

Fife Sports & Leisure Trust Limited
(a company limited by guarantee)

Report and Financial Statements for the
Year ended 31 March 2019

Registered number SC336004

Charity number SC039464

Fife Sports & Leisure Trust Limited

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Fife Sports & Leisure Trust Limited
Directors' Report (incorporating the Strategic Report)
For the year ending 31st March 2019

The Directors are pleased to present their Report and Financial Statements for the year ending 31st March 2019. These are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Charitable Objects

The principle activity of Fife Sports and Leisure Trust (FSLT) is the provision of sport, recreation and health and wellbeing services delivered from 14 facilities on behalf of Fife Council in accordance with the following charitable objects:

- To advance public participation in sport, primarily within the local authority area of Fife Council ("the Operating Area");
- To provide recreational facilities, and organise recreational activities, primarily within the Operating Area, 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, primarily within the Operating Area, in particular in relation to sports, active recreation and physical activity;
- To advance health, primarily within the Operating Area, and in particular through sports, active recreation and physical activity;
- To advance citizenship and or/community development, in particular, within the Operating Area;
- 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.

Services Specification

FSLT provides sports and leisure services on behalf of Fife Council under the terms of a services specification. This is a detailed specification which is used to measure the organisation's performance.

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FSLT is required to deliver on specific aims and objectives under three separate but linked strategic priorities:

- **Widening Opportunities**

Widening Opportunities is the level of participation in sport and active recreation that is experienced by the majority. It happens at the grass roots, where people take part in physical activity simply for fun and enjoyment or to improve their health and fitness.

- **Developing Potential**

Developing Potential is a process that creates opportunities and pathways which allows individuals to take up and fulfil their potential in sport. It is not just concerned with elite athletes, but recognises that the opportunities to progress are important in sustaining the interest and enjoyment which will encourage people of all ages and abilities to maintain a long-term involvement with sport.

- **Resources for Sport**

FSLT is committed to the ongoing development of sport and active recreation through the provision of good quality, adequately resourced facilities and services that meet the needs and aspirations of both residents and visitors to Fife. It is evident that any progress in developing sport and active recreation in Fife will be dependent on the physical, human and financial resources which are made available by a number of public, private and voluntary sector agencies, but most importantly by Fife Council and FSLT.

FSLT's Vision and Mission

FSLT is a company whose purpose is to make a positive difference to communities by creating opportunities for people in Fife to become more active more of the time. This is achieved by the services delivered from sport centres, swimming pools, outdoor facilities and an athletics centre. Through that property portfolio our employees and partners deliver a wide range of programme and services on a weekly basis.

Our vision is "Making a difference by delivering opportunities for people in Fife to become active".

Our mission is "Growing the Business, Improving the Customer Experience and Making a Difference".

Our vision and mission shape the strategic context in which FSLT will operate during 2017/20. The strategy provides a high-level overview of what we aim to achieve and the priority actions we need to take measured against a range of desired outcomes.

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Review of the Year

Notwithstanding the scale of the financial and organisational challenges FSLT is facing, a considerable amount of work was undertaken to develop and deliver high quality services and programmes with dedicated knowledge, professionalism and passion. Some of the challenges included:

- A full year's increased competition from the private sector, particularly within West Fife
- Levenmouth Swimming Pool and Sports Centre closed for five months to allow capital development and refurbishment work to take place
- Dalgety Bay Sports and Leisure Centre facilities closed to allow for the installation of a new gym and two studios
- Good weather during the summer holiday period resulting in low usage of facilities and programmes
- Kirkcaldy Leisure Centre's sports hall closed for five weeks to allow for a new floor to be installed
- Carnegie Leisure Centre's health suite closed fully for 16 weeks and partially for 20 weeks
- A part-year's closure of crèche services
- A reduction in swimming pool operating hours at the Beacon Leisure Centre

Despite the challenges, the year saw an introduction of a number of initiatives designed to widen access to our services, increase levels of income, contain operating costs and focus on our journey of continuous improvement to meet the expectations of our customers.

Making a positive difference to our communities remained a priority, with our Operational and Health and Wellbeing Teams each continuing to make an outstanding contribution to implementing national and local strategies. Work was also undertaken to promote community health and physical activity. Initiatives were developed to support older adults and those living with long term health conditions and FSLT remained committed to engaging with children and young people to promote a life-long interest in physical activity.

FSLT also had a far-reaching and significant role to play in supporting Fife Council to deliver its Plan4Fife, particularly within the area of community planning. Examples of initiatives delivered included:

- Providing career awareness opportunities for young people to attend Lifeguard training courses and obtain work experience in sport and leisure centres
- Supporting economic growth by being a purchaser of supplies and services from local companies
- Providing volunteering opportunities for people who want to put something back into the community
- Giving unemployed people looking for work the opportunity to keep active at a reduced cost

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- Providing discounted access to facilities and services for local businesses to encourage their workforce to remain healthy and reduce sickness absence
- Adopting corporate social responsibility as a means of “giving something back” to the communities of Fife

At a national level FSLT continued its membership with Community Leisure UK (formerly SPORTA) who specialise in representing charities and social enterprises delivering public leisure and cultural services across England, Scotland and Wales. As a member of Community Leisure UK, FSLT is committed to helping to achieve the principles of best value and the sharing of knowledge, expertise and best practice.

Key highlights at a glance

- There were over 2.5 million visits to our sport and leisure facilities and an increase in attendances at seven facilities
- FSLT's work was recognised with a range of awards and accreditations including Visit Scotland's three/four star Visitor Destination Awards given to four of FSLT's sport and leisure facilities
- 95 health and physical activity classes were delivered each week with more than 3,000 participants per month enjoying FSLT facilities
- At the end of the year there were 10,239 Leisure Active Members, an increase of 8% above the target for the year
- Our Over 60s attendances increased by 5.2%, the eight consecutive year where older adults have been getting active in increasing numbers
- A 5.2% increase in Active Concessions which supports customers with discounted rates were recorded
- Attendances at Cardiac Rehabilitation and Active Options 2 (a referral-based programme for people living with long term health condition) increased by 26%
- The Talented Sports Performance programme recorded a 33.5% rise in usage
- £22,000 was received from the Health and Social Care Partnership for work on dementia projects such as active for memories, development of social cafes, and training for FSLT staff.

Delivery of our Strategic Priorities

Throughout the year we worked to deliver our Corporate Strategy's strategic priorities under three themes. The following provides examples of the variety of work that was undertaken:

Strategic Priority One – Growing the Business

Develop a skilled and trained workforce:

- 25 planned activities delivered within the Human Resources Action Plan
- 60 Learning and Development activities delivered within the Learning and Development Programme

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Maximise income streams:

- The introduction of a new Marketing Strategy
- Action Plans developed for the Leisure Active Membership Scheme and Aquatics Programme
- New income stream initiatives developed which included the introduction of on-site advertising, a Sales Development Plan, a customer ticketed discount scheme and the expansion of the Learn to Swim Programme
- The introduction of a Branding Strategy

Manage and improve our resources and processes:

- A review of the Administration resource within sport and leisure facilities completed
- FSLT participated in a Fife Council Procurement initiative for the provision of a new computerised Leisure Information Management System
- The introduction of KPIs for the newly established Sport and Physical Activity Team

Seek new opportunities:

- Periodic reviews undertaken to ensure that activity programme remained fit for purpose with new initiatives replacing low use activities

Ensure a strong financial base:

- A three year funding agreement (subject to Fife Council's financial position) agreed with the local authority

Provide effective leadership:

- A review of the current Corporate Strategy 2017/20 completed
- A review of the Chief Operating Officer's management structure completed
- A new frontline services structure implemented

Strategic Priority Two – Improving the Customer Experience

Support staff to provide high quality customer service:

- 18 volunteers recruited to support the Health and Wellbeing Team

Provide an appropriate range of products and services:

- Summer Free Swim and Quid-a-Kid initiatives were delivered thanks to a £140k investment from Fife Council
- Pay and Play classes for a range of activities were delivered at each facility

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- Group fitness classes delivered at 12 of the 14 facilities
- Affordable and accessible opportunities for children and young people to take part in sport and active recreation delivered, eg, summer free swimming and Quid-a-Kid

Improve the quality of customer service:

- Capital development projects undertaken at Levenmouth Swimming Pool and Sports Centre and Dalgety Bay Sports and Leisure Centre (£1.35m investment from Fife Council)
- The Learn to Swim Programme expanded

Improve the customer interactions:

- Online booking facility made available to customers
- FSLT's website and social media sites enhanced

Strategic Priority Three – Making a Difference

Fulfil our charitable status:

- A review completed to ensure that FSLT complies with its Charitable Objects

Enhance the culture of continuous improvement:

- An employee suggestion scheme – Making a Difference (MAD) introduced
- A General Data Protection Regulations Compliance Audit completed and an Action Plan developed

Maintain a safe environment for customers and staff:

- Operational Plans implemented within sport and leisure facilities
- Health and Safety plans implemented within centres and FSLT's headquarters
- Child Protection Guidelines, Procedures and reporting mechanisms implemented

Deliver on our corporate social responsibilities:

- Free use of facilities given to four charities to enable fund-raising activities to take place for good causes
- A Health Inequalities Programme delivered (£50k investment from Fife Council)

Help inactive people become active:

- physical activity opportunities for people suffering from dementia
- A Social Café at Cowdenbeath Leisure Centre established
- A bespoke programme of health and physical activity classes delivered to promote the benefits of physical activity and active lifestyles

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- New state-of-the-art gym equipment installed at four centres as part of a £1.1m FSLT investment plan

Strengthen our partnership working:

- Membership with Community Leisure UK (formerly Sporta UK)
- Membership with Visit Scotland
- Membership with Fife Chamber of Commerce
- Close association with NHS Fife
- Close association with National Governing Bodies and local sports clubs
- Close association with Health and Social Care

Plans for Future Periods

The next three years will continue to be challenging for FSLT with the company having to operate in an increasingly difficult financial climate. There remains a commitment to focus on efficiency, business improvement, value for money and performance management, including rationalising and eliminating under-utilisation wherever possible and by taking a more commercial approach to achieving sources of new income.

The challenge for a business like FSLT will always be achieving and maintaining a balance between providing services that are commercially viable with those that are socially worthwhile or need to be delivered. FSLT has a strong foundation to build on and, as the leading provider of sport, leisure and physical activity services in Fife, a key priority will be to ensure that activities and programmes are made accessible, affordable and customer-focused and delivered through the effective use of investment and resources whilst maximising the benefit of not-for-profit distributing status.

Capital investment will remain a key priority across the portfolio of sport and leisure centres and a long-term funding package will need to be in place to deliver on this to ensure the facilities remain fit for purpose and provide an inclusive environment for sport and leisure.

At a national level, FSLT will work with other Scottish Trusts to strengthen links between NHS Scotland, community planning partners, charities and health and social care partnerships. As an organisation which is committed to improving the health of the nation, FSLT will promote and raise awareness of the links between inactivity and physical activity and mental health and wellbeing across every community in Fife.

FSLT is working closely with Fife Council to establish a sustainable model for the Trust going forward and a Redesign of Services programme has been agreed for implementation during 2019/20. In addition FSLT has been given a three year settlement for its Services Fee, without further savings being applied during this period, to allow the Trust to reshape its service delivery within the funding available and increase partnership working where possible, such as co-location of council services within leisure centres, to create further efficiencies and protect the services provided to our customers.

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Financial Review

FSLT's financial results are shown on pages 19-38. The results for the year to 31st March 2019 show an overall deficit of £3,748,000, however after removal of the actuarial adjustment for pensions the results show a deficit of £2,080,000 for the year. Excluding the full impact of accounting for retirement benefits, the operating deficit for FSLT was £778,000 which was worse than the original budget for the year of £488,000. This was largely as a result of lower income levels than anticipated due to a number of factors. The exceptionally good summer weather meant that less people were visiting our centres over those months and the impact of the competitive gym environment continued to affect the Dunfermline area beyond that originally anticipated when the budget was set. In addition, an extended closure at Levenmouth Swimming Pool and Sports Centre resulted in a higher loss of income than initially planned.

The remainder of the deficit arose as a result of previous reductions in the management fee from Fife Council, and the impact of increased competition within the leisure sector, which were unable to be absorbed by the Trust without affecting the services to customers. Significant work has been undertaken during the year to identify service reductions which would have the least impact and negotiations with Fife Council have been ongoing to agree a sustainable way forward for the Trust.

Excluding in kind support, Fife Council provides approximately 20% of the Trust's funding, to operate its leisure centres, and fund specific Council priorities such as free summer swimming and health and inequalities projects, and ensure that the Trust can promote its charitable objects, in particular enabling the Trust to provide affordable access for all. The majority of the remaining funding comes directly from customers, with a minor element from grant funding partners with shared goals in promoting the health and wellbeing of people in Fife. This invaluable funding enables the Trust to work with target groups to create sustainable activity programmes for the future.

Financial Future

The current budget for the Trust for 2019/20 shows a deficit of £278,000 for the year, mainly as a result of the part-year effect of the phased implementation for the redesign of services programme, identified to fund the underlying deficit outlined above and put the Trust in a more financially sustainable position going forward. At the present time monitoring projections for the year are indicating a deficit of £540,000 for the year, reducing the reserves position to £300,000, however measures will be taken to bring the budget back in line by the end of the year. The full year effect of the redesign of services programme will achieve further net expenditure savings of £230,000 from 2020/21 onwards. Fife Council have agreed a three year funding deal in recognition of the current challenges; to aid better forward planning in this challenging financial climate and other options are being explored for closer partnership working in areas including; active communities, sports development, community use of schools and community halls and centres. A merger with Fife Golf Trust is also being explored.

There are gym refurbishments planned for Michael Woods Sports and Leisure Centre and Kirkcaldy Leisure Centre to ensure that we continue to provide the best standard

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of equipment to our customers and sustain current income levels in the face of increasing competition.

Although a projected deficit would take FSLT reserves below the minimum policy level of £750,000 to £590,000 (unless additional one off funding is secured from Fife Council) the Trust is optimistic that we will finish the year in a stronger position once all the planned changes have taken effect.

Financial Monitoring

Both the Audit, Finance and Compliance Committee and the Board scrutinise and monitor the financial performance of FSLT through regular monitoring reports. The reports review FSLT's cash flow position and compare actual income and expenditure against agreed budget figures and previous year actuals.

Reserves Policy

FSLT's Reserves Policy allows for some protection against unexpected fluctuations in both income and expenditure and for temporary disruption and/or cessation of service delivery. The approved minimum reserves level for general funds has been set at a target of £750k prior to the pension deficit.

The Directors have established Designated Funds for the reinvestment of surpluses into FSLT's facilities. An explanation of these Funds can be found at note 19 in the notes to the financial statements.

Company Risk

There is a Business Risk Register which identifies the major risks to which FSLT is exposed. This strategic document is reviewed and reported on by the Board at regular intervals to assist in managing the risks to FSLT. One of the biggest risks facing FSLT will be maintaining financial stability and service delivery and the impact on income generation and reduced levels of government support.

FSLT, in managing these risks, match expenditure to income through its established processes of continuous parallel monitoring, initiating appropriate action, derived from a realistic evaluation of what can be achieved following robust reviews of spending priorities, income sourcing and efficiencies.

Structure, Governance and Management

Fife Sports & Leisure Trust Limited is a Company limited by guarantee, registered in Scotland on 10th January 2008 with Company number SC336004. FSLT is governed by its Articles of Association, and does not have a share capital. Fife Council is the sole member of FSLT. FSLT has charitable status under Section 505 of the Income and Corporation Taxes Act 1988 and the Scottish Charity Number is SC039464. FSLT was granted charitable status on 28th March 2008 and commenced trading on 1st April 2008. Any surpluses generated by FSLT are reinvested to improve the facilities and services which are provided to the communities in Fife.

Directors

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In terms of FSLT's Articles of Association, the maximum number of Directors shall be 13; out of that number:

- A maximum of 6 Directors shall be Partner Directors – Partner Directors can be drawn from elected members, officers or employees of Fife Council;
- A maximum of 7 Directors shall be Independent Directors – Independent Directors are typically drawn from representatives of local business, communities, the sporting sector and centre users. They must not be elected representatives, officers or employees of Fife Council or employees of Fife Sports and Leisure Trust;
- The list of current Directors is noted on page 12.

Policies and Procedures for Induction and Training of Directors

In accordance with FSLT's Articles of Association, Fife Council as the sole member is responsible for the appointment of new Directors. As new Directors join the Board, they receive a full induction aimed at familiarising them with their role and legal responsibilities under charity and company law. This includes a meeting with the Chair and CEO, receiving copies of corporate documents e.g. policies, corporate strategy etc and visits to sports and leisure centres to tour buildings and meet staff. The induction programme is continually reviewed and amended in light of any changes.

Board Structure

The Board of Directors meet on six occasions throughout the year. These meetings are held with senior management representatives to consider the business of FSLT.

Four Committees meet in the periods between Board Meetings to consider items of business and to make formal recommendations to the full Board of Directors.

Board Committees exist in the following areas:

- Human Resources Committee – to deliberate on human resource and policy matters
- Audit, Finance and Compliance Committee – to consider the financial and governance aspects of FSLT
- Business Performance Committee – to monitor the performance of FSLT and to consider infrastructure issues and business development initiatives
- Health and Physical Activity Committee – to consider issues relating to physical activity in Fife and to make any necessary recommendations on the programmes/projects implementation within FSLT to the Board of Directors

In addition there exists an Appointments and Remunerations Committee which is to be responsible for the appointment process for the Chief Executive's position and to assist in the recruitment of Directors. A Nominations Committee also exists to deal with the selection of the Chair and Vice Chair of the Board.

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Executive Management Team

The Executive Management Team has responsibility for the overall management and development of FSLT's activities. The Executive Management Team comprises:

Ed Watson	Chief Executive
Wendy Watson	Chief Operating Officer
Lana Turnbull	Human Resources Manager
Vicki Wyse	Head of Finance and Business Development

The arrangements for the setting of pay and remuneration for key management personnel are aligned to those of Fife Council, the sole member of FSLT. These positions were established using the Fife Council Job Evaluation Scheme adopting the principles of the National Single Status and Chief Officers Agreements.

Sport and Leisure Facilities

FSLT is responsible for the operation and management of the following facilities:

Beacon Leisure Centre Lammerslaws Road Burntisland, KY3 9BS	East Sands Leisure Centre St Mary Street St Andrews, KY16 8LH
Bowhill Swimming Pool 141 Station Road, Bowhill Lochgelly, KY5 0BW	Michael Woods Sports and Leisure Centre to include the Indoor Football Arena Viewfield Road Glenrothes KY6 2RB
Carnegie Leisure Centre Pilmuir Street Dunfermline KY12 0QE	Kirkcaldy Leisure Centre Esplanade Kirkcaldy KY1 1HR
Cowdenbeath Leisure Centre 7 Pit Road Cowdenbeath KY4 9NN	Levenmouth Swimming Pool and Sports Centre Promenade Leven KY8 4PA
Cupar Sports Centre Carslogie Road Cupar KY15 4HY	Pitreavie Athletics Centre Queensferry Road Dunfermline KY11 8PP
Dalgety Bay Sports and Leisure Centre Harbour Drive Dalgety Bay KY11 9NA	Waterstone Crook Sports Centre Kirk Brae Newport on Tay DD6 8HY
Duloch Leisure Centre Nightingale Place Dunfermline KY11 8LW	Lumphinnans Sports Hub 31 Gagarin Way Lumphinnans, KY4 9HW

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Reference and administrative details

Trustees

The Directors of FSLT (who are also the trustees for the purposes of charity law) who held office during the period and to date are as follows:

Partner Directors

D Watt
D Lothian
L Erskine
A Suttie
K Caldwell
N Crooks

Independent Directors

T R Campbell
E L Wallace
C A McDonald
J Hamilton
N Mitchell
P Gulline (appointed 25/06/19)
T Norris (resigned 18/02/19)

Secretary

V G C Wyse

Registered Office

Music Institute
East Port
Dunfermline
KY12 7JA

Auditor

Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Bankers

Royal Bank of Scotland
3 Falkland Gate
Kingdom Centre
Glenrothes
KY7 5NS

Solicitors

Burness Paull
50 Lothian Road
Edinburgh
EH3 9WJ

Charity registration number

SC039464

Company registration number

SC336004

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Statement of Directors' Responsibilities

The Directors (who are the trustees of the charity for the purposes of charity law) are responsible for preparing the report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of FSLT and of incoming resources and application of resources, including the income and expenditure, of FSLT for that period. In preparing these financial statements, the Directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that FSLT will continue in business.

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

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

Disclosure of information to the Auditor

To the knowledge and belief of each of the persons who are Directors at the time the report is approved:

- So far as the Director is aware, there is no relevant information of which FSLT's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information, and to establish that FSLT's auditor is aware of the information.

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Auditor

The auditor, Scott-Moncrieff, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

In approving the Directors' Report, the Directors are also approving the Strategic Report in their capacity as company Directors.

Approved by the Board on 27^h September 2019 and signed on its behalf by:

T R Campbell
Chairperson

Fife Sports & Leisure Trust Limited
Independent Auditor's Report to the Members and Directors of Fife Sports & Leisure Trust Limited
For the year ending 31st March 2019

Opinion

We have audited the financial statements of Fife Sports & Leisure Limited (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the 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 2019 and of its income and expenditure 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 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

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

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

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Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. 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 Directors' Report (incorporating the Strategic Report), which includes the Directors' Report and the Strategic 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 Strategic Report and the Directors' Report included within the Directors' Report (incorporating the Strategic Report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report (incorporating the Strategic Report).

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 (as amended) 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

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- 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.

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on page 13, the directors (who are the directors for the purposes of company law and trustees for the purposes of charity 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 directors 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 directors 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 directors 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Fife Sports & Leisure Trust Limited
Independent Auditor's Report to the Members and Directors of Fife Sports & Leisure Trust Limited
For the year ending 31st March 2019

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 directors, 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, as a body, and the charitable company's directors, as a body, 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 directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Nick Bennett, Senior Statutory Auditor

For and on behalf of

Scott-Moncrieff, Statutory Auditor

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

Chartered Accountants

Exchange Place

Semple Street

Edinburgh

EH3 8BL

Date:

Fife Sports & Leisure Trust Limited
Statement of financial activities (incorporating an income and expenditure
account)
For the year ending 31st March 2019

	Note	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Restated Total 2018 £
Income from:					
Donations	4	2,064,181	-	2,064,181	2,245,529
Charitable activities	4	10,777,010	43,337	10,820,347	11,121,290
Investments	5	4,857	-	4,857	2,703
Other trading activities		79,274	-	79,274	87,116
Total income		12,925,322	43,337	12,968,659	13,456,638
Expenditure on:					
Charitable activities	6	(15,014,539)	(28,518)	(15,043,057)	(14,978,940)
Raising Funds		(15,806)	-	(15,806)	(15,926)
Total expenditure		(15,030,345)	(28,518)	(15,058,863)	(14,994,866)
Net income/(expenditure)		(2,105,023)	14,819	(2,090,204)	(1,538,228)
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	10	(1,667,000)	-	(1,667,000)	6,592,000
Gain/ (loss) on disposal of fixed assets		9,390	-	9,390	50,480
Net movement in funds		(3,762,633)	14,819	(3,747,814)	5,104,252
Reconciliation of funds:					
Total funds brought forward		(2,669,156)	9,594	(2,659,561)	(7,763,814)
Total funds carried forward		(6,431,789)	24,413	(6,407,375)	(2,659,562)

All of the above results are derived from continuing activities. All gains and losses recognised in the period are included above.

The notes on pages 22 to 38 form part of these financial statements

Fife Sports & Leisure Trust Limited
Balance Sheet
As at 31st March 2019

	Note	2019 £	2018 £
Fixed assets:			
Tangible Assets	11	1,000,430	844,461
Current Assets:			
Stocks	12	5,497	5,365
Debtors	13	228,708	326,011
Cash at bank and in hand		1,795,820	2,144,294
Total Current Assets		2,030,025	2,475,670
Liabilities:			
Creditors: amounts falling due within one year	14	(2,186,830)	(1,713,693)
Net current assets/(liabilities)		(156,805)	761,977
Total assets less current liabilities		843,625	1,606,438
Defined benefit pension scheme liability	10	(7,251,000)	(4,266,000)
Total net assets/(liabilities)		(6,407,375)	(2,659,562)
The funds of the charity:			
Unrestricted funds	19	819,212	1,596,844
Restricted income funds	19	24,413	9,594
Pension reserve	19	(7,251,000)	(4,266,000)
Total funds		(6,407,375)	(2,659,562)

The financial statements were approved and authorised for issue by the Board on 27th September 2019 and signed on its behalf by :

T R Campbell
Chairperson

Registered number SC336004

Fife Sports & Leisure Trust Limited
Statement of cash flows
For the year ending 31st March 2019

	Note	2019 £	2018 £
Cash Flows from Operating Activities			
Net cash provided by/(used in) operating activities	20	83,325	(174,013)
Cash Flow from Investing Activities:			
Purchase of property, plant and equipment		(446,046)	(610,001)
Proceeds from sale of property, plant and equipment		9,390	50,480
Interest received		4,857	2,703
Net cash provided by/(used in) investing activities		(431,800)	(556,818)
Change in cash and cash equivalents in the reporting period		(348,474)	(730,831)
Cash and cash equivalents at the beginning of the reporting period		2,144,294	2,875,125
Cash and cash equivalent at the end of the reporting period	21	1,795,820	2,144,294

Fife Sports & Leisure Trust Limited
Notes to the financial statements
For the year ending 31st March 2019

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended).

Fife Sports & Leisure Limited (FSLT) meets the definition of a public benefit entity under FRS 102 and has taken advantage of paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of FSLT's activities.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which FSLT's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgements in the process of applying accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Income and expenditure statement

Owing to the special nature of the business of FSLT and in the interests of presenting the results clearly to the members, it is considered inappropriate to adhere to the income and expenditure format described under section 400 of the Companies Act 2006. A statement of financial activities has been prepared in a form which is considered to give the members a true and fair view of the results for the period and which also complies with the requirements of Section 400 of the Act and Statement of Recommended Practice applicable to charities (Charities SORP (FRS 102)).

Going Concern

The Directors are of the opinion that FSLT can continue to meet its obligations as they fall due for the foreseeable future. As a consequence the Directors have prepared the financial statements on a going concern basis.

Fife Sports & Leisure Trust Limited
Notes to the financial statements
For the year ending 31st March 2019

Income

Activities for generating income are accounted for on an accruals basis.

Income from Fife Council is accounted for on an accruals basis and is agreed in advance based on the level of service provided.

Investment income is accounted for on an accruals basis.

Expenditure

All expenditure is accounted for on an accruals basis. Where costs cannot be directly attributed to a cost heading, they have been allocated on a basis consistent with use of the resources.

Funds

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

Unrestricted funds are expendable at the discretion of the Board in furtherance of the objectives of Fife Sports & Leisure Trust Limited. 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.

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.

Tangible Fixed Assets and Depreciation

FSLT capitalises tangible assets costing £1,000 or more and any Irrecoverable VAT incurred is included as part of the capitalised cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:

Fixtures & fittings	- Over 20 years
Equipment	- Over 3 to 5 years
Motor vehicles	- Over 5 years

Fife Sports & Leisure Trust Limited
Notes to the financial statements
For the year ending 31st March 2019

Stock

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

Debtors

Trade debtors are amounts due from customers for services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and are measured at fair value.

Financial assets and financial liabilities

Financial instruments are recognised in the Statement of Financial Activities when FSLT becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method, all financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from the assets expire, or when the charitable company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Fife Sports & Leisure Trust Limited
Notes to the financial statements
For the year ending 31st March 2019

Pensions

FSLT participates in Fife Council Pension Fund, a Local Government Pension Scheme, which is a defined benefit pension scheme. The Fund is administered by Fife Council in accordance with the Local Government Scheme (Scotland) Regulations 1998 as amended. All existing and new employees have the option of joining the Fund. The assets and liabilities of the scheme are held separately from those of FSLT in an independently administered fund.

The pension costs charged in the period are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service life of employees in the scheme, so as to ensure that the regular pension costs represent a substantially level percentage of the current and expected future pensionable payroll. Variations from regular costs are spread over the remaining service lives of current employees in the scheme.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in the Statement of Financial Activities. All costs related to the defined benefit scheme are recognised in the Statement of Financial Activities.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any asset resulting from the calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Taxation

FSLT is exempt from tax on income and gains falling within section 505 (1) of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Taxation will be paid, if applicable, on trading income and gains which are not directly attributable to those objects. Input VAT on exempt activities which is not recoverable is normally recognised as an expense in the Statement of Financial Activities, unless it relates to a fixed asset purchase when it is included as part of the capitalised cost.

2. Critical judgements and estimates

In preparing the financial statements, directors make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Critical judgements are made in the application of income recognition accounting policies, and the timing of the recognition of income in accordance with the Charities SORP (FRS 102).

Defined benefit pension and other post-employment benefits

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and other post-employment benefits include the discount rate. Any changes in these assumptions will have an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, management determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

Local Government Pension Scheme (LGPS) - McCloud judgement. Legislation requires the LGPS to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable. The cost management process has been paused following the Court of Appeal ruling that the transitional arrangements in both the Judges' Pension Scheme (McCloud) and Firefighters' Pension Scheme (Sargeant) were age discriminatory. These cases could have knock on implications for the LGPS (potentially increasing the liabilities). FSLT's actuary has included an estimate within the pension liability which will be subject to future revision as the outcome of the judgement becomes clearer in line with the upcoming valuation.

3. Prior period adjustments

Fife Council provide various support functions free of charge to FSLT. A value for the services in kind is recognised as donation income in year, with an equal corresponding charge in expenditure on charitable activities. The prior period financial statements have been restated to reflect a change in the basis of calculation of services in kind provided by Fife Council. There has been an increase of £472,936 added to the value of services in kind in the prior period.

Fife Sports & Leisure Trust Limited
Notes to the financial statements
For the year ending 31st March 2019

4. Income

The sole charitable activity undertaken by FSLT is the provision of sport and leisure facilities.

Provision of sport and leisure facilities	Unrestricted	2019		Total	2018 Total
		Restricted	Total		
	£	£	£	£	£
Management service fee from Fife Council	2,270,291	-	2,270,291	2,202,328	
Admissions etc.	4,217,462	-	4,217,462	4,293,264	
Membership	3,443,083	-	3,443,083	3,632,190	
Resaleable goods	151,409	-	151,409	152,992	
Outdoor facilities	476,044	-	476,044	447,210	
Gym income	185,056	-	185,056	218,630	
Other income	33,665	43,337	77,002	174,676	
	10,777,010	43,337	10,820,347	11,121,290	

Income on charitable activities was £10,820,347 (2018: £11,121,290) of which £10,777,010 was unrestricted (2018: £11,403,014) and £43,337 (2018: £78,276) was restricted. All other income was unrestricted.

Income from donations represents income received from Fife Council. In 2019 this comprised a value for support services provided by Fife Council (£2,033,187) and amounts to meet redundancy costs in the year. In 2018 income from donations comprised a value for support services provided by Fife Council (£2,245,529).

5. Investment Income

	2019 £	2018
Bank and other interest	4,857	2,703

Fife Sports & Leisure Trust Limited
Notes to the financial statements
For the year ending 31st March 2019

6. Analysis of expenditure on charitable activities

The sole charitable activity undertaken by FSLT is the provision of sport and leisure facilities.

Provision of sport and leisure facilities	Activities undertaken directly	2019		Total	Restated 2018 Total
		Support costs			
Unrestricted	£	£	£	£	£
Employee costs	10,255,164	-	10,255,164	9,983,708	
Property costs	501,435	-	501,435	435,487	
Supplies and services	1,732,275	30,970	1,763,245	1,669,514	
Transport costs	40,431	-	40,431	32,616	
Depreciation	290,077	-	290,077	269,210	
Other finance costs	131,000	-	131,000	273,000	
Support Costs from FC	-	2,033,187	2,033,187	2,245,529	
	12,950,382	2,064,157	15,014,539	14,909,065	

Provision of sport and leisure facilities	Activities undertaken directly	2019		Total	2018 Total
		Support costs			
Restricted	£	£	£	£	£
Employee costs	25,964	-	25,964	59,369	
Property costs	-	-	-	0	
Supplies and services	2,342	-	2,342	7,370	
Transport costs	212	-	212	3,137	
	28,518	-	28,518	69,876	

7. Analysis of support costs

	2019			Restated 2018 Total
	General support	Governance	Total	
	£	£	£	£
Audit fees	-	13,580	13,580	11,080
Legal fees	-	8,900	8,900	11,132
Data Protection Services	-	8,490	8,490	-
Support Costs from FC	2,033,187	-	2,033,187	2,245,529
	2,033,187	30,970	2,064,157	2,267,741

Fife Council has provided a value for the services provided which has been included in the note above. We have recognised a donation from Fife Council equal to the value of the support costs in the Statement of Financial Activities (note 4).

Fife Sports & Leisure Trust Limited
Notes to the financial statements
For the year ending 31st March 2019

8. Net income/(expenditure) for the year

	2019	2018
	£	£
This is stated after charging/(crediting)		
Auditors' remuneration (including expenses) for audit	9,780	9,780
for other services	3,800	1,300
Depreciation	290,077	269,210

9. Staff Costs and Numbers

The remuneration and associated staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	7,294,944	7,583,157
Social security costs	506,975	506,684
Pension costs – service charge cost	2,256,000	1,954,000
	<u>10,057,919</u>	<u>10,043,841</u>

The average number of employees during the year was:

	2019	2018
	Number	Number
Employees	490	499

The number of employees whose emoluments amounted to £60,000 or more in the year were as follows:

	2019	2018
	Number	Number
£60,000 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001- £90,000	1	-
	<u>2</u>	<u>1</u>

The key management personnel of FSLT comprise the Executive Management Team. The total employee benefits of the senior management team were £307,436 (2018: £292,733).

No member of the Board received remuneration or expenses (2018: £nil). Directors' indemnity insurance was in place during the year.

Fife Sports & Leisure Trust Limited
Notes to the financial statements
For the year ending 31st March 2019

10. Pension Costs

Fife Sports & Leisure Trust Limited is an admitted body of the Fife Council Pension Fund. The Superannuation Fund is a defined benefit scheme into which employee' and employer's contributions, and interest and dividends from investments are paid and from which pensions, lump sums and superannuation benefits are paid out. Employees' contributions are tiered and employer's basic contributions are assessed every three years by an actuary and are fixed to ensure the fund remains solvent and in a position to meet its future liabilities. The actuarial method used is known as Projected Unit Credit Method. The last actuarial valuation was at 31 March 2017.

The movement in the defined benefit obligation over the year is as follows:

	31st March 2019	31st March 2018
	£'000	£'000
Opening defined benefit obligation	36,107	39,333
Current service cost	2,029	1,954
Past service cost	234	-
Interest cost	1,003	1,086
Plan participants contributions	322	333
Actuarial losses/(gains)	3,170	(6,185)
Estimated benefits paid	(407)	(414)
	<hr/>	<hr/>
Closing defined benefit obligation	42,458	36,107
	<hr/> <hr/>	<hr/> <hr/>

The movement in the fair value of plan assets in the year is as follows:

	31st March 2019	31st March 2018
	£'000	£'000
Opening fair value of plan assets	31,841	29,629
Interest income on plan assets	872	813
Plan participants contributions	322	333
Contributions by the employer	1,076	1,073
Actuarial (losses)/gains	1,503	407
Estimated benefits paid	(407)	(414)
	<hr/>	<hr/>
Closing fair value of plan assets	35,207	31,841
	<hr/> <hr/>	<hr/> <hr/>

Fife Sports & Leisure Trust Limited
Notes to the financial statements
For the year ending 31st March 2019

Amounts recognised in net income/expenditure (per SOFA):

	31st March 2019	31st March 2018
	£'000	£'000
Current service cost	(2,029)	(1,954)
Past service cost	(234)	-
Total service cost	(2,263)	(1,954)
Net interest		
Interest income on plan assets	872	813
Interest cost on defined benefit obligation	(1,003)	(1,086)
Total net interest	(131)	(273)
Total defined benefit cost recognised in net income/expenditure per the SOFA	(2,394)	(2,227)

The major categories of plan assets as a % of the total plan assets are as follows:

	31st March 2019	31st March 2018
	%	%
Equities	74	72
Bonds	13	14
Property	8	9
Cash	5	5

The estimated employer contributions for the year to 31st March 2020 are £1,077,000.

The actual return on the fund from 1st April 2018 to 31 December 2019 was 7.3%.

The principal actuarial assumptions used in the calculations are:

	31st March 2019	31st March 2018
	% per annum	% per annum
Pension Increase Rate	2.4	2.3
Salary Increase Rate	2.9	2.8
Discount Rate	2.5	2.7

Fife Sports & Leisure Trust Limited
Notes to the financial statements
For the year ending 31st March 2019

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2016 model assuming current rates of improvements have peaked and will converge to a long term rate of 1.25% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	21.2 years	23.8 years
Future Pensioners	22.6 years	25.8 years

11. Tangible fixed assets

	Fixtures & fittings	Motor vehicles	Sports equipment	Other equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2018	174,882	10,605	1,932,744	601,740	2,719,971
Additions	-	-	434,310	11,736	446,046
Disposals	-	-	(10,855)	-	(10,855)
	<u>174,882</u>	<u>10,605</u>	<u>2,356,199</u>	<u>613,476</u>	<u>3,155,162</u>
Depreciation					
As at 1 April 2018	52,465	10,605	1,345,259	467,181	1,875,510
Charge	8,744	-	223,522	57,811	290,077
On disposal	-	-	(10,855)	-	(10,855)
	<u>61,209</u>	<u>10,605</u>	<u>1,557,926</u>	<u>524,992</u>	<u>2,154,732</u>
Net book value					
As at 31 March 2018	122,418	-	587,485	134,559	844,461
As at 31 March 2019	<u>113,673</u>	<u>-</u>	<u>798,273</u>	<u>88,484</u>	<u>1,000,430</u>

12. Stock

	2019	2018
	£	£
Goods for Resale	<u>5,497</u>	<u>5,365</u>

Fife Sports & Leisure Trust Limited
Notes to the financial statements
For the year ending 31st March 2019

13. Debtors

	2019	2018
	£	£
Trade debtors	168,820	118,143
Prepayments and accrued income	25,304	47,347
Fife Council	34,584	160,521
	<u>228,708</u>	<u>326,011</u>

14. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	210,323	138,692
Accruals and deferred income	1,533,794	1,173,241
Social security costs and other taxes	239,253	177,153
Fife Council	194,140	218,607
Fife Cultural Trust	9,320	6,000
	<u>2,186,830</u>	<u>1,713,693</u>

15. Deferred income

Deferred income arises mainly where payments are made in advance by customers for services which were not received in full by the end of the financial year. This would include: payments for blocks of swimming tuition and other coaching, annual Leisure Active memberships where access will be provided for part of the following year, and also payments for bookings such as pool parties.

	2019	2018
	£	£
Balance as at 1 April	427,435	455,103
Amounts released during the year	(387,092)	(414,760)
Amounts deferred during the year	321,610	387,092
Balance at 31 March	<u>361,953</u>	<u>427,435</u>

Fife Sports & Leisure Trust Limited
Notes to the financial statements
For the year ending 31st March 2019

16. Financial assets and liabilities

	2019	2018
	£	£
Financial assets at amortised cost	2,024,329	2,470,305
Financial liabilities at amortised cost	(1,585,623)	(1,109,105)
	<u>438,706</u>	<u>1,361,200</u>

Financial assets comprise trade debtors, accrued income, amounts due from Fife Council and cash and bank balances.

Financial liabilities comprise trade creditors, accruals (excluding deferred income) and amounts due to Fife Council and Fife Cultural Trust.

17. Share Capital

FSLT is limited by guarantee of £1 per member and has no share capital.

18. Analysis of net assets between funds

Funds	Unrestricted	2019	Total	2018
	£	Restricted	£	Total
		£		£
Balance at 31 st March 2019				
Represented by:				
Fixed assets	1,000,430	-	1,000,430	844,461
Net current assets	(181,218)	24,413	(156,805)	761,977
Retirement benefit scheme	(7,251,000)	-	(7,251,000)	(4,266,000)
	<u>(6,431,788)</u>	<u>24,413</u>	<u>(6,407,375)</u>	<u>(2,659,562)</u>

Funds	Unrestricted	2018	Total	2017
	£	Restricted	£	Total
		£		£
Balance at 31 st March 2018				
Represented by:				
Fixed assets	844,461	-	844,461	503,670
Net current assets	752,383	9,594	761,977	1,436,516
Retirement benefit scheme	(4,266,000)	-	(4,266,000)	(9,704,000)
	<u>(2,669,156)</u>	<u>9,594</u>	<u>(2,659,562)</u>	<u>(7,763,814)</u>

Fife Sports & Leisure Trust Limited
Notes to the financial statements
For the year ending 31st March 2019

19. Reserves

Unrestricted fund – 2018/19

	Opening Balance	Incoming	Outgoing	Transfers	Actuarial Loss	Closing Balance
	£	£	£	£	£	£
General fund	674,802	12,934,712	(13,431,012)	640,710	-	819,212

Designated funds:

Equipment write down fund	722,043	-	(281,333)	(440,710)	-	-
Gym replacement fund	200,000	-	-	(200,000)	-	-
Pension reserve	(4,266,000)	-	(1,318,000)	-	(1,667,000)	(7,251,000)
	(2,669,155)	12,934,712	(15,030,345)	-	(1,667,000)	(6,431,788)

Unrestricted fund – 2017/18

	Opening Balance	Incoming	Outgoing	Transfers	Actuarial Loss	Closing Balance
	£	£	£	£	£	£
General fund	866,485	13,428,842	(13,510,524)	(110,001)	-	674,802

Designated funds:

Equipment write down fund	372,508	-	(260,466)	610,001	-	722,043
Gym replacement fund	700,000	-	-	(500,000)	-	200,000
Pension reserve	(9,704,000)	-	(1,154,000)	-	6,592,000	(4,266,000)
	(7,765,007)	13,428,842	(14,924,990)	-	6,592,000	(2,669,155)

Due to the level of management deficit incurred for 2018/19 and the impact on the unrestricted reserves a decision was taken to transfer all funds back to the general reserve.

Equipment write down fund – established to fund the depreciation on capital

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expenditure.

Gym Equipment Replacement Fund – established to finance the replacement of gym equipment over a three year period, with completion during 2019/20.

Restricted Funds 2018/19	Opening				Closing
	Balance	Income	Expenditure	Transfers	Balance
	£	£	£	£	£
Cardiac Rehabilitation	49	-	-	-	49
Cancer Rehabilitation	-	20,726	(20,726)	-	-
Active Options	772	-	-	-	772
Mind and Be Active Project	8,772	22,612	(7,792)	-	23,592
Totals	9,593	43,338	(28,518)	-	24,413

Restricted Funds 2017/18	Opening				Closing
	Balance	Income	Expenditure	Transfers	Balance
	£	£	£	£	£
Cardiac Rehabilitation	49	-	-	-	49
Cancer Rehabilitation	-	33,752	(33,752)	-	-
Active Options	772	-	-	-	772
Mind and Be Active Project	372	44,524	(36,124)	-	8,772
Totals	1,193	78,276	(69,876)	-	9,593

The Cardiac Rehabilitation fund is used to fund programmes and events, run in conjunction with external partners, to improve the health of Fife residents with cardiac conditions.

The Cancer Rehabilitation fund was used to fund programmes and events, run in conjunction with external partners, to improve the health of Fife residents with cancer.

The Active Options fund is used to fund programmes, run in conjunction with external partners, to improve the health of Fife residents at risk of obesity, high blood pressure, diabetes and heart disease.

The Mind and Be Active Project, initially funded by Spirit of 2012, a Trust established by the Big Lottery Fund, was set up to deliver a programme aimed at helping those suffering from dementia and mental health issues. The project has continued during 2018/18 for a further year due to funding received from Fife Council and Fife Health and Social Care Partnership.

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20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019	2018
	£	£
Net income/(expenditure) for the reporting period (as per the SOFA)	(2,090,204)	(1,538,228)
Adjustments for:		
Interest received	(4,857)	(2,703)
Depreciation	290,077	269,210
Net cost in respect of pensions	1,318,000	1,154,000
(Increase)/decrease in stock	(131)	2,321
(Increase)/decrease in debtors	97,303	101,105
Increase/(decrease) in creditors	473,137	(159,719)
	<u> </u>	<u> </u>
Net cash provided by (used in) operating activities	83,325	(174,013)
	<u> </u>	<u> </u>

21. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	1,795,820	2,144,294
	<u> </u>	<u> </u>
Total cash and cash equivalents	1,795,820	2,144,294
	<u> </u>	<u> </u>

22. Related parties

Fife Council made a contribution in line with the Services Agreement of £2,270,290 (2018: £2,202,328). Facilities were leased to FSLT for a peppercorn rent. Fife Council also provided various support functions including Finance, Payroll and IT for which FSLT received free of charge. A value for the services in kind has been recognised as donation income in year of £2,033,187 (2018: £2,245,529). Details of sums due to/from Fife Council are disclosed in notes 13 and 14.

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23. Operating lease commitments

	2019		2018
	Other	Total	Total
	£	£	£
Operating Leases which expire:			
Not later than one year	9,013	9,013	6,334
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-
	<u>9,013</u>	<u>9,013</u>	<u>6,334</u>
	<u><u>9,013</u></u>	<u><u>9,013</u></u>	<u><u>6,334</u></u>

There is a peppercorn rent paid to Fife Council for the use of premises for the provision of recreation and leisure facilities on behalf of the Council, with an agreement in place for the period to 2033. In addition there is an interim agreement in place with Fife Cultural Trust for rental of premises, however there is currently no formal lease in place. The rental is likely to be in the region of £29,000 for 2019 (2018: £29,000).

24. Capital commitment

FSLT is contracted for the sum of £4,496 (2018: £92,350). This has not been provided for in the accounts.

25. Ultimate holding organisation

The sole member of FSLT is Fife Council. The annual accounts of Fife Council, which consolidate the results of FSLT may be obtained from Fife House North Street Glenrothes Fife KY7 5LT.