011/12

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### Cultural Services

The McManus: Dundee's Art Gallery and Museum continues to enjoy large number of visitors from Dundee and much further afield, way past original expectations, with 157,000 in 2011/12. Numerous awards for the building and its displays have been received and it continues to enjoy popular acclaim.

Attendance at other Cultural Facilities – Broughty Castle, 35,426; Mills Observatory, 10,955; Caird Hall, 133,734; McManus Collections Unit, 588; Creative Learning events and activities, 6,336.

Significant national partnerships have resulted in attracting major temporary exhibitions from the V&A, the Royal Collection, and the National Galleries of Scotland, and have enhanced access to the City's permanent collections. This has only been made possible as a result of the generosity of local charities and trusts.

The Caird Hall caters for a wide variety of cultural entertainment needs and civic events, with a 9% increase in attendance figures and continues to develop as a conference venue.

A fuller report on the work of Cultural Services will follow on the website version of the Leisure & Culture Dundee Annual Report 2011-12. <http://www.leisureandculturedundee.com/ourpubs>

### Leisure and Sport Service

A new Visitor Centre at Camperdown Wildlife Centre was completed and opened in 2011/12, immediately gaining an impressive four star rating from Visit Scotland and seeing an incredible 90,068 visitors, some 46% more than the previous year.

Sports Centres and Swimming Pools have experienced a dip in attendance compared to 2011 as a result of the difficult economic climate, road works at the Olympia, and the DISC pitches being out of action during replacement works. Attendances at sports and indoor leisure facilities (including PPP Schools) - 336,750; attendance at indoor pools (including PPP Schools) - 455,303.

Sports Development continue to encourage more young people to participate in sport and join local clubs whilst seeing increasing activity from the work to penetrate hard to reach groups. Attendance at sports development activities - 148,053.

Despite the tough economic climate, Camperdown Golf Course had 24,035 rounds, with the Caird Park Courses having 39,586 rounds played.

A fuller report on the work of the Leisure and Sport Service will follow on the website version of the Leisure & Culture Dundee Annual Report 2011-12. <http://www.leisureandculturedundee.com/ourpubs>

### **Working in partnership**

Finally, I would thank those partners we have worked with, particularly Dundee City Council, but also Creative Scotland, sportscotland, the British Heart Foundation, the local cultural agencies in Dundee, the Royal Collection, the National Galleries of Scotland, the V&A, the University of Dundee and the University of Abertay Dundee, and the many local and community organisations who have worked tirelessly to add their own contribution to the quality of life of the city of Dundee.

From my perspective, my biggest thank you is reserved for the staff of Leisure & Culture Dundee. Their personal commitment to what we do is exceptional. It's the pride that they take in the services we provide that has helped deliver excellent results during a year of significant change and upheaval. I see the very many expressions of thanks that are received.

Looking ahead, our mission is clear and our objective is to work to maintain attendances, reaching out to those who find it more difficult to take advantage of the services we provide and in all areas our challenge is to maintain and improve upon our performance.

**Stewart Murdoch**  
**Managing Director, Leisure & Culture Dundee**

# Leisure & Culture Dundee

## Trustees' report

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The trustees have pleasure in submitting their annual report and accounts for the 9 month period ended 31 March 2012. The charity information set out on page 1 forms part of this report. The accounts comply with the recommendations of the Statement of Recommended Practice and Accounting and Reporting by Charities and current statutory requirements.

### Structure, Governance and Management

#### Charitable status

Leisure and Culture Dundee is a Scottish Charitable Incorporated Organisation (SCIO), governed by its constitution, and has charitable status under the Charities and Trustee Investment (Scotland) Act 2005 and the Scottish Charity Number is SC042421. The SCIO was recognised by the Office of the Scottish Charity Regulator (OSCR) on 29 June 2011.

The SCIO commenced trading on 1 July 2011 and on 1 August 2011 the business and assets of Dundee Leisure were transferred.

#### Trustees

There are thirteen trustees of which six have been appointed by Dundee City Council, four elected members and two officers, specifically the Chair, Managing Director and Finance Director. There are seven independent trustees in accordance with the SCIO's constitution.

At the conclusion of each Annual General Meeting, required under the constitution, two out of the required seven trustees shall retire from office, but may then be re-appointed. The trustees to retire shall consist of those who have been longest in office since they were last appointed or re-appointed. A trustee appointed by the Council (independent charity trustees) who has served for a period of six years shall not be eligible for re-appointment until a further period of one year has elapsed. The board may, by way of a resolution passed by majority vote at a board meeting, waive the provisions in relation to a particular charity trustee if they consider that exceptional considerations make that appropriate.

The trustees as at the date of this report are as detailed on page 1. In addition R Wallace was appointed on 1 July 2011 and resigned on 7 May 2012.

#### Policies and procedures for induction and training of directors

The ongoing training needs of directors are considered by the board from time to time.

#### Organisation Structure

The Trustees meets monthly where decisions are taken to set the overall strategy for the SCIO as well as to monitor its activities. Senior management are charged with the task of implementing these decisions.

#### Risks

The major strategic, business and operational risks that the organisation faces have been identified and are reviewed by the board periodically. Systems have been established and are regularly reviewed. These are strengthened as required to ensure that the necessary steps are taken to lessen these risks.

# Leisure & Culture Dundee

## Trustees' report (continued)

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### Reserves policy

The organisation's principal charitable activities are:

- Cultural Services
- Leisure and Sport
- Library and Information Services

These activities are funded by service fees from Dundee City Council and income generation from fees and charges to access some of the activities.

The organisation's accounts reflect liquid or readily realisable assets, i.e. cash held to fund activities and operating costs.

The Board considers it appropriate that the Reserve Policy be established by reference to the organisation's liquidity position.

The Board has decided that the organisation should maintain a reserve fund which is approximately equal to two months' income generated from activities, estimated at £400,000.

The reserves policy is adopted to ensure that the organisation remains able to continue providing its charitable activities in the event of greater volatility in our future income.

### Purpose statement

To deliver, for the citizens of Dundee, and those who visit the City, high quality Leisure, Sport, Cultural and Learning Experiences which improve their quality of life.

### Objectives and activities

#### Principal activity

The principal activity of the SCIO is the provision of recreation and leisure facilities on behalf of Dundee City Council in accordance with the following charitable objectives:

To advance the arts, heritage, culture and science; To advance public participation in sport; To provide recreational facilities, and organise recreational activities with such facilities/activities being made available to members of the public at large with the object of improving their conditions of life; To advance education; To advance health; To advance citizenship and/or community development (which may include the promotion of civic responsibility, volunteering, the voluntary sector and/or the effectiveness or efficiency of charities); To relieve those in need by reason of age, ill health, disability, financial hardship or other disadvantage; To promote, establish, operate and/or support other similar schemes and projects which further charitable purposes; through the provision of services (including those entrusted to it by Dundee City Council), which contribute to advancing well-being (primarily the wellbeing of residents of Dundee) including (i) the operation, management and development of galleries, museums and other facilities which provide public access to collections of works of art, antiquities and objects of scientific interest; (ii) the development and delivery of arts and cultural activities and events, artistic programmes, and educational projects; (iii) the operation, management and development of libraries and provision of library and archive services; (iv) the operation, management and development of indoor and outdoor sports facilities (including arrangements to facilitate access to such facilities by those on lower incomes or having special needs and to encourage wider participation in healthy exercise); (v) the development and delivery of sports activities and events directed towards wider participation in sport; (vi) the development and delivery of community learning and adult learning initiatives; and (vii) the delivery of services focused on social renewal and the needs of young people.

# Leisure & Culture Dundee

## Trustees' report (continued)

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### What we manage

#### Leisure and Sport Services

- **Indoor**
  - Management and development of Swim Centres and Sports Centres
  - Operation of Community Sport and Leisure Use of Schools
- **Outdoor**
  - Management and development of Camperdown and Caird Park Golf Courses
  - Liaison with golf clubs
  - Management and development of Camperdown Wildlife Centre
  - Dundee International Sports Complex (DISC) Pitches
- **Sports Development**
  - Providing sport and physical activity programmes and a programme of events, including a youth sports programme.
  - Delivering programmes aimed at reducing inactivity in children, young people, families and hard to reach groups
  - Developing sport specific programmes ensuring pathways from beginner to elite
  - Developing pathways across all services, from early years upwards
  - Supporting implementation of Dundee Sport and Physical Activity Strategy

#### Library and Information Services

- **Adult Library and Information Services**
  - Management and development of services to adults across the City
  - Central Library - Leisure Reading
  - Outreach Services, including Housebound and Mobile Services
- **Children's Library and Information Services**
  - Management and development of services to children across the City
  - Central Library - Children's Services
  - Outreach Services, including work with schools and early years partnerships
- **Information Services**
  - Management and development of information services across the City
  - Central Library: Reference Library, Local History and Science and Business
  - Website development and support
  - Access to electronic resources, including the Directory of Local Organisations

# Leisure & Culture Dundee

## Trustees' report (continued)

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### Cultural Services

- **Museum Services**

- Management and development of history and natural sciences collections
- Registration and documentation of all collections
- The McManus: Dundee's Art Gallery and Museum
- Collections Unit
- Broughty Castle
- Old Steeple

- **Fine and Applied Arts**

- Management and development of art collections
- Exhibition Programme
- Liaison with other art providers
- Camperdown House

- **Creative Learning and Operations**

- Management and development of creative learning programmes
- Front of house operations
- Partnership with other learning providers
- Mills Observatory

- **Halls and Music Development**

- Management and development of Caird Hall and facilities, and Burgh Hall
- Negotiations and liaison with hirers, promoters, franchisee, etc.
- Management of Dundee City Box Office
- Music Development

# Leisure & Culture Dundee

## Trustees' report (continued)

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### Objectives and organisational values

As a new organisation, the Trustees agreed a set of organisational values which highlight:

- **The Commitment to Service Quality and Excellence:**

Leisure & Culture Dundee will be committed to attaining and maintaining the highest possible standards of service quality and excellence across all of our services and to working with a continuous focus on service improvement. This includes the way we will work and the quality of the outcomes and outputs we aim to achieve. We will not be complacent, we will review progress, challenge assumptions and push boundaries so that we continuously improve.

We will be committed to the principles of delivering excellent public service.

We will show respect to those we work with and expect them to show respect to our staff.

We will continuously seek to improve the quality of the learning and cultural experiences offered by the organisation, and will work to include those who find it more difficult to participate, for whatever reason.

We will value diversity and retain a commitment to empowering people to become more involved in the services we provide and the decisions which affect their lives.

These principles will underpin all of our actions.

- **The Commitment to our staff being Empowered and Accountable:**

We will ensure that our managers work in a way which facilitates people taking pride in their work. This will include systems and processes to support and manage performance, so that staff are both empowered to work effectively for Leisure & Culture Dundee, and are able to take individual responsibility for meeting the needs of our customers.

Management will also review and address issues which may undermine staff or reduce the effectiveness of the organisation. We will encourage and support employee and trade union engagement in the development of the organisation.

Everyone will be accountable - this means we will recognise success as well as mistakes, and learn from these.

We know that it is the attitude, outlook and ethos of our staff that will deliver great results.

- **The Commitment to actively share Knowledge and Skills:**

We will value staff and Board members who harness knowledge from diverse sources and who seek to share that knowledge across the organisation.

We will work in an environment that supports and thrives on co-operation, inter-agency working and mutual support. Our working practices will make time and space for staff to share knowledge and skills.

# Leisure & Culture Dundee

## Trustees' report (continued)

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### Objectives and organisational values (continued)

- **The Commitment to ensuring Equality and promoting Diversity:**

We will be committed to promoting equality of opportunity which recognises and respects the diversity of those who use our services and those who work for us.

Our Equality and Diversity Policies and Practices will seek to promote equal treatment and opportunity for all, regardless of gender, sexuality, marital status, race, colour, disability, religion, age, ethnicity or nationality.

- **The Commitment to practice Corporate and Social Responsibility:**

We will ensure that our present actions do not have a negative future impact on our community. This includes considering the environmental and ethical implications and opportunities of our decisions and actions.

### Achievements and performance

#### Review of activities and performance

A wide range of measures are used to assess the performance of the SCIO. These are reported to the board on a regular basis. The main measures are related to customer visits and these are incorporated within the Managing Director's Report.

#### Financial review

##### Review of the period

The results for the period are shown in the attached Statement of Financial Activities and Balance Sheet for the period to 31 March 2012. The *surplus* on unrestricted funds for the 9 month period to 31 March 2012 was £1,050,260 including incorporation of £86,628 relating to net assets transferred from Dundee Leisure on 1 August 2011. The overall fund balances are then impacted by the necessity to incorporate the FRS17 pension deficit inherited from Dundee City Council and Dundee Leisure of £3,893,287 together with the actuarial deficit arising on the pension scheme during the period of £5,380,488.

##### Plans for future periods

##### Improving our health and safety

We have a Health and Safety Management Group which has met monthly throughout the year.

Generic advice is provided through Dundee City Council's Health and Safety Team, and Leisure & Culture Dundee has appointed specialist consultants to advise on and audit its Leisure and Sports facilities.

Overall, a Health and Safety Policy has been approved which is delivered by the Service Management Teams. Our Health and Safety Action Plan for 2012-2015 has been approved and its implementation will be monitored throughout the year.

# **Leisure & Culture Dundee**

## **Trustees' report (continued)**

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### **Plans for future periods (continued)**

#### **Improving our customer relations**

During 2011 new customer feedback arrangements were put in place for each area of Leisure & Culture Dundee. These brought together best practice from the former Dundee Leisure Trust and City Council, and provide a consistent basis for monitoring and responding to customer feedback.

Separately, service areas have their own stakeholder and other groups which seek to involve users in the development of services. One of our main hopes for the three stakeholder groups is that they will act as a mechanism for building on our already positive customer relations, and helping us to develop the services further.

#### **Improving the services we provide**

The combination of good customer relations, attention to feedback, and prioritised investment in our facilities will improve the services we provide.

The biggest single change in service delivery will be the progressive move towards use of an on-line booking system for courses, classes and facilities. The pilot for the system was the Sports Development courses and classes operated in 2011. We were delighted at the conversion rate from paper-based or phone-based bookings to online bookings and the evidence is that the majority of people have moved easily to this system.

Integration with Dundee's Libraries has assisted this. Any member of the public or family who do not have home access to the Internet can, through any of Dundee's public libraries, access the online booking service, with assistance from Library Staff.

#### **Improving our facilities**

##### **Upgraded and Improved DISC Pitches**

Completion of the pitch replacement at DISC and the installation of the new 3G pitch took longer than anticipated and we are grateful for the patience of our regular users during the period of closure. The resulting facility provides state-of-the-art pitches, with a number of related improvements.

During the course of the work, it emerged that the water cannons, which had been plagued by problems, had a defect, and this has also been corrected. We hope that the resulting improvements will provide a real boost to hockey and new opportunities for football and rugby.

#### **Libraries**

The City Council's Capital Plan makes provision to carry out extensive improvements in Blackness and Arthursstone Libraries - ensuring that these facilities can meet the aspirations for community provision and continue to act as community focal points.

The public toilets in the Central Library are to be refurbished and a range of other minor improvements are planned to libraries.

# **Leisure & Culture Dundee**

## **Trustees' report (continued)**

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### **Plans for future periods (continued)**

#### **The New Olympia**

Planning and development of the new Olympia Swim and Leisure Centre has been a very significant project. The management time committed to the planning and development of the new pool have been found within the existing resources - a significant commitment. There is a huge sense of anticipation around the new facility which will be handed over to Leisure & Culture Dundee early in 2013 and which we hope will be open to the public in February 2013. The new pool will be much more energy efficient and will deliver a number of operational savings. The pool is not a dedicated competition pool - it is a compromise between a 50m tank, which will allow for regional competitions and training, and a leisure pool, which will contain all of the existing attractions which made the Olympia one of the best leisure pools in Scotland.

Unlike the existing Olympia, the flumes will be internal to the pool hall, but they will retain the same flume choice. The wave pool is slightly smaller than the one it replaces, but the toddlers' play area has been significantly enhanced.

The only facilities which will not be replicated are the sauna, steam room and health facility, and further investment and improvements will be made, first of all, at Lochee Swim and Leisure Centre, and, potentially, at Douglas, to ensure that customers who wish a sauna facility will have continuing access to this service within the City.

#### **Dick McTaggart Regional Gymnastic Centre**

Plans are in place for the new facility to open to the public later in 2012, and it will provide the gymnastic community with a level of facilities not previously available to them.

#### **DISC (Dundee International Sports Complex)**

Within the City Council's capital plan a sum of money has been allocated for improving the exterior façade of DISC. This work should be progressed over the next twelve months.

#### **Improving affordability and accessibility**

The new Olympia will be the most accessible public pool in Scotland. The whole facility has been designed in consultation with representatives from disability groups and specialist advisors.

One of the key challenges for Leisure & Culture Dundee is to ensure that our pricing policy maximises affordability and accessibility.

A review is currently underway of the pricing and concessions policy, which will examine whether, particularly through targeted use of National Entitlement Cards, it is possible to target subsidised access for those who are least able to afford it.

Unlike private sports facilities, our goals are not to increase profit, but to increase participation within a framework based on ensuring viability of the business and affordability for all.

# Leisure & Culture Dundee

## Trustees' report (continued)

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### **Improving our business performance**

During 2011-12 we operated under the business plans inherited from Dundee Leisure and the Leisure and Communities Department.

The first business plan for Leisure & Culture Dundee is to be approved later this year. This will be for the three year period 2013-2015.

The plan will bring together the development work started during the first year of operation. It will reflect the performance targets agreed for service areas and set out the Board's future priorities. The views of our customers and stakeholders will play an important part in this process.

### **Improving our support for staff**

Leisure & Culture Dundee has a framework of staff development policies to ensure our staff have clear remits and support to enable them to fulfil their roles. The entitlement to an annual development review and access to a wide range of Learning courses is a key part of this framework and will form the basis for our continued investment in our staff. A mentoring policy has been approved and, where appropriate, this approach will be encouraged.

### **Improving our policy framework**

As a new organisation, a huge amount of policy work has been done in the past twelve months. This will continue over the next twelve months as all aspects of policy are reviewed to ensure that they are fit for purpose.

Leisure & Culture Dundee monitors and supports implementation of a number of policies on behalf of the Dundee Partnership, principally its Sport and Physical Activity Strategy, Festival and Events Strategy and its Cultural Strategy.

The action plans inform the Dundee Partnership Community Plan and the City Council's Corporate Plan.

### **Improving our marketing and promotion**

Resources available to market and promote the range of services provided by Leisure & Culture Dundee are always under pressure. Priority has been given to those which generate income, such as golf membership, Leisure Active membership, events and the Caird Hall, and the Wildlife Centre. However, meeting our service targets for library membership, attendance at exhibitions and events, etc. also demands investment in marketing and promotion.

We have been assisted at a Board level through good relationships with the local media. Going forward, it is planned to develop both our website, our marketing strategy and the use of social media to promote the wonderful range of opportunities available through Leisure & Culture Dundee and to ensure that our mission of adding quality to life is one which becomes increasingly understood and adopted by the citizens of Dundee and those who visit the City.

### **Improving our partnership delivery**

There is no aspect of what we do that can be done by Leisure & Culture Dundee in isolation. We recognise that best practice in partnership working is an expertise which requires to be nurtured. We aspire to be great partners we recognise that and our future success will depend on building on that reputation.

## **Leisure & Culture Dundee**

### **Trustees' report (continued)**

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#### **Auditors**

So far as each director is aware, there is no relevant audit information of which the auditors are unaware. Each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the auditors are aware of it.

By order of the board

#### **R Duncan**

Chair, Leisure & Culture Dundee  
3 October 2012

## Leisure & Culture Dundee

### Statement of trustees' responsibilities

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The Trustees are responsible for preparing the Report of the Trustees and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to SCIO's in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the SCIO and of the incoming resources and application of resources of the SCIO for that period. In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the SCIO and which enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Constitution. They are also responsible for safeguarding the assets of the SCIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Leisure & Culture Dundee

## Independent Auditor's Report to the Trustees of Leisure and Culture Dundee

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We have audited the accounts of Leisure and Culture Dundee for the period ended 31 March 2012, which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities set out on page 16, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on accounts

In our opinion the accounts:

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

### Matters on which we are required to report by exception

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

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

### Henderson Loggie

Dundee

(Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006)

3 October 2012

## Leisure & Culture Dundee

### Statement of financial activities for the period ended 31 March 2012

	Note	Unrestricted funds £	Restricted funds £	9 months ended 31 March 2012 Total £
<b>Incoming resources</b>				
<b>Incoming resources from generated funds:</b>				
Investment income		233	-	233
Income from Dundee Leisure		86,628	-	86,628
		<u>86,861</u>	<u>-</u>	<u>86,861</u>
<b>Incoming resources from charitable activities</b>				
Provision of leisure and culture facilities	2	3,296,674	221,487	3,518,161
Service fee from Dundee City Council		5,798,496	-	5,798,496
		<u>9,095,170</u>	<u>221,487</u>	<u>9,316,657</u>
<b>Total incoming resources</b>		<u>9,182,031</u>	<u>221,487</u>	<u>9,403,518</u>
<b>Resources Expended</b>				
Charitable activities				
Provision of leisure and culture facilities	3	8,123,171	168,064	8,291,235
Governance	4	8,600	-	8,600
		<u>8,131,771</u>	<u>168,064</u>	<u>8,299,835</u>
<b>Total resources expended</b>		<u>8,131,771</u>	<u>168,064</u>	<u>8,299,835</u>
Net movement in funds and net (expenditure)/income for the period		1,050,260	53,423	1,103,683
Actuarial (loss)/gain on Tayside Superannuation Fund	11	(5,380,488)	-	(5,380,488)
Other resources expended	5	(3,893,287)	-	(3,893,287)
		<u>(8,223,515)</u>	<u>53,423</u>	<u>(8,170,092)</u>
<b>Fund balances at 31 March 2012</b>		<u><u>(8,223,515)</u></u>	<u><u>53,423</u></u>	<u><u>(8,170,092)</u></u>

All gains and losses recognised in the period are included above.

# Leisure & Culture Dundee

## Balance Sheet at 31 March 2012

	Note	£	Period ended 31 March 2012 £
<b>Current Assets</b>			
Stocks	7	51,183	
Debtors	8	234,711	
Cash in hand		2,958,614	
		<u>3,244,508</u>	
<b>Current Liabilities</b>			
Creditors: amounts falling due in one year	9	(2,250,093)	
		<u>994,415</u>	
<b>Net current assets</b>			<b>994,415</b>
Pension deficit			(9,164,507)
Net liabilities including pension deficit			<u>(8,170,092)</u>
			=====
<b>Funds</b>			
Unrestricted funds		940,992	
Less pension deficit	11	(9,164,507)	
		<u>(8,223,515)</u>	
Restricted funds	14		53,423
<b>Total funds</b>			<b>(8,170,092)</b>
			=====

The accounts were approved and authorised for issue by the Board on 3 October 2012 and signed on its behalf by:

**Lord Provost R Duncan**  
Chairperson

## Leisure & Culture Dundee

### Cash flow statement for the period ended 31 March 2012

---

	2012 £
Net outgoing resources	(8,170,092)
Non operating cashflows eliminated - Pension non cash movement	9,164,507
	<hr/> 994,415
Increase in stock	(51,183)
Increase in debtors	(234,711)
Increase in creditors	2,250,093
	<hr/> 2,958,614
<b>Net cash inflow from operating activities</b>	<b>2,958,614</b> =====

### 1 Accounting policies

#### **Basis of accounting**

The accounts have been prepared under the historical cost basis of accounting and in accordance with applicable accounting standards.

The accounts have been prepared in accordance with the Statement of Recommended Practice - "Accounting and Reporting by Charities" (SORP 2005), comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Funds**

Funds are classified as either restricted funds or unrestricted funds, defined as follows:

*Restricted funds* are funds subject to specific trusts, which may be declared by the donor or with their authority. Some are restricted income funds expendable at the discretion of the Board in furtherance of a particular activity, such as government grants for a specific centre, and funds raised for particular client groups or activities. Others are capital funds where the assets are required to be invested for long term use.

*Unrestricted funds* are expendable at the discretion of the Board in furtherance of the objectives of Leisure and Culture Dundee. If part of the unrestricted funds is earmarked at the discretion of the Board for a particular project it is designated as a separate fund. This designation has an administrative purpose only, and does not legally restrict the Board's discretion to apply the fund.

#### **Incoming resources**

All incoming resources are included in the Statement of Financial Activities (SOFA) in the year in which they are receivable.

#### **Resources expended**

All expenditure is included on an accruals basis and is recognised when there is a legal obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended.

#### **Pension**

The Authority participates in the Tayside Superannuation Fund by virtue of its status as an "admitted body". This is a defined benefit scheme, and the assets are invested in external funds.

The costs of providing pensions are charged to the profit and loss account on a consistent basis over the working life-time of the members. These costs are determined by a qualified actuary and any variations from the regular costs are spread over the remaining working life-time of the current members.

# Leisure & Culture Dundee

## Notes to the accounts (continued)

### 1 Accounting policies (continued)

#### Leases

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.

#### Stocks

Stocks of materials and consumables are stated at the lower of cost and net realisable value in the ordinary course of operating.

### 2 Incoming resources

	Unrestricted funds £	Restricted funds £	9 months To 31 March 2012 Total £
Admissions etc	1,404,625	-	1,404,625
Membership	842,982	-	842,982
Library income	184,470	-	184,470
Hire of facilities	66,256	-	66,256
Resaleable goods	146,235	-	146,235
Funding	199,941	221,487	421,428
Other	452,165	-	452,165
	<u>3,296,674</u>	<u>221,487</u>	<u>3,518,161</u>
	=====	=====	=====

### 3 Costs of providing service

Employee costs	5,790,987	63,121	5,854,108
Pension costs	842,379	9,581	851,960
Property costs	92,395	-	92,395
Supplies and services	1,305,768	40,013	1,345,781
Transport costs	91,615	2,637	94,252
Cultural & museum acquisitions	-	52,712	52,712
Rent	27	-	27
	<u>8,123,171</u>	<u>168,064</u>	<u>8,291,235</u>
	=====	=====	=====

## Leisure & Culture Dundee

### Notes to the accounts (continued)

#### 4 Governance

	<b>2012</b>
	<b>£</b>
Audit Fees	<b>7,500</b>
Directors and Officers Indemnity	<b>1,100</b>
	<hr/>
	<b>8,600</b>
	<hr/> <hr/>

#### 5 Other resources expended

The £3,893,287 relates to the pension deficit attributed to the employees transferred at 1 July 2011 from Dundee City Council under the TUPE regulations and from Dundee Leisure on 1 August 2011. The liabilities were transferred on a “fully funded” basis, however, the calculation of the liabilities required under FRS17 uses different assumptions and a lower discount rate resulting in the combined FRS17 liability at 1 August 2011 of £3,893,287.

#### 6 Staff numbers and costs

	<b>9 months to 31 March 2012 £</b>
Wages and salaries	<b>5,514,007</b>
Social security costs	<b>340,101</b>
Pension costs	<b>851,960</b>
	<hr/>
	<b>6,706,068</b>
	<hr/> <hr/>

No member of the Board received remuneration or any expenses other than Directors indemnity insurance.

The average monthly full-time equivalent number of employees of the company during the year was 534.

No employee received remuneration of over £60,000 per annum during the period.

## Leisure & Culture Dundee

### Notes to the accounts (continued)

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<b>7</b>	<b>Stocks</b>	<b>2012</b> <b>£</b>
	Stocks	<b>51,183</b> =====
<b>8</b>	<b>Debtors</b>	<b>At</b> <b>31 March</b> <b>2012</b> <b>£</b>
	Trade debtors	<b>103,983</b>
	Prepayments and accrued income	<b>86,992</b>
	Other debtors	<b>43,736</b>
		<hr/> <b>234,711</b> =====
<b>9</b>	<b>Creditors</b>	
	Amounts falling due within one year:	
	Trade creditors	<b>467,497</b>
	Dundee City Council	<b>1,180,029</b>
	Accruals	<b>124,360</b>
	Deferred income	<b>478,207</b>
		<hr/> <b>2,250,093</b> =====

Deferred income consists of amounts received during the period relating to events to be held after the year end.

## Leisure & Culture Dundee

### Notes to the accounts (continued)

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<b>10</b>	<b>Commitments</b>	<b>Land and buildings £</b>
	<i>Actual commitments under non-cancellable operating leases as follows:</i>	
	Operating leases which expire:	
	In 1 year	-
	Outwith 5 years	27
		—
		<b>27</b>
		===

The land and buildings commitment is the rent payable to the Dundee City Council for the use of the premises for the provision of recreation and leisure facilities on behalf of the Council for the period to 2036.

<b>11</b>	<b>Retirement benefit scheme deficit</b>	<b>At 31 March 2012 £</b>
	<b>Change in benefit obligation</b>	
	Benefit obligation transferred in at 1 July 2011	<b>17,647,354</b>
	Liabilities assumed (Dundee Leisure)	<b>7,428,589</b>
	Current service cost	<b>851,960</b>
	Interest cost	<b>1,013,789</b>
	Actuarial (gain)/loss	<b>4,443,366</b>
	Contributions - employee	<b>274,742</b>
	Benefits paid	<b>(72,388)</b>
	Unfunded payments	<b>(1,640)</b>
		—
	<b>Benefit obligations at end of period</b>	<b>31,585,772</b>
		—

# Leisure & Culture Dundee

## Notes to the accounts (continued)

### 11 Retirement benefit scheme deficit (continued)

	At 31 March 2012 £
<b>Change in scheme assets</b>	
Fair value of scheme assets transferred in at 1 July 2011	15,075,748
Assets acquired (Dundee Leisure)	6,106,908
Expected return on scheme assets	1,126,885
Actuarial (loss)/gain	(937,123)
Contributions - employee	274,742
Benefits paid	(74,028)
Contributions - employer	848,133
	<hr/>
<b>Fair value of scheme assets at end of period</b>	<b>22,421,265</b>
	<hr/>
<b>Retirement benefit deficit</b>	<b>(9,164,507)</b>
	=====
<b>History</b>	
Benefit obligation at end of period	31,585,772
Fair value of scheme assets at end of period	22,421,265
	<hr/>
Deficit	<b>(9,164,507)</b>
	=====
Difference between expected and actual return on scheme assets:	
Amount	(937,123)
Percentage of scheme assets	(4.2%)
Experience gains and losses on scheme liabilities:	
Amount	(3,137)
Percentage of scheme liabilities	0.0%

The employees transferred under the TUPE regulations from the Dundee City Council on 1 July 2011 and from Dundee Leisure on 1 August 2011. This is a defined benefit scheme, and the assets are invested by professional investment managers and held in external funds. The SCIO participates in the fund, by virtue of its status as an “admitted body”.

The current service cost pension charges payable for the year ended 31 March 2012 was £851,960.

# Leisure & Culture Dundee

## Notes to the accounts (continued)

### 11 Retirement benefit scheme deficit (continued)

#### Retirement benefits - FRS17

The principal assumptions used by the independent qualified actuary in updating the most recent valuation to 31 March 2012 for FRS17 purposes were:

	2012 %
Discount rate	4.6
Retail price inflation	3.3
Rate of increase of salaries	4.8
Rate of increase of pensions in payment	2.5
	=====

	2012 Years
<b>Life expectancy from age 65</b>	
Retiring today:	
Males	21
Females	23
Retiring in 20 years:	
Males	22
Females	24
	=====

The assets of the scheme were:	2012 %
<b>Asset category</b>	
Equities	68
Gilts	8
Other bonds	11
Property	11
Cash	2
	-----
	100
	=====

	2012 £
Amounts include in the fair value of assets for:	
Equities	15,246,461
Gilts	1,793,701
Other bonds	2,466,339
Property	2,466,339
Cash	448,425
	-----
<b>Total market value of assets</b>	<b>22,421,265</b>
	=====

## Leisure & Culture Dundee

### Notes to the accounts (continued)

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#### **12 Related Party**

Leisure and Culture Dundee was contracted to provide recreation and leisure services by Dundee City Council. In the 9 month period to 31 March 2012 Leisure and Culture Dundee received from Dundee City Council £6,788,251 for services provided and paid them £385,052 for goods and services received including a peppercorn rent for the use of the facilities occupied by the SCIO. At 31 March 2012 Dundee City Council owed Leisure & Culture Dundee £46,409 and the charity owed Dundee City Council £1,180,029 in relation to normal trading activities.

#### **13 Control**

The Members of Leisure & Culture Dundee are Dundee City Council and D.C.C. Nominees Ltd.

The trustees are appointed by the Members and 6 of the 13 trustees of Leisure and Culture Dundee are appointed from the Council (46.15%) while the other 7 trustees are required to be independent of the Council.

## Leisure & Culture Dundee

### Notes to the accounts (continued)

#### 14 Restricted funds

Fund	Purpose	Income in period £	Expenditure in period £	Balance at 31 March 2012 £
<b>Cultural services</b>				
Conservation Microscope at McManus	Purchase of microscope	4,103	(4,103)	-
Whaling Project	Restoration of Tay Whale	4,483	(4,483)	-
Acquisition fund	Display items	88,789	(52,712)	<b>36,077</b>
<b>Library and information</b>				
Live Archive Project	Living history archive	7,779	(7,779)	-
Digital Inclusion Project	Visually impaired	9,965	(9,965)	-
<b>Leisure and sport</b>				
Football Development Officer	Football development	26,498	(9,152)	<b>17,346</b>
Community Sports Hub Officer	Community engagement	25,858	(25,858)	-
Rugby Club Officer	Rugby development	20,340	(20,340)	-
Active families	Healthy lifestyles	33,672	(33,672)	-
		-----	-----	-----
		221,487	(168,064)	<b>53,423</b>
		=====	=====	=====