

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

**Report and financial statements for the
year ended 31 March 2015**

Registered number SC336004

Charity number SC039464

Fife Sports & Leisure Trust Limited

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Fife Sport & Leisure Trust Limited **(A Company Limited by Guarantee)**

Chairman's Introduction

I have pleasure in introducing the seventh Annual Report and Accounts for Fife Sports and Leisure Trust Limited.

This has been a year of continued growth and success and I am pleased to report that significant progress has been made against a range of business headings and functions that are central to the continuous success of the organisation and the delivery of our key strategic priorities – “Growing the Business” – “Improving the Customer Experience” – “Making a Difference”.

At the outset I would like to pay tribute to the exceptional efforts of the staff of Fife Sports and Leisure Trust who throughout the year have worked extremely hard to deliver programmes and services to the people of Fife. I would also like to extend my sincere appreciation to my fellow Directors and Ed Watson and his Executive Management Team for the valuable contribution they have made with the ongoing development and management of the organisation.

As a Company we have continued to grow successfully and this has been reflected in the increase in attendances at sport and leisure centres and health and physical activity classes. A priority has been to expand the organisation's focus on working with key stakeholders and partners to promote the impact of the benefits of health-related activity and there is no doubt these partnerships have played a significant role in reducing health inequalities and delivering improvements within local communities and I would like to express my gratitude for the support that so many external organisations have given to Fife Sports and Leisure Trust.

I would also like to thank Fife Council, our sole member, for the continuing loyalty and support and its efforts are acknowledged and greatly appreciated.

The next few years will be challenging for Fife Sports and Leisure Trust and ambitious plans are in place to deliver a well-managed, high quality business so that customers can enjoy and participate in sport and recreation as part of a physically active and healthy lifestyle. We will continue to engage with Fifers in physical activity and build on our continued success and be recognised as the leading provider of sport and leisure services in the area.

T Ritchie Campbell
Chair

Fife Sport & Leisure Trust Limited **(A Company Limited by Guarantee)**

Foreword from the Chief Executive

Welcome to Fife Sports and Leisure Trust's Annual Report and Accounts for 2014/15, a challenging and successful year in which the Company managed to deliver a range of services from 13 sports and leisure facilities and from our health and physical activity programme.

2014/15 was a year of both achievements and milestones and I am pleased to report that over 2.6 million visits were made to sport and leisure facilities and approximately 27,000 attendances recorded at health and physical activity classes. It is my belief that people across Fife have taken the opportunity to become more active and healthier through participation in a range of activity programmes. Moving forward, it is important that Fife Sports and Leisure Trust remains at the forefront of making a positive difference to Fife's communities by creating opportunities for everyone to get active and stay active.

Michael Woods Sports and Leisure Centre and Kirkcaldy Leisure Centre celebrated their first anniversaries having attracted over 900,000 visits and Levenmouth Swimming Pool and Sports Centre celebrated 25 years of providing an extensive range of activity programmes to Leven and the surrounding areas.

Delivering a high quality customer service was critical to improving Fife Sports and Leisure Trust's performance and a number of new initiatives took place to complement the current level of service provided by the organisation. The Leisure Active Membership Scheme was popular with customers and was used to promote the key messages of health and physical activity to existing and potential new customers. We continued to participate in professional and industry quality assurance schemes and received recognition through Visit Scotland's Facility Star grading scheme with Carnegie Leisure Centre and Duloch Leisure Centre being awarded 4-Star status and by achieving the Healthy Working Lives Bronze Award for all 13 of our sport and leisure facilities as well as the Company's headquarters in Dunfermline.

As always, our successes in the year would not have been possible without the commitment and enthusiasm of the staff and the Board of Directors. I would like to take the opportunity to thank them all and together we will ensure that Fife Sports and Leisure Trust remains a thriving business committed to its core purpose "to provide opportunities for customers to enjoy regular participation in sport and physical activity as part of a physically active lifestyle".

Ed Watson
Chief Executive

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Board of Directors report

The Directors have pleasure in submitting their annual report and accounts for the year ended 31st March 2015. The accounts comply with the Articles of Association of the Company and the recommendations of the Statement of Recommended Practice and Accounting and Reporting by Charities and current statutory requirements.

Reference and Administrative details:

Charity number	SC039464
Company number	SC336004
Registered office	Music Institute East Port Dunfermline KY12 7JA
Directors	T R Campbell (Chairperson) J Rosiejak (Vice Chairperson) D C Watt B Livingston S C Stewart E L Wallace K Punler K Murphy A Callaghan L Erskine B Goodall P Lockhart A Buchanan (appointed 8 June 2015)
Chief Executive	E A Watson
Secretary	G S Rorrison
Independent Auditors	Henderson Loggie The Vision Building 20 Greenmarket Dundee DD1 4QB
Solicitors	Burness Paull 50 Lothian Road Edinburgh EH3 9WJ
Bankers	Royal Bank of Scotland 3 Falkland Gate Kingdom Centre Glenrothes KY7 5NS

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Board of Directors report (continued)

Governance, Structure and Management

Company Profile

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

Corporate Strategy 2014/17 - Long Term Outcome

“FSLT to be recognised and valued by all for its service provision”

Mission

Providing opportunities for customers to enjoy regular participation in sport and recreation as part of a physically active lifestyle.

Objectives and Activities

The charitable objects of Fife Sports and Leisure Trust are recognised by the Office of the Scottish Charity Regulator (OSCR) under the Charity and Trustee Investment (Scotland) Act 2005.

The Company’s charitable objects are in line with the provisions of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

The most recent Articles of Association were lodged with OSCR and accepted by them on 7th July 2011.

The charitable objects of the Company are:

- 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;

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Board of Directors report (continued)

- To promote, establish, operate and/or support other similar schemes and projects which further charitable purposes.

Directors

In terms of the Company'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 3.
- In addition K Dunbar was a director until he resigned on 1 September 2014.

Policies and Procedures for Induction and Training of Directors

In accordance with the Company'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 eg 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 the Company.

Three 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 and Finance Committee – to consider the financial aspects of the Company
- Business and Operations Committee – to monitor the performance of the Company and to consider infrastructure issues and business development initiatives

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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Board of Directors report (continued)

Company Risk

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

The Company, 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.

Services Specification

The Company provides sports and leisure services on behalf of Fife Council under the terms of a services agreement. This is a detailed specification which is used to measure our performance.

The Company 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**

The Company 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 dependant 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 the Company.

Sport and Leisure Facilities

The Company 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

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Board of Directors report (continued)

Bowhill Swimming Pool
141 Station Road, Bowhill
Lochgelly, KY5 0BW

Michael Woods Sports and Leisure Centre
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

Dulloch Leisure Centre
Nightingale Place
Dunfermline, KY11 8LW

Executive Management Team

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

Chief Executive
Chief Operating Officer
Corporate Services Manager
Human Resources Manager

Ed Watson
Wendy Watson
Glen Rorrison
Lana Turnbull

Senior Management Team:

The Senior Management Team is responsible for leading key aspects of the business.

The Senior Team comprise of:

Operations Manager (Sport and Leisure Centres)
Health and Physical Activity Manager
Business Improvement Manager
Safety and Facilities Manager
Sales and Membership Manager
Area Leisure Managers

Scott Urquhart
Jacquie Stringer
Rob Adamson
Martin Rae
Danielle Gahan
Andrew Stewart
James Dunbar
Sharon Johnstone
Bill Don

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Board of Directors report (continued)

This section of the Annual Report and Accounts summarises key areas of work and achievements undertaken during 2014/15. The list is not exhaustive however it highlights progress against a range of business headings and functions that are central to the continuing success of the organisation and the delivery of our key strategic priorities – **“Growing the Business”** – **“Improving the Customer Experience”** – **“Making a Difference”**

Strategic report which includes

Performance and achievements

Attendances

Overall attendances at FSLT’s sports and leisure centres **increased by 8.5%** with a total of 2,609,424 visits recorded, an increase of 205,776 compared to the previous year. All three of the Trust’s key attendance categories recorded an increase: wetside up by 32,480, an increase of 3.2%; dryside up by 132,600, an increase of 11.5% and outdoor, an increase of 36,657, up by 18.5%.

User group attendances increased in all categories with Over 60s recording a 11% increase with 123,580 visits recorded, an increase of 12,134. The 18 – 60 category recorded 1,657,329 visits, an increase of 150,427, a 10% increase and the under 18s category recorded 828,515 attendances, an increase of 43,215, an increase of 5.5%.

Collective attendances at the “Future of Leisure” buildings (Carnegie Leisure Centre; Kirkcaldy Leisure Centre and Michael Woods Sports and Leisure Centre) were 1,371,160. This equated to 53% of the total number of attendances recorded at leisure centres throughout Fife.

3,451 attendances were recorded for FSLT’s Talented Sports Performer Scheme. This was an increase of 1,805 compared to the previous year, an increase of 109%. The Talented Sports Performer Scheme provides talented performers with discounted access for training in sports and leisure facilities operated by the Trust. The overall aim is for talented sports performers to be developed to their full potential and for World class performance to be achieved.

Concession attendances increased significantly with 96,005 recorded, an increase of 18,188 compared to the previous year, a 23.5% increase. There was also an increase in gym attendances at sport and leisure centres with 551,842 recorded compared to 503,734 in 2014/15. This was an increase of 48,108, a 9.5% increase.

Leisure Active Membership Scheme

The Leisure Active Membership Scheme continued to perform solidly throughout the year and was used to promote the key messages on health and physical activity to existing and potential new customers.

11,491 memberships were recorded at 31st March 2015 which was an increase of 6.3% (672) compared to the previous year. Of the 11,491 memberships 4,730 were corporate members. Leisure Active attendances at sport and leisure centres increased by 11% with 813,858 recorded, an increase of 79,516 compared to the previous year. The introduction of Refer a Friend to the Leisure Active Scheme produced 1,043 referrals. Leisure Active campaigns were targeted at older adults, with 92 new members joining the scheme and personal training sessions offered for those thinking about getting married.

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Board of Directors report (continued)

Sport and Leisure Centres

“Quid a Kid”, a FSLT initiative which gives young people aged 17 and under the opportunity to swim and play racquet sports for £1 continued to be popular with 93,398 attendances recorded throughout the year. This was a 2.5% increase (2,176) compared to the previous year. The initiative provided affordable access to leisure facilities across Fife and continued to be at the heart of FSLT’s drive to engage more young people with physical activity at an early stage.

Free Summer swimming “Splash Out for Nowt” was an initiative again on offer during the Summer holiday period to encourage children and young people to become more active more often. Thanks to £80,000 funding from Fife Council 66,907 attendances were recorded at FSLT’s swimming pools across Fife compared to 62,733 the previous year, an increase of 6.6%.

During the year Kirkcaldy Leisure Centre celebrated its first anniversary with over 300,000 customers having enjoyed the wide range of facilities and programmes on offer. When comparing figures for the use of the former Kirkcaldy Swimming Pool for the previous 12 months, attendances stood at 108,529 while 307,881 attendances were recorded at the new facility. This was an increase in usage of 283%.

The Michael Woods Sports and Leisure Centre also celebrated its first anniversary since opening its doors to the public on 22nd July 2013. One year on since opening, the centre recorded over 600,000 attendances with an average of 12,000 customers per week enjoying a wide range of programmes and facilities.

Levenmouth Swimming Pool and Sports Centre celebrated its 25th anniversary on 29th March 2015 and organised a day of celebrations for all the family, including free activities such as Run, Jump and Throw, basketball and pool activities. The centre is perhaps best known for its swimming pool slides and flumes and is one of the region’s best loved landmarks which has given a quarter of a century of leisure and sports opportunities.

Bowhill Swimming Pool in Cardenden offered the chance for local young people to get active during the Summer holiday period by offering a new sports activity camp. The camp, “Aqua Active” involved a programme of swimming activities and a range of dryside fun including gymnastics and athletics.

A new gym and swim membership scheme aimed exclusively at helping people to get active and back into the workplace was launched at the Michael Woods Sports and Leisure Centre in November 2014. “Daytime Active” is an initiative which enables those claiming Jobseeker Allowance and Employment Support Allowance to purchase a discounted monthly pass for unlimited access to gyms and swimming pools between 10am and 3pm. 127 memberships were purchased and the scheme is viewed as an affordable way to increase people’s motivation, self-confidence and quality of life on their journey back to work.

Cowdenbeath Leisure Centre and Kirkcaldy Leisure Centre were successful in securing funding from Fife Council Area Committees to develop and deliver a programme of health, physical activity and leisure opportunities for young people. The projects included a partnership programme with Fife Council’s Social Care team to offer six week instructor led physical activity sessions, the provision of teenage girls and boys activity and gym sessions and a community cinema project in the theatre at the Cowdenbeath facility.

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Board of Directors report (continued)

A programme of sports, leisure and recreation activities took place in sport and leisure facilities to raise awareness of the Glasgow 2014 Commonwealth Games. Pitreavie Athletic Centre was chosen as a Scottish venue for the relocation of strength and conditioning equipment from the Games.

External Recognition – “Celebrating Success”

Dulloch Leisure Centre was recognised by Visit Scotland as a busy and welcoming facility and was awarded a four-star rated destination. Visit Scotland’s external assessor praised the centre’s use of green initiatives, in particular its sensor lighting in areas such as changing rooms and highlighted that the facility had met all the necessary high standards in providing a welcoming and clean facility with efficient staff delivering an excellent customer experience. Carnegie Leisure Centre was also recognised as a four-star destination. Three-Star destination status was awarded to the Beacon Leisure Centre, Bowhill Swimming Pool and Cupar Sports Centre.

FSLT celebrated its own success in delivering a healthy workplace for its staff by achieving the Healthy Working Lives Bronze Award for all 13 of its sports and leisure centres across Fife, as well as its Head Office in Dunfermline. Healthy Working Lives is backed by the Scottish Government and is designed to improve the health, safety and wellbeing at work for all employees, while looking to improve the wider economy and community as a whole. To achieve the award the Trust offered staff free confidential health checks, information on healthy eating and physical activity, health-needs assessment surveys and raised awareness of staff benefits such as discounted access to its facilities

FSLT was a finalist in the Courier Newspaper Business Awards 2014 in the category of “Social Impact Business of the Year”. This was in recognition of the organisation’s significant contribution to improving the life condition of the people in Fife by delivering a range of health and wellbeing programmes designed to address health and social inequalities in Fife.

The Company was also a finalist in the Fife Chamber of Commerce Business Awards for 2015 in the category “A Workforce for the Future” which reflected the various approaches taken to develop staff through skills and personal development, investment and achievement programmes.

Improving our Services

A review of the opening hours at East Sands Leisure Centre, St Andrews took place to allow the North East Fife Performance Squad access to the swimming pool on Tuesdays at 6.00am. A similar review took place at Cupar Sports Centre to allow customers to have an early morning swim from 7.00am Monday to Friday. With the impending acquisition of a new outdoor floodlit Astro pitch at the Beacon Leisure Centre in Burntisland minor amendments were made to the opening hours at the facility.

Following a review of fitness classes held within sport and leisure facilities, changes were made to class programmes and timetabling with the introduction of new activities and the appointment of qualified instructors. There were 177,206 attendances at centre fitness classes, an increase of 15,222 compared to the previous year, a 9% increase.

A Fife-wide booking procedure for swimming lessons was implemented in an effort to standardise practices across all of FSLT’s swimming facilities.

A condition survey on all of FSLT’s gym equipment to ensure that it continued to be fit for purpose and meeting our customers’ needs and expectations was carried out. This allowed for an investment plan to be brought forward for the upgrading of gyms over the next two years.

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Board of Directors report (continued)

Gym staff continued to strive towards the common goal of improving levels of customer service through good working practices and team work. Generic programme cards were introduced for customers to maintain motivation and increase levels of physical activity with 14 dedicated gym instructors and qualified and trained leisure staff working in gyms across Fife.

As an organisation committed to the pursuit of business excellence FSLT's Quality Assurance Framework is built upon the principles of the European Foundation for Quality Management (EFQM) Model. Work commenced to review and identify areas of improvement across a number of business functions using the model's nine key criteria, eg Strategy, Leadership, People etc.

Health and Physical Activity Programmes

FSLT's Health and Physical Activity Team continued with its commitment to improve the life condition of the people in Fife and delivered a range of FSLT programmes aimed at promoting recovery or encouraging more active lifestyle options to reduce the prevalence of health risks brought about by physical inactivity.

Overall attendances at FSLT's health and physical activity classes **increased by 12%** with a total of 26,948 visits recorded, an increase of 3,168 compared to the previous year. 63 classes were held at sport and leisure centres throughout Fife and at community venues.

A total of 805 referrals were received from NHS Fife for Active Options 2, a programme of referral-based health classes; Move More Fife, Macmillan Cancer Care and Cardiac Rehabilitation, an increase of 52 compared to the previous year, a 7% increase.

A motor coordination programme was introduced with the aim of providing accessible, enjoyable and fun leisure sessions for children aged 5 – 12 with motor coordination difficulties in Fife and to support parents to facilitate their child's participation in physical activity. 85 referrals were received from NHS Fife and the programme was delivered from Duloch Leisure Centre, Dalgety Bay Sports and Leisure Centre and Levenmouth Swimming Pool and Sports Centre.

A Back2Fitness referral class was also introduced in January 2015 for people suffering from back pain. The aim of the initiative was to help people restore function to their back and improve their sense of wellbeing and was delivered by physiotherapists from NHS Fife. Classes were held at Carnegie Leisure Centre and the Michael Woods Sports and Leisure Centre. There were a total of 30 referrals.

Throughout the year a number of promotional events were held to promote health and physical activity. These included a Zumbathon at Duloch Leisure Centre which attracted over 200 participants, a Fit-a-Thon event at Kirkcaldy Leisure Centre in conjunction with the Maggie's Centre and FSLT's Annual Activity Day held at the Michael Woods Sports and Leisure Centre and attended by 170 participants who regularly participate in the Trust's health programmes delivered in its sports and leisure facilities and community venues across the region.

FSLT's Fitness Advisors continued to offer affordable personal training to help people reach their personal goals. 1,255 sessions were delivered, an increase of 392 compared to the previous year, a 31% increase.

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Board of Directors report (continued)

Community Health and Wellbeing Programmes

A strategic priority for FSLT was to expand the organisation's focus on working with key stakeholders and partners to promote the impact of the benefits of health related activity, not just to tackle ill health but to support a Fife-wide programme to reduce health inequalities and deliver improvements within communities.

Active Options 2 classes were delivered in Templehall Community Centre, Kirkcaldy; High Valleyfield Community Centre; Oakley Community Centre and Lochgelly Town Hall.

"Community Fitness for All" was an initiative launched to promote health and wellbeing for all ages and abilities and delivered within local community facilities. Activities such as pilates, piloxing, children's dance and metafit/nutrition were held at the Benarty Community Centre, Templehall Community Centre, the Lochgelly Centre and the Balmaisie Leisure Centre in Leven. FSLT continued to play a full and equal role with Fife Council to deliver health inequality programmes to individuals and vulnerable groups within Fife, eg parents and young families, homeless and older adults, to enable them to access sport and leisure facilities and health and wellbeing activities free of charge. This entailed working with numerous multi-agency/groups some of which included Fife Council's Education and Social Work Services, four specialist nurseries, the Bethany Christian Church, Home Start, Families on the Outside, Fife Women's Aid and NHS Family Nurse Partnership.

Promoting the FSLT "Brand"

Brand promotion is intended to improve product awareness, sales and overall Company value and is fundamentally important to any organisation which has a strong aspiration to succeed. During the year a number of public relation strategies were deployed to increase customer awareness of FSLT services. Examples included the issuing of 20 good news stories to the media both locally and nationally, members of the health and physical activity team delivering presentations and one-off sessions to groups, colleges and other organisations within Fife, running a series of promotional campaigns aimed at specific target groups, being a contributor to "FOCAL", a new publication for Fife Council's Leisure and Culture Services, attending Fife Council Area Committees, supporting local Sports Councils, expanding our network of partnership working with local sports and community groups and using social media as a tool to share and exchange information with over 4,500 Facebook "Likes" recorded at the end of the year.

Key Performance Indicators

Key Performance Indicators were used as a method of monitoring and evaluating service quality. For 2014/15 the Company's KPIs were reflective of four areas, these being: Users, Staff, Financial and Customers. The following areas of performance were recorded:

- Increased attendances in all user group categories
- Staff absence of 3.02% against a target of 5%
- Increase in staff achieving training levels from 63% to 85%
- Increased income received from £7,217,772 to £8,222,037 (Excl Management Fee)
- Increased recovery rate from 69.3% to 70%
- Reduction in subsidy per head from £1.30 to £1.05
- Increased visits by Leisure Active members from 734,342 to 813,858
- Increased income per visit from £2.97 to £3.15

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Board of Directors report (continued)

Employees

FSLT's core establishment of employees was 330 supplemented by a pool of casual staff, instructors and volunteers. In total, approximately 800 people were responsible for contributing to the delivery of sport, health and physical activity services to the communities of Fife. 1,729 applications were received from people wishing to join the Company with 146 members of staff recruited. Sickness absence was 3.02% which was below the 5% target set for the year. Exit interviews were held for 36 members of staff leaving the Company. FSLT's commitment to developing the skills of its workforce continued with 25 different learning and development activities undertaken and 642 attendances recorded within the overall learning and development programme.

Key actions of Our People Strategy were consolidated and embedded in relation to developing and implementing new policies, delivering a "suite" of in-house management and employee policy training, completing a review of Protection of Vulnerable Groups (PVG) retrospective checking of employees, engaging a professional company to work with FSLT to develop a competency behaviour framework, reviewing and amending the organisation's Employee Code of Conduct and introducing a managers "passport scheme" designed to ensure that competencies required to operate at managerial levels within sport and leisure facilities were identified and proper learning and development activities introduced.

Board Development

A Board Away Day was held in April 2014 and attended by eight Directors. Presentations were given by the Company's legal advisors, Burness Paull LLP, on the legal duties and liabilities of Directors and their responsibilities under Health and Safety. The findings from a Board Evaluation Programme for FSLT Directors were delivered by Mike Willis, Head of Board Development from the Institute of Directors (IoD). The Board of Directors met in October 2014 to agree a programme of improvements to address the recommendations of the final Board Evaluation Report. The Board also considered and agreed the implementation of a series of "Knowing the Business" sessions aimed at providing background information into the work of all the Company's functional remits.

Future Plans

The next few years will continue to be challenging as FSLT will face a reduction in funding from Fife Council together with increased customer expectations. Ambitious plans are in place to deliver a well-managed, high quality service so that customers can enjoy and participate in sport and recreation as part of a physically active and healthy lifestyle.

In order to continue to engage Fifers in physical activity the Trust has outlined key priority areas in its Corporate Strategy (2014/17). The strategy provides a clear direction for the Company and focuses on three key priorities which are central to the continuing success of the organisation. These priorities are; Growing the Business, Improving the Customer Experience and Making a Difference to the health and wellbeing of local communities. The strategy reflects the changing environment in which FSLT will operate and the challenges which will need to be addressed.

To re-invest in facilities and programmes FSLT will need to be commercially successful, ensuring customers enjoy our facilities and that customer service is of the highest standard. To that end, the Board of Directors has approved an investment strategy for the Company to March 2017. There is a desire to carry out further investigative work to design an Investment Plan up to and including 2024. Discussions will have to take place with Fife Council as the sole member into its own plan for investing in the physical aspect of the sport and leisure facilities.

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Board of Directors report (continued)

We will build on our past success and develop a wide health and wellbeing programme which focuses on supporting people with health conditions as well as health inequalities. This work will take place in partnership with Fife Council along with a range of other supporting partners including NHS Fife.

FSLT's people are our most valuable resource and directly contribute to the day to day running of the organisation. As a business, we will ensure that staff are provided with learning and development opportunities which are consistent with the values of the Trust – mutual respect, ownership and responsibility, customer focus, continuous improvement and accessibility.

At a national level we will continue to work closely with other leisure Trusts in Scotland (and SportScotland) to promote the value of the not for profit distributing model for leisure management, share performance information and drive improvements in service provision.

Financial Review

Review of the Year

The Company's financial results are shown on pages 19 and 20. The Company's operating deficit (before actuarial adjustment) for the year ended 31 March 2015 was £463,814. Once the actuarial adjustment is taken into account, the deficit position for the year was £2,786,814. Excluding the full impact of accounting for retirement benefits the operating deficit of the company was £143,000 primarily as a result of large planned maintenance projects which closed the Pool facilities at Levenmouth Swimming Pool and Sports Centre, and East Sands Leisure Centre for two and three months respectively.

Financial Future

The Company is forecasting a small deficit of £94,000 for the financial year 2015/16. This is a planned deficit for use of reserves to implement the Investment Plan approved by the Board of Directors in November 2014.

As long as there are no major unexpected events, the Company has built up sufficient reserves to offset the deficit and remain within its required minimum reserves balance.

Fife Sport & Leisure Trust Limited

(A Company Limited by Guarantee)

Board's report (continued)

Financial Monitoring

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

Reserves Policy

The Company'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 has been set at a target of £750,000 prior to the pension deficit.

The Directors have established a number of Designated Funds for the reinvestment of surpluses into the company's facilities. An explanation of each of these Funds can be found at note 15 in the notes to the financial statements.

Statement of Directors' Responsibilities

The Directors (who are the trustees of the charity for the purposes of charity law) are responsible for preparing the annual 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 the charitable company and of incoming resources and application of resources, including the income and expenditure, of the Company for that period. In preparing those 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;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, 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 the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Fife Sport & Leisure Trust Limited
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Board's report (continued)

Auditors

So far as each Director is aware, there is no relevant audit information of which the auditors are unaware. Each Director has taken the appropriate steps as a Director to make themselves aware of such information and to establish that the auditors are aware of it.

By order of the board

T R Campbell
Chairperson

1st October 2015

Fife Sport & Leisure Trust Limited

(A Company Limited by Guarantee)

Independent Auditor's Report to the Members and Directors of Fife Sports & Leisure Trust Limited

We have audited the financial statements of Fife Sports & Leisure Trust Limited for the year ended 31 March 2015, which comprise the statement of financial activities, the balance sheet 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).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's directors 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 charity, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 15, the directors (who are also the trustees of the charity 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.

We have been appointed auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

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

Scope of the audit of the financial statements

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

Fife Sport & Leisure Trust Limited (A Company Limited by Guarantee)

Independent Auditor's Report to the Members and Directors of Fife & Sports Leisure Trust Limited (continued)

Opinion on financial statements

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 2015 and of its incoming resources and application of resources, including 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

George M Hay (Senior Statutory Auditor)
For and on behalf of Henderson Loggie, Statutory Auditors
Dundee

Henderson Loggie is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

1st October 2015