WEST LOTHIAN LEISURE

Directors' Report and Financial Statements

For the year ended 31 March 2026

Registered in Scotland: SC543017
Charity Number: SC027470

WEST LOTHIAN LEISURE

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For the year ended 31 March 2026

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WEST LOTHIAN LEISURE

Administrative Information

For the year ended 31 March 2026

The Board Report incorporates the Trustee Report for the purposes of charity law and the Directors' Report and Strategic Report for the purposes of company law.

Reference and administrative details
West Lothian Leisure

Company number: SC543017

Charity number: SC027470

Secretary

Gillian Hentges

Chief Executive

Ben Lamb

Key Management Personnel

Mark Chambers, Head of Corporate Services
Susie Crawford, Head of Commercial Services
Andrew Heron, Head of Finance
Karen Wernham, Head of Operations

Registered Office

Xcite Bathgate Sports Centre
Balbardie Park
Torphichen Road
Bathgate
West Lothian
EH48 4LA

Solicitors

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EH3 8HE

Bankers

Barclays
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Leicestershire
LE87 2BB

Auditor
Azets Audit Services
Chartered Accountants
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Edinburgh
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WEST LOTHIAN LEISURE

Administrative Information

For the year ended 31 March 2026

Board

Trustees who held office to the date of signing are as follows:

Beverley Greer	Secretary (Resigned 18 September 2025)
Sergio Tansini	Chair
Cllr. Tom Conn	Member
Gillian Hentges	Secretary (Appointed 18 September 2025) & Treasurer
Suzanne McAdam	Member (Resigned 18 September 2025)
Cllr Daniel Logue	Member
Craig Campbell	Member
Michelle Chambers Cran	Member
David Drummond	Member (Appointed 11 December 2025)
Alex Dodds	Member (Appointed 18 September 2025)

WEST LOTHIAN LEISURE

Chair's Report

For the year ended 31 March 2026

Chair's Statement

As we close the 2025/26 financial year, it is important to recognise both the progress made and the challenges that lie ahead.

Across West Lothian, demand for services that improve health, wellbeing and community connection continues to grow. At the same time, public services face significant financial pressures, increasing demand and the challenge of maintaining ageing infrastructure. Against this backdrop, West Lothian Leisure has continued to support more people than ever before to be active, improve their health and wellbeing, connect with others and live healthier, happier lives.

I am proud of what has been achieved during the year. However, I am equally conscious that the success of our organisation should not be measured solely by participation figures, memberships or financial performance. The true measure of success is the difference these services make to individuals, families and communities across West Lothian.

Every day, our facilities and programmes help people improve their physical and mental health, build confidence, reduce loneliness and create positive habits that can last a lifetime. Increasingly, these services play an important role in supporting wider public service outcomes, helping to improve population health, reduce inequalities and contribute to stronger, more resilient communities.

West Lothian Leisure remains firmly focused on its vision of a West Lothian where everyone can live a healthier, happier, longer life.

Progress and Impact

2025/26 has been a year of significant progress for the organisation, with more people accessing sport, leisure, health and wellbeing services and more communities benefiting from the impact these services create. This progress reflects the strength of West Lothian Leisure's delivery model, the commitment of our staff and volunteers, and the continued support of West Lothian Council and our wider partners. Together, we have continued to expand participation, improve customer experience, grow income and widen access to community facilities whilst remaining true to our charitable purpose.

Importantly, these achievements have been delivered within an increasingly challenging operating environment. The organisation has continued to adapt to a reduced management fee, rising employment and utility costs, increasing maintenance requirements and the ongoing challenge of operating an ageing estate. Despite these pressures, West Lothian Leisure has remained focused on delivering high-quality services, strengthening its financial position and ensuring communities continue to benefit from accessible opportunities to be active.

Highlights from the year include:

- Continued growth in participation and membership, with overall usage increasing by 14% and membership exceeding 22,000 for the first time, demonstrating strong demand for affordable, accessible and high-quality services across West Lothian.
- Increased income generation, with earned income (income excluding the management fee from West Lothian Council) increasing by 14%, strengthening the organisation's financial resilience.
- Further progress towards financial sustainability, with subsidy per visit reducing from 81p to 71p, reflecting continued operational efficiency and strong commercial performance.
- Increased accessibility, with concessionary visits through Access Xcite increasing by 16%, ensuring that those most in need continue to benefit from our services.
- Delivery of over £20 million of social value for West Lothian through improved health outcomes, increased physical activity, reduced social isolation and stronger community wellbeing.
- Record engagement through Health and Wellbeing programmes, with 98,000 visits, a 27% increase in GP referral activity and more than 3,000 individuals supported through referral pathways.
- Recognition for excellence, innovation and resilience through four major industry awards.
- Continued high levels of customer satisfaction, with overall satisfaction reaching 91%.

The year also saw significant investment in facilities and services, including completion of the Xcite Bathgate gym extension, the opening of a dedicated gymnastics arena, expansion of our role within the school estate, the launch of a new gym at West Calder High School and major investment in digital infrastructure to improve the customer experience and support future growth.

These investments are not simply improvements to facilities. They represent investment in the health, wellbeing and opportunities available to communities across West Lothian.

Financial Overview

West Lothian Leisure delivered a robust financial performance in 2025/26. Trading resulted in an overall deficit of £116,689, with an underlying deficit of £642,216 after adjusting for the FRS102 pension adjustment (£1,000 surplus) and capital funding received (£524,527), broadly in line with the budgeted deficit of £632,600.

This was achieved despite a further £500,000 reduction in management fee alongside continued inflationary pressures and increasing costs associated with operating and maintaining the estate. Strong membership performance, exceeding budget by £470,000, helped offset many of these pressures and demonstrates the continued importance of growing participation and earned income.

The result reflects disciplined financial management, strong commercial performance and the success of our invest-to-grow approach. However, it also highlights an important reality facing the leisure sector. While organisations such as West Lothian Leisure can continue to improve operational performance and generate income growth, this alone cannot address the longer-term challenge of sustaining and modernising an ageing leisure estate.

As demand for services continues to increase, ensuring facilities remain fit for purpose will require continued partnership, long-term planning and investment.

Partnership and Thanks

The progress outlined throughout this report is a shared achievement.

On behalf of the Board, I would like to thank West Lothian Council for its continued partnership and support. Together, we are delivering services that contribute to healthier communities, greater inclusion, improved wellbeing and stronger local outcomes. The impact achieved this year would not have been possible without that partnership.

I would also like to thank our staff, volunteers and leadership team. Their commitment, professionalism and passion continue to make a meaningful difference to the lives of people across West Lothian every day.

Thanks are also due to our many partners, clubs, schools, community organisations and health professionals who work alongside us to maximise the reach and impact of our services.

Finally, I would like to thank my fellow Trustees for their support, challenge and guidance throughout the year. Their stewardship remains an important strength as the organisation navigates both opportunity and risk.

Looking Ahead

West Lothian Leisure enters the year ahead with a clear sense of purpose and direction. The 2025–2027 Strategic Plan, *Shaping Our Future*, provides a framework to grow participation, improve customer experience, strengthen partnerships, increase revenue and deepen our impact across communities.

The opportunities are significant. Demand for health, wellbeing and physical activity services continues to grow, and there is increasing recognition nationally of the important role that leisure and sport play in supporting prevention, improving population health and reducing pressure on wider public services.

At the same time, the challenges facing the sector remain substantial. The transition towards zero core management fee by 2027/28, rising operating costs and the investment required to sustain ageing facilities will require continued focus, innovation and collaboration.

The achievements of 2025/26 demonstrate that West Lothian Leisure has the capability, commitment and ambition to meet these challenges. Working alongside West Lothian Council, our partners and local communities, we remain committed to ensuring that sport, leisure, health and wellbeing services continue to improve lives and remain accessible to future generations.

Sergio Tansini, Chair, September 2026

WEST LOTHIAN LEISURE

Board Report

For the year ended 31 March 2026

The Board of Trustees (Non-Executive Directors) presents its report and audited financial statements for the year to 31 March 2026.

OBJECTIVES AND ACTIVITIES

West Lothian Leisure, which converted from a Community Benefit Society to a Company Limited by Guarantee on 17 August 2016, has charitable status granted by HM Revenue and Customs in Scotland.

West Lothian Leisure was incorporated on 1 February 1998 and provides sports, cultural, outdoor education and leisure facilities to the community of West Lothian. It operates as a not for profit distributing organisation. Surplus, other than reserves, if generated are available to reinvest in the facilities to maintain and improve the service. The main facilities leased from West Lothian Council and managed by West Lothian Leisure are as follows:

Xcite Broxburn Sports Centre, Xcite Craigswood, Xcite East Calder, Xcite Linlithgow, Xcite Bathgate, Xcite Whitburn, Polkemmet Country Park Golf Course and Range, as well as the Winchburgh Sport and Wellbeing Hub, and sports and cultural facilities at eight high schools.

The Company is governed by the Articles of Association, Standing Orders, Operating Guidelines and Code of Conduct for West Lothian Leisure Limited.

STRATEGIC REPORT

West Lothian Leisure plays an increasingly important role in supporting the health, wellbeing and resilience of communities across West Lothian. Working alongside West Lothian Council and a wide range of partners, we deliver services that extend well beyond sport and leisure, contributing to improved physical and mental health, reducing inequalities, strengthening communities and making better use of public assets.

Demand for these services continues to grow as communities face increasingly complex health and social challenges. At the same time, local government and public services continue to operate within significant financial constraints. Against this backdrop, community leisure has an increasingly important role to play in prevention, helping people to live healthier, happier and more independent lives whilst reducing pressure on wider public services.

Our 2025–2027 Strategic Plan, *Shaping Our Future*, sets out how West Lothian Leisure will respond to these opportunities and challenges. Developed in partnership with West Lothian Council and approved by the Board, the Plan aligns with shared strategic priorities and provides a clear framework for strengthening financial sustainability, growing participation, improving customer experience and creating greater public value across West Lothian.

The Plan brings together our strategic ambitions with a robust three-year financial plan, ensuring investment decisions, operational activity and performance management remain aligned to our long-term ambition of becoming financially sustainable whilst remaining true to our charitable purpose. It provides the organisation with a clear direction at a time of significant change, ensuring we continue to maximise our contribution to the communities we serve.

Our vision remains:

A West Lothian where everyone can live a healthier, happier, longer life.
To deliver this vision, the Plan is built around three strategic priorities:

1. Strengthening our Core Business
2. Driving Revenue Growth
3. Investing in People and Partnerships

These priorities are delivered through a series of strategic initiatives that strengthen the organisation's long-term sustainability whilst increasing the impact we deliver across West Lothian.

Key initiatives include:

- Customer growth and retention (improving loyalty, expanding coaching, refining customer segments).
- Operational efficiency (maximising space usage, streamlining sales, optimising resources).
- Strategic investment (facility redevelopments, innovative product development, padel expansion).
- People development (modernising job roles, launching a new appraisal system, strengthening learning and development).
- Partnership expansion (collaborating with health, education, business and community partners).

Delivery of the Strategic Plan is supported by detailed venue plans, annual delivery programmes and a comprehensive performance management framework. Progress is monitored routinely by the Senior Leadership Team and Board to ensure strategic priorities remain aligned with financial performance, customer experience and organisational objectives.

Performance against our strategic priorities is reported regularly to the Board through an established performance framework, ensuring clear oversight, accountability and timely decision-making. This enables the organisation to monitor progress, respond to emerging opportunities and challenges, and maintain focus on delivering sustainable growth and better outcomes for communities.

ACHIEVEMENTS AND PERFORMANCE

The year ended 31 March 2026 marked another year of significant progress as West Lothian Leisure continued its transformation towards long-term financial sustainability whilst strengthening its contribution to the health, wellbeing and resilience of communities across West Lothian. Demand for accessible, affordable sport, leisure, health and wellbeing services continued to grow, and the organisation responded by increasing participation, improving customer experience, widening access and strengthening its financial resilience.

This progress reflects the successful delivery of our strategic priorities and demonstrates the increasingly important role community leisure plays in supporting prevention, improving population health and creating stronger, more connected communities across West Lothian.

These achievements were delivered during a period of continued financial pressure across local government and the wider leisure sector. West Lothian Leisure continued to adapt to a reduced management fee, rising employment and utility costs, increasing maintenance requirements and the ongoing challenge of operating an ageing estate. Despite these pressures, the organisation remained focused on delivering better outcomes for communities whilst strengthening its long-term financial sustainability.

Working in partnership with West Lothian Council and a wide range of partners, West Lothian Leisure continued to deliver services that support improved physical and mental health, increased physical activity, reduced social isolation, greater inclusion and stronger community outcomes across the region.

IMPACT ON COMMUNITIES

Helping more people to live healthier, happier and more active lives remains at the heart of West Lothian Leisure's charitable purpose. During 2025/26, more people than ever before accessed our services, reflecting growing demand for affordable, accessible opportunities to improve health, wellbeing and community connection.

This growth demonstrates the important role community leisure plays in supporting healthier lifestyles across West Lothian. Increased participation not only strengthens the organisation's financial sustainability but also increases the social value delivered for local communities, generating benefits that extend far beyond our facilities.

Overall usage increased by 14%, demonstrating strong demand for the services provided across our venues, programmes and community facilities.

Membership exceeded 22,500 for the first time, reflecting continued investment in facilities, improvements to the customer experience, new products and a sustained focus on customer retention and service quality. Continued membership growth also strengthens our financial resilience by generating additional income that can be reinvested into facilities, programmes and services for the benefit of local communities.

The organisation also delivered over £20 million of social value for West Lothian, reflecting the wider contribution our services make to improved health, wellbeing, participation, inclusion and community connection.

Key community impact highlights included:

- Overall usage increasing by 14% compared with the previous year.
- Membership exceeding 22,500 for the first time.
- Earned income increasing by 14%, strengthening the organisation's financial resilience.
- Subsidy per visit reducing from 81p to 71p, reflecting continued operational efficiency and stronger commercial performance.
- Concessionary visits through Access Xcite increasing by 16%, helping ensure that people facing financial barriers can continue to benefit from access to sport, leisure and wellbeing services.
- Customer satisfaction reaching 91%, demonstrating continued confidence in the quality and relevance of services.
- Continued growth in community access through the school estate, including expanded operation of leisure facilities at Whitburn and Bathgate Academies and the launch of a new Xcite gym at West Calder High School.

Collectively, these achievements demonstrate how strategic investment in community leisure delivers benefits that extend well beyond participation alone. By increasing access, improving health outcomes, making better use of public assets and strengthening financial sustainability, West Lothian Leisure continues to deliver increasing value for the communities it serves.

HEALTH AND WELLBEING PROGRAMMES

Health and wellbeing remained central to West Lothian Leisure's charitable purpose throughout 2025/26. Working alongside West Lothian Council, NHS Lothian, the Health and Social Care Partnership and a range of community partners, we continued to support people facing barriers to being active, including those living with long-term health conditions, older adults, people at risk of social isolation and individuals referred through clinical and community pathways.

As demand for preventative health services continues to grow, community leisure is playing an increasingly important role in helping people improve their health, maintain independence and enhance their quality of life. Our programmes demonstrate how targeted physical activity can complement clinical care, support earlier intervention and contribute to better health outcomes whilst helping to reduce future demand on wider public services.

Key developments during the year included:

- Record Health and Wellbeing activity, with 98,000 visits delivered across programmes during the year.
- Continued growth in referral pathways, with GP referral activity increasing by 27% and more than 3,000 individuals supported, reflecting the growing role of physical activity in prevention, rehabilitation and long-term condition management.
- Expansion into clinical pathways, with the Wellbeing programme supporting prehabilitation for people with lung and gynaecological cancer and those awaiting orthopaedic surgery.
- Introduction of Good Boost, a technology-enabled therapeutic exercise and wellbeing programme, widening access to supported activity in community settings.
- Continued development of Ageing Well, supporting older adults to increase physical activity, maintain independence and reduce social isolation through community classes, partnership activity and programmes such as Love to Move.
- Strengthened partnership working to protect and sustain prevention services, working with West Lothian Health and Social Care Partnership, NHS Lothian and wider partners to ensure high-impact programmes remain sustainable and continue reducing pressure on wider public services.

Together, these programmes demonstrate the growing contribution community leisure makes to improving population health. By working in partnership to deliver preventative interventions and targeted support, West Lothian Leisure is helping more people to live healthier, happier and more independent lives whilst contributing to the wider ambitions of our partners across health and local government.

FACILITIES, ACCESS AND DIGITAL DEVELOPMENT

Investment in facilities, technology and customer experience remained a key priority during 2025/26, supporting our long-term ambition of increasing participation, improving accessibility and strengthening financial sustainability.

Our approach is based on investing strategically to grow. By enhancing facilities, modernising digital services and making better use of existing public assets, we are creating more opportunities for people to be active whilst generating additional income that can be reinvested into services for the benefit of communities across West Lothian.

Significant developments during the year included:

- Completion of the Xcite Bathgate gym extension, increasing capacity and supporting continued membership growth.
- Opening of a dedicated gymnastics arena, increasing coaching capacity and creating more opportunities for children and young people to participate.
- Launch of a new Xcite gym at West Calder High School, strengthening community access and expanding the role of the school estate.
- Major investment in digital infrastructure, modernising the Gladstone front-of-house system and improving the online booking and joining experience.
- Launch of the first AI customer support agent, supporting the membership team with cancellations, with further AI agents planned across enquiries, sales and health and wellbeing during 2026/27.

These investments represent far more than improvements to buildings and technology. They demonstrate our commitment to creating modern, accessible and financially sustainable community leisure services that respond to changing customer expectations whilst maximising the value of public assets. By continuing to

invest in facilities and digital innovation, West Lothian Leisure is strengthening its ability to meet growing demand and deliver better outcomes for communities long into the future.

ORGANISATIONAL GROWTH AND RESILIENCE

West Lothian Leisure continued to make strong progress towards its long-term ambition of becoming financially sustainable during 2025/26. Through disciplined financial management, sustained membership growth and a continued focus on commercial performance, the organisation strengthened its financial resilience whilst remaining firmly committed to its charitable purpose.

Our approach recognises that commercial success and community impact are mutually reinforcing. Growing earned income enables us to reinvest in facilities, programmes and services, increasing participation and widening access for the communities we serve. This invest-to-grow approach continues to strengthen the organisation's long-term sustainability whilst reducing reliance on public subsidy.

Key achievements during the year included:

- Earned income increasing by 14%, strengthening the organisation's financial resilience.
- Subsidy per visit reducing from 81p to 71p, reflecting continued operational efficiency and stronger commercial performance.
- Continued membership growth, generating additional income to support investment in facilities, services and community programmes.

This progress was achieved despite further reductions in management fee, rising employment costs, increasing utility prices and growing maintenance requirements across an ageing estate. The organisation has responded by maintaining a clear focus on financial discipline, innovation and strategic investment, ensuring resources are directed towards initiatives that deliver both commercial returns and greater community benefit. The progress made during 2025/26 demonstrates that West Lothian Leisure is successfully strengthening its financial resilience while continuing to deliver increasing value for communities across West Lothian. However, it also reinforces an important reality: although operational improvements and commercial growth are essential, they alone cannot address the long-term investment required to modernise community leisure infrastructure. Continued partnership with West Lothian Council and other stakeholders will remain critical to ensuring facilities remain fit for purpose and able to meet growing demand for years to come.

PEOPLE AND CULTURE

The commitment, professionalism and passion of West Lothian Leisure's staff and volunteers remain the organisation's greatest strength. Every achievement outlined throughout this report has been made possible by colleagues who are committed to delivering high-quality services and improving the lives of people across West Lothian.

As the organisation continues its journey towards long-term financial sustainability, investing in our people remains fundamental to our success. Creating a skilled, engaged and values-led workforce enables us to deliver excellent customer experiences, embrace innovation and respond effectively to the changing needs of the communities we serve.

With the continued support of West Lothian Council, West Lothian Leisure remained a Real Living Wage employer and continued to invest in the development, wellbeing and engagement of its workforce. During the year, the organisation responded directly to feedback from the People Engagement Survey, contributing to a 5% increase in employee engagement and reinforcing our commitment to creating a positive, inclusive and high-performing culture.

Key developments included:

- Strengthened recognition and wellbeing, with the launch of a monthly Reward and Recognition scheme and training for four new Wellbeing Champions.
- Further development of Performance Development Reviews, using learning themes to inform future organisational development plans.
- Continued support for young people into employment, with the Step into Leisure programme, delivered with West Lothian College, supporting 15 candidates through practical qualifications and work experience.
- Investment in workforce development, recruiting 10 new coaches through the Become a Coach campaign and supporting staff to complete further coaching and training qualifications.
- Growth of the Xcite Gym Education Pathway, strengthening staff capability and supporting an even better member experience.

By continuing to invest in our people, we are strengthening the organisation's ability to deliver sustainable, high-quality services for communities across West Lothian. A skilled, motivated and engaged workforce is essential to delivering our strategic ambitions and ensuring we continue to improve health, wellbeing and community outcomes for years to come.

PARTNERSHIPS AND COLLABORATION

Partnership working remains fundamental to West Lothian Leisure's ability to deliver better outcomes for communities. By working collaboratively with West Lothian Council, NHS Lothian, schools, community organisations, voluntary sector partners, local businesses and national bodies, we can extend our reach, improve services and maximise the impact of every pound invested.

Increasingly, the challenges facing communities cannot be addressed by any single organisation acting alone. Through strong partnerships, we continue to develop innovative programmes, secure external investment, share expertise and deliver joined-up services that improve health, reduce inequalities and strengthen community resilience across West Lothian.

Alongside our core partnership with West Lothian Council, the following examples highlight new and expanded partnership activity during the year:

- Water safety education with The Darcy Sunshine Foundation, piloting school-based water safety lessons, with 70 children participating.
- Removing barriers to swimming through Zoggs, providing inclusive swimwear support to schools to improve confidence, attendance and participation.
- Targeted holiday activity with West Lothian Council, with Summer of Play funding enabling more free and targeted holiday camp spaces, activities and swimming for children most in need.
- Supporting young carers with Carers of West Lothian, delivering a one-day summer camp for 28 children, giving them the opportunity to take a break, try new activities and enjoy time with their peers.
- Strengthening community and business partnerships, including work with West Lothian African Women's Network and the West Lothian Chamber of Commerce Business Leaders Lunch, creating opportunities to develop stronger links between the business community and local wellbeing initiatives.
- Contributing to national learning through Once for Scotland, working with Community Leisure UK, Public Health Scotland and Napier University to improve consistency of health data and strengthen evidence of impact across the leisure sector.

- Supporting sector-wide insight and retention, partnering with the Scottish Leisure Network Group on funded research to better understand customer drop-off and develop evidence-based approaches to improving retention.

These partnerships demonstrate the value of collaborative working in addressing complex social challenges. By bringing together the expertise, resources and shared ambitions of multiple organisations, West Lothian Leisure is helping create healthier communities, reduce inequalities and maximise the collective impact of public investment across West Lothian.

RECOGNITION AND AWARDS

The impact of West Lothian Leisure's work during 2025/26 was recognised through a number of prestigious national and regional awards, reflecting the quality of our services, the commitment of our people and our continued focus on innovation and continuous improvement.

While awards are not an objective in themselves, they provide valuable independent recognition of the positive impact our organisation is delivering for customers, communities and partners. They also reinforce our commitment to sharing good practice, embracing innovation and continually improving the services we provide.

Recognition during the year included:

- UKActive Regional Centre of the Year for Scotland — Xcite Linlithgow.
- UKActive Organisational Innovation Award — Xcite Family Fitness Factory.
- Scottish Leisure Network Group Facility of the Year — Xcite Linlithgow.
- West Lothian Chamber of Commerce Innovation and Resilience Award.

These achievements are a testament to the dedication of our staff, volunteers and partners, whose passion and professionalism continue to shape high-quality services across West Lothian. They also demonstrate the organisation's growing reputation as an innovative and resilient community leisure provider, committed to delivering better outcomes for the communities it serves.

Overall, 2025/26 was a year of significant progress. Participation continued to grow, income increased, access widened and our services delivered measurable health, wellbeing and social value across West Lothian. Together with West Lothian Council and our wider partners, we have strengthened the foundations for the future, ensuring community leisure continues to play an increasingly important role in improving lives and supporting healthier, happier and more resilient communities.

FINANCIAL REVIEW

Trading for 2025/26 resulted in an overall deficit of £116,689. Adjusting for the FRS 102 pension adjustments (£1,000 surplus) and the capital funding received we returned a £642,216 deficit in the year against a budgeted deficit of £632,600. We received £524,527 of capital funding in the year for the Bathgate gym extension, the vast majority of the expenditure on this project being incurred in 2024/25.

This constituted a more than satisfactory financial performance given the further £500,000 reduction to the West Lothian Council Management Fee and on-going cost pressures especially in regard to energy and maintenance. Membership exceeded budget by £470k and this more than compensated for the overspend on energy and maintenance.

Income

Membership performed strongly with greater than anticipated growth throughout the year (up 16.7% on last year) this included an average 6.4% price increase. Membership income exceeded the budget by nearly 6%.

Overall club and pay per visit income slightly exceeded budget and increase by 9% compared to the prior year. Room hire performed well in the year coming in £30k above budget.

NHS funding in the year remained similar to the previous year with the securing of an additional £27k for a falls prevention programme offset by the reduction in the adult weight management funding.

Investment income almost halved compared to the previous year due to lower cash balances and a decrease in interest rates.

Financial income included £49k of funding from West Lothian Council for the summer of play programme for school children over the summer holidays. Also included is £524,527 of capital funding relating to the Bathgate gym extension. This funding is repayable by way of a deduction against future management fees.

The West Lothian Council management fee for the year was £1,136k (£1,705k 2024/25). This included a £500k reduction to core funding and an additional £69k deduction to repay the capital funding received for the Bathgate and Whitburn gym extensions.

Expenditure

Salary costs increased by £914k compared to 2024/25 adjusting for the defined benefit pension fund. Salary costs include £NIL (2025: £NIL) for voluntary redundancy and early retirement costs. The FRS102 pension scheme adjustment was £ (28)k compared to £55k for 2024/25. £252k of the increase is attributable to national insurance primarily as a result of the change in NI rates and bands.

West Lothian Leisure continues its commitment to paying the real living wage (increase applied from 1st April - £12.60 per hour from £12.00). As well as the real living wage increase a pay award of 4% was applied to all other staff from the 1st of April 2025.

Having increased the maximum employer contribution rate for the SPORTA pension scheme from 9 to 15% in September 2024 we have continued to see an increase in employee contributions and therefore employer contributions to the SPORTA scheme.

Property costs decreased slightly primarily due to reduction in energy costs; the price reduction being offset by increased usage due to the gym extensions. Maintenance costs reduced by £20k due to less spend on repairs and property improvements. Maintenance spend was restricted to essential items only with the focus on keeping facilities open and compliant with health and safety requirements.

The slight reduction in Irrecoverable VAT is down to less capital expenditure compared to the prior year. This is despite the reduction in the management fee resulting in the input VAT recovery percentage dropping from 23.15% to 21.47%.

The depreciation charge increased significantly compared to 2024/25 (£497k compared to £394k) as a result of the gym extensions. There was an additional £31k depreciation charge due to re-evaluation of the residual value of some gym equipment.

Capital Investment

During the year an extension to the gym at Xcite Bathgate was completed. Capital funding of £524,527 for the Bathgate gym extension was received from West Lothian Council by way of an advance of future management fees.

STRATEGIC RISKS

Each year a strategic risk register and associated risk assessments are presented to the Audit and Finance Sub Committee and to the Board.

The top 3 strategic risks are:

- WLC Model – Potential change in WLC delivery model – transfer of leisure, sport and cultural services to internal or alternative delivery model.
- Financial Resilience – Risk of a significant or sudden reduction in income, funding, or increase in operating costs.
- Access to Capital and Investment Capacity - Lack of access to finance resulting in inability to fund major projects or invest in facilities.

The risk assessments associated with these risks identify existing controls and further actions for risk reduction. Overall, the risk profile remains stable, with risks well understood and actively managed.

Investment Policy

A business case is presented to the Board for approval for any investment proposals and this includes an assessment of additional income generated (and/or costs saved), payback period and a risk assessment. Other private finance borrowing options are available; however, it should be noted that due to previous borrowing, current repayments to the Council are significant and any future borrowing requests should carefully consider the ability to repay further borrowing.

Investment for growth continued to focus on improving facilities especially at the larger venues. We continue to diversify by investing in new products and activities. 2025/26 brought the completion of the extended Xcite Bathgate gym opening in April 2025. Work has also now been completed on a dedicated gymnastics arena. West Lothian Leisure now also operates the leisure facilities at two additional high schools, Whitburn and Bathgate Academies.

Principal Funding Sources

The majority of income comes from customer receipts - primarily membership income, club and pay and play income. Other principal external income sources are West Lothian Council's management fee and partner funding from NHS Lothian for specific health and wellbeing programmes.

Reserves Policy

General Funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company which have not been designated for any other purpose.

Designated Funds are unrestricted funds that have been set aside for a specific purpose, which will be utilised during the next and future years against specific expenditure for asset improvement.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by donors, or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Free Reserves are funds which can be freely spent on our charitable purposes. These exclude any restricted funds and the value of fixed assets (net of outstanding finance) as these assets can't be readily sold to meet any funding deficit. Free reserves at 31st March 2026 were deficit £712,266 (2025: deficit £769,805).

Incoming resources for the year ended 31 March 2026 were £14,336,625 (2025: £13,206,837). The underlying result for the year (ignoring pension adjustments) has resulted in the unrestricted general reserves decreasing from £895,364 to £777,675 which complies with the reserves policy to retain a minimum of £500,000 of general/unrestricted reserves.

In addition to carrying reserves West Lothian Leisure has a letter of support from West Lothian Council to cover the period ending 30 September 2027. West Lothian Council, as sole member of the company, have indicated that they have a process in place which the company believes would lead to the provision of funding to cover a trading deficit in excess of available cash reserves, should one occur.

Risk Management

The Board has assessed and recorded the major risks to which the Company is exposed, in particular those relating to the operations and finances of the Company and is satisfied that systems are in place to mitigate these risks.

Future Plans

We continue to work in close partnership with West Lothian Council, aligning our services with shared strategic objectives to improve lives across the region. This collaborative approach extends to partners including the Health and Social Care Partnership, Sport Scotland, National Governing Bodies, West Lothian College, and community organisations ensuring that our collective efforts deliver joined-up, high-impact services for a healthier, more active, and inclusive West Lothian.

We enter the next period with clarity, purpose, and a shared understanding of the path ahead. Our 2025–2027 Strategic Plan: *Shaping Our Future* sets out the framework for how we will grow stronger, work smarter, and maximise our impact, despite a challenging external environment.

Our strategy is built around three clear strategic priorities:

- **Strengthen Our Core Business**

  We will grow participation, improve customer experience, and drive operational excellence, turning first-time users into long-term members. This means simplifying access, enhancing coaching, using our space more effectively, and listening closely to what our customers need.

- **Drive Revenue Growth**

  We are focused on developing new income streams, entering new markets, and refreshing our offer, whether that's new products, modernised facilities, or smart use of underutilised space. Innovation and agility will be key.

- **Invest in People and Partnerships**

  We will continue to build a values-led, high-performing culture and ensure that our people have the tools, training, and support to thrive. We will also strengthen our partnerships across health, education, business, and community to achieve more together.

Management Fee

The reduction in our core management fee, set to fall by a further £500k in 2026/27 resulting in no core management fee from 27/28 onwards, comes at a time of sustained financial pressure across the sector. Despite this, our strategy sets a clear direction: we are committed to investing to grow. Through our strategic priorities, we are focused on expanding participation, growing income, and delivering greater value to the communities we serve. While the financial landscape is challenging, our plan gives us confidence and clarity in how we move forward, maximising our impact while building long-term resilience.

Investment Strategy

We are continuing to implement our invest-to-grow model, working closely with West Lothian Council to leverage Prudential Borrowing for capital investment, as we successfully did last year.

Our Strategic Plan outlines several proposed investment areas over the next two years, including expansion of facilities and improvements to existing facilities. We continue to work with partners to explore joint investment models, co-location projects, and external funding opportunities. While growth remains a priority, we must also remain cognisant of our borrowing capacity, as outlined in our Reserves and Funding Policy, to ensure all investment decisions are financially sustainable.

Strategic Planning

Our strategic and financial plans are closely integrated, ensuring we take a balanced view of opportunity, affordability, and sustainability. Our three-year financial plan accounts for rising costs, reductions in core funding, and the need to generate additional revenue to offset external pressures.

This plan is underpinned by:

- Clear success measures aligned to our strategic priorities
- Costed delivery plans for each initiative
- Performance tracking and risk mitigation embedded at all levels

Performance Reporting

We have maintained high standards of performance and financial reporting across the organisation. Our Strategic Priorities are underpinned by a set of Strategic Actions, each with defined KPIs and success measures. These are tracked regularly and reported to the Board, ensuring clear oversight and accountability. Performance is also routinely shared with West Lothian Council through established governance arrangements, providing transparency and alignment with shared strategic objectives.

Our performance framework also includes:

- Venue-level financial and operational reporting
- Insight from customer engagement and staff feedback channels
- Monitoring of strategic project delivery milestones and risk indicators
- Regular benchmarking against sector standards to ensure we remain competitive and relevant

Organisational Culture

Following the launch of our People Engagement Survey last year, we have acted directly on staff feedback to help shape a culture where colleagues feel valued, heard and supported. This has contributed to a 5% increase in our employee engagement score.

We remain committed to creating a positive, high-performing workplace built on trust, recognition and open communication.

Key developments include:

- Strengthened recognition and wellbeing through the launch of a monthly Reward and Recognition scheme.
- Trained four new Wellbeing Champions to provide colleagues with mental health support, guidance and signposting to helpful resources and services.
- Continued delivery of quarterly Ask the Leadership Team forums.

- Further development of Performance Development Reviews, using learning themes to inform future organisational development plans.
- Continued development of the Employee Forum and the "Walk in Their Shoes" initiative for senior leaders.
- Regular monitoring of staff engagement metrics, including the People Engagement Score, employee NPS and targeted pulse surveys.

Our people are our most important asset, and our strategy reflects a long-term commitment to making West Lothian Leisure a great place to work.

Environmental Policy

We recognise that environmental leadership remains vital, even in challenging financial times. Sustainability efforts not only support climate goals but also help reduce long-term operating costs.

We have developed a three-year Environmental Plan, which includes:

- Energy and Resource Efficiency – Reducing consumption, improving building performance, and identifying cost-saving opportunities across our estate.

- Sustainable Operations and Behaviour Change – Embedding environmentally responsible practices across teams, supported by staff training, awareness campaigns, and digital learning resources.

- Monitoring, Reporting and Compliance – Setting measurable targets, tracking progress, and ensuring alignment with national and local sustainability standards.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

West Lothian Leisure is (from August 2016) a Company Limited by Guarantee with West Lothian Council as sole member. The Company also has charitable status granted by the Office of the Scottish Charity Regulator and is recognised by HM Revenue and Customs.

West Lothian Leisure was incorporated on 1 February 1998 (as an Industrial and Provident Society) and provides sports and leisure facilities to the community of West Lothian. It operates as a not for profit distributing organisation.

Corporate Governance

The Board (of Trustees or Non-Executive Directors) is committed to demonstrate good Corporate Governance and compliance with the Nolan recommendations in this respect. To this end it has established an Audit and Finance Sub Committee that works to a pre-determined Audit Plan based around these principles. The Audit and Finance Sub Committee monitors and considers the Company's compliance and records through the Audit and Finance Sub Committee Minutes, its findings that are then reported to the full Board of Trustees.

Induction and Training

Trustees are recruited to the Board after interview and approval at a Board meeting. They are selected for appointment if the Board believe their skills, knowledge and experience will benefit the Company. All Trustees receive an induction before joining the Board and additional training as necessary. If there are any areas where additional training is required this would be discussed at a Board meeting, or at a one-to-one meeting with the Chair, and a solution identified.

Decision Making

The Standing Orders, Operating Guidelines, Code of Conduct and Articles of Association documents set out the decision-making powers of the Board, Sub Committees, Chief Executive and Senior Managers. This document is reviewed annually by the Board of Trustees.

The Board has a duty to keep a strategic overview of the organisation including the approval of the corporate strategy and monitoring performance against agreed targets. The Board focusses on strategic issues and through its policy setting lays out a framework within which the Chief Executive and Senior Management Team operate. Pay and remuneration policy is set by the Board, as is the Chief Executive's pay.

Employee Engagement

West Lothian Leisure takes its responsibility to engage with and inform employees about matters relating to company performance and other matters of interest seriously. Hybrid working for head office staff has become an established way of working. Engagement with outreach and venue staff incorporated many of the new methods developed during the pandemic and included:

- CEO Roadshows & Ask the Leadership Team forums - staff participated in sessions covering company updates and question and answer sessions with the Chief Executive and Senior Leadership Team
- Quarterly staff newsletters
- Employee communications on new policies, procedures, and staff benefits
- The continued development of the Employee Forum
- Employee representative on the West Lothian Leisure Board of Directors
- Performance Development Review process – ensuring all staff have an annual performance review
- Renewed focus on promoting West Lothian Leisure's core values via the performance framework training.
- New on-line induction and training platform

Directors also oversee the charity's duty of care to its workforce by reviewing and approving the company health and safety policy and regularly review the strategic risk register.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

THIRD PARTY INDEMNITY

As part of the overall insurance arrangements for the Company we have in place Trustees and Officers Liability insurance that provides qualifying third-party indemnity provision for the benefit of the Trustees of the Company. This was in force throughout the financial year.

WEST LOTHIAN LEISURE

Board Report

For the year ended 31 March 2026

TRUSTEE ATTENDANCE AT AUDIT & FINANCE SUB COMMITTEE MEETINGS

At each AGM six Trustees are appointed to sit on the Audit and Finance Sub Committee, although any Trustee can attend any Audit Sub Committee meeting.

Attendance Record	Attendance at Audit &Finance Sub Committee meetings			
Trustees	**Apr**	**Aug**	**Nov**	**Jan**
Beverley Greer	P	P	P	R
Suzanne McAdam	A	P	R	R
Sergio Tansini	P	P	A	P
Gillian Hentges	P	P	P	P
Cllr Tom Conn	P	P	P	P
Craig Campbell	P	P	A	P
Alex Dodds	NYA	NYA	A	P
Michelle Chambers Cran	NYA	NYA	A	A

KEY	CODE
Apologies	A
Resigned	R
Present	P
Cancelled	C
Not yet Appointed	NYA
Not Present	NP

TRUSTEE ATTENDANCE AT BOARD MEETINGS

Attendance Record				
Trustees	**June**	**Sept**	**Dec**	**Feb**
Beverley Greer	P	P	P	R
Suzanne McAdam	A	P	R	R
Craig Campbell	A	A	P	P
Sergio Tansini	P	P	P	P
Gillian Hentges	P	P	A	A
Michelle Chambers-Cran	P	P	P	P
Alex Dodds	NYA	P	P	P
David Drummond	NYA	NYA	P	P
Cllr Danny Logue	P	P	P	P
Cllr Tom Conn	P	P	A	P

KEY	CODE
Apologies	A
Resigned	R
Present	P
Cancelled	C
Not yet Appointed	NYA
Not Present	NP

Board Report

For the year ended 31 March 2026

Statement of Responsibilities of the Board

The trustees (who are also directors of West Lothian Leisure for the purpose of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that charitable company will continue.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the articles of association, 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 charitable company, for ensuring that the assets are properly applied in accordance with charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to the Auditor

To the knowledge and belief of each trustee, at the time the report is approved:

- So far as each trustee is aware, there is no relevant information of which the charitable company's auditor is unaware; and
- They have taken all steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of the information.

Auditor

A resolution to re-appoint Azets Audit Services as auditor will be put to the members at the Annual General Meeting.

In approving the Board Report, the Board of Trustees are also approving their Strategic Report in their capacity as company directors.

By order of the Board

Gillian Hentges
Secretary
17 September 2026

Independent Auditor's Report to the Member and Trustees

For the year ended 31 March 2026

Opinion

We have audited the financial statements of West Lothian Leisure (the charitable company) for the year ended 31 March 2026 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 2026 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

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

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

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

Other Information

The other information comprises the information included in the Board Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 Board 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 Board Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the 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 Board Report (incorporating the Directors' Report and 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
- 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.

Responsibilities of the Trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Trustees (continued)

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the FRC's website at:
www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the charitable company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the charitable company is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

The extent to which the audit was considered capable of detecting irregularities including fraud (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 to the financial statements were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of Our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the charitable company's trustees, 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 trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Allison Gibson

Allison Gibson, Senior Statutory Auditor
For and on behalf of Azets Audit Services, Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Quay 2
139 Fountainbridge
Edinburgh, EH3 9QG

Date: 17 September 2026

WEST LOTHIAN LEISURE

Statement of Financial Activities (Incorporating the Income and Expenditure Account)

For the year ended 31 March 2026

	Notes	Unrestricted 2026 £	Restricted 2026 £	Total Funds 2026 £	*Total Funds 2025* £
Income and endowments from:					
Grants and donations		**7,075**	**-**	**7,075**	11,539
Charitable activities					
- Membership fees		**8,355,708**	**-**	**8,355,708**	7,158,469
- Leisure services		**4,181,102**	**-**	**4,181,102**	3,877,231
- Management service fee		**1,135,876**	**-**	**1,135,876**	1,704,876
Investments		**24,769**	**-**	**24,769**	48,691
Other					
- Financial income, refunds & fees		**107,567**	**524,527**	**632,094**	406,031
Total		**13,812,097**	**524,527**	**14,336,624**	13,206,837
Expenditure on:					
Charitable activities					
- Sports and leisure facilities	4	**14,426,313**	**-**	**14,426,313**	13,135,182
Other					
- Net finance cost on defined benefit pension scheme	8	**(812,000)**	**-**	**(812,000)**	13,000
Total		**13,614,313**	**-**	**13,614,313**	13,148,182
Net income		**197,784**	**524,527**	**722,311**	58,655
Other recognised gains:					
Transfers between funds		**524,527**	**(524,527)**	**-**	-
Actuarial (loss)/gain on defined benefit pension scheme	8	**(839,000)**	**-**	**(839,000)**	104,000
Net movement in funds		**(116,689)**	**-**	**(116,689)**	162,655
Reconciliation of funds:	14				
Total funds brought forward		**696,364**	**-**	**696,364**	533,709
Total funds carried forward		**579,675**	**-**	**579,675**	696,364

The notes on pages 28 to 41 form part of these financial statements

WEST LOTHIAN LEISURE

Balance Sheet

As at 31 March 2026

	Notes	2026		2025	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	9		**2,514,648**		2,684,784
Total fixed assets			**2,514,648**		2,684,784
Current assets					
Stock		**11,832**		18,907	
Debtors	10	**358,321**		307,772	
Cash at bank and in hand		**1,688,544**		1,374,861	
Total current assets		**2,058,697**		1,701,540	
Liabilities:					
Creditors: amounts falling due within one year	11	**(3,019,757)**		(2,687,647)	
Net current liabilities			**(961,060)**		(986,107)
Total assets less current liabilities			**1,553,588**		1,698,677
Creditors: amounts falling due after more than one year	12		**(775,913)**		(803,313)
Net assets excluding pension liability			**777,675**		895,364
Defined benefit pension liability	8		**(198,000)**		(199,000)
Total net assets			**579,675**		696,364
The funds of the charity:					
General funds			**777,675**		895,364
Restricted funds			**-**		-
Pension reserve			**(198,000)**		(199,000)
Total charity funds	14		**579,675**		696,364

The financial statements were approved and authorised for issue by the Board on 17 September 2026.

Sergio Tansini, Chair .....

Gillian Hentges, Secretary .....

Registered in Scotland – SC543017
Charity Number – SC027470

The notes on pages 28 to 41 form part of these financial statements

WEST LOTHIAN LEISURE

Statement of Cash Flows

For year ended 31 March 2026

	Notes	2026		2025	
		£	£	£	£
Cash flows from operating activities:					
Net cash provided by operating activities	15		**611,642**		853,638
Cash flows from investing activities:					
Interest received		**24,769**		48,691	
Purchase of property, plant and equipment		**(81,251)**		(922,817)	
Net cash used in investing activities			**(56,482)**		(874,126)
Cash flows from financing activities:					
Repayments of borrowing		**(241,477)**		(213,181)	
Net cash used in financing activities			**(241,477)**		(213,181)
Change in cash and cash equivalents in the reporting period	16		**313,683**		(233,669)
Cash and cash equivalents at the beginning of the reporting period			**1,374,861**		1,608,530
Cash and cash equivalents at the end of the reporting period			**1,688,544**		1,374,861

The notes on pages 28 to 41 form part of these financial statements

1. General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. They comprise the financial statements of West Lothian Leisure for the year ended 31 March 2026.

The principal activity of West Lothian Leisure is the operation of sports and leisure facilities leased from West Lothian Council.

West Lothian Leisure is a private charitable company limited by guarantee incorporated in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC027470. In the event of the winding up of the charitable company a member is liable to contribute a sum not exceeding £1. Details of the registered office and company registration number can be found on page 1 of these financial statements.

As described in note 19, West Lothian Leisure is deemed to be a subsidiary undertaking of its ultimate parent, West Lothian Council.

2. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

West Lothian Leisure meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the 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 3.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charitable company's financial statements unless otherwise stated.

2. Accounting Policies (continued)

Going Concern

The financial statements have been prepared based on accounting policies that are consistent with the treatment of the charitable company as a going concern. In the Board's opinion, the charitable company will be able to continue to trade for the foreseeable future.

West Lothian Leisure (WLL) has a rolling Service Agreement with West Lothian Council (WLC) and the current funding agreement within this will fall due for renewal on 31 March 2027. West Lothian Leisure has a letter of support from West Lothian Council to cover the period ending 30 September 2027. West Lothian Council, as sole member of the company, have indicated that they have a process in place which the company believes would lead to the provision of funding to cover a trading deficit in excess of available cash reserves, should one occur.

The charitable company has net assets at 31 March 2026 of £777,675 (2025: net asset £895,364) this excludes the liability on the defined benefit retirement scheme.

WLC has provided a letter of comfort which means they will agree to meet WLL's everyday cash liabilities until the end of this financial year should WLL be unable to do so. To improve financial viability, WLL continues to review all aspects of its business to identify opportunities to reduce its cost base and grow income. Through a close working relationship with WLC officers, WLL continues to consider the best use of existing facilities as well as the expanding operations in community school facilities.

West Lothian Leisure's Board agreed a budget deficit for 2026/27 of £507,084 (and a cash surplus of £47,003), subject to a programme of mitigating actions being developed and implemented to address the total budget pressure of £2.95 million over the period 2023/24 to 2027/28. A number of potential investments in existing facilities have been identified in order to grow earned income. This will compensate for the reduction in core management fee and help achieve the long term self-sustainability of the charity.

Income recognition

Income is recognised in the period in which the charitable company is entitled to receipt, receipt is probable, and the amount can be measured with reasonable certainty. Income is deferred only when the charitable company has to fulfil conditions before becoming entitled to it.

- Grant income is recognised in the period in which the charitable company is entitled to receipt, receipt is probable, and the amount can be measured with reasonable certainty.
- Membership income is recognised on a straight-line basis in line with the delivery of membership services and the membership agreement.
- Leisure services income is recognised when services are provided.
- Management fee income is recognised in the period to which it relates.
- Other income is recognised in the period to which it relates.
- Investment income is recognised in the period in which it is receivable

Allocation of Expenditure

Expenditure is recognised when a legal or constructive obligation arises. Where possible, expenditure has been charged directly to charitable expenditure or governance costs. Where this is not possible the expenditure has been allocated on the basis of time spent by staff on each activity.

- Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include the audit fees and costs linked to the strategic management of the charitable company.

2. Accounting Policies (continued)

Termination Payments
Termination payments are amounts payable to end an individual's employment and are charged on an accruals basis to the Statement of Financial Activities when the charitable company is demonstrably committed to this course of action. The termination payment will include redundancy and where eligible any compensatory lump sum together with the pension strain payment made to the pension fund. The notional capitalised cost of any compensatory added years awarded is based on an assessment of the present value of all future payments to the retiree until death and is disclosed as an unfunded liability of the pension scheme.

Fixed Assets
Fixed assets are stated at cost less accumulated depreciation and any impairment.

Tangible fixed assets costing more than £2,500 are capitalised and included at cost. Depreciation is charged to write off the cost less the estimated residual value of fixed assets by equal instalments over their estimated useful lives as follows:

Computer equipment	4 years
Furniture and equipment	4 - 8 years
Leasehold improvements	20 years

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

Cash at bank and in hand
Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Stock
Stock represents goods for resale and are valued at the lower of cost and net realisable value in the ordinary course of activities. Net realisable value is based on estimated selling price less any provision for slow moving or obsolete stock.

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

Financial instruments
Financial instruments are recognised in the Balance Sheet when the charitable company 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 a similar debt instrument.

2. Accounting Policies (continued)

Financial instruments (continued)
Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest 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 asset 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.

Pensions
The charitable company operates a defined benefit scheme in respect of its employees. The assets of the scheme are held in external funds managed by professional investment managers.

In accordance with FRS 102 Retirement Benefits, the Statement of Financial Activities includes: the cost of benefits accruing during the year in respect of current and past service (charged against net outgoing resources); the expected return on the scheme's assets and the increase in the present value of the scheme's liabilities arising from the passage of time (shown as pensions finance charge); actuarial gain or loss recognised in the pension scheme (shown within net movement of funds). In accordance with FRS 102, the Balance Sheet includes the asset/deficit in the scheme taking assets at their year-end market values (current bid value) and liabilities at their actuarially calculated values discounted at year-end AA corporate bond interest rates. Recognition of an actuarial net asset position in the scheme is limited to the extent that the asset is recoverable, for example in the form of repayments from the scheme or reductions in minimum contributions payable for future service. Further details regarding the scheme are disclosed in note 8.

The charitable company also operates a defined contribution pension scheme. Contributions are recognised in the Income and Expenditure Account and Statement of Financial Activities in the period in which they become payable in accordance with the rules of the scheme.

VAT
The charitable company is partially exempt for VAT purposes. Irrecoverable VAT is charged to the Income and Expenditure and Statement of Financial Activities as an expense.

Unrestricted Funds
Surplus revenue funds held within unrestricted funds are carried forward to meet the cost of future activities of both a capital and revenue nature.

Commitments for specific activities and needs in the future are dealt with by making allocations to designated funds.

Restricted funds
These funds are subject to specific conditions specified by the donor on how they may be used. Once the conditions are met or expire, these funds are no longer restricted and therefore are transferred into unrestricted reserves.

Leases
Operating lease rentals are charged to the Income and Expenditure and Statement of Financial Activities on a straight-line basis over the term of the lease.

2. Accounting Policies (continued)

Leases (continued)
Leases which transfer substantially all of the risks and rewards of ownership to the charity are classed as finance leases. Assets held under finance leases are recognised as assets at the lower of the fair value of the asset at the date of acquisition and the present minimum lease payments. The related obligation to the lessor is included in the balance sheet as a finance lease obligation.

Finance costs, which represent the difference between the total leasing commitment and the fair value of the assets acquired, are charged to the Statement of Financial Activities over the lease term at a constant rate.

Taxation
The charitable company has charitable status and is therefore exempt from taxation under Sections 475-477 and Chapter 3 of the Corporation Taxes Act 2010.

3. Critical Judgements and Estimates

In preparing the financial statements trustees makes 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.

There are no estimates or assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key sources of accounting estimation have been applied to the pension scheme assumptions and the depreciation rates which are deemed appropriate for the class of assets.

4. Charitable Activities Expenditure – Sports and Leisure Facilities

	2026 £	*2025* £
Employee costs (note 6)	**7,822,115**	6,990,886
Property costs	**2,742,021**	2,825,437
Transport costs	**86,919**	85,780
Supplies and services	**2,488,151**	2,009,532
Irrecoverable VAT	**640,273**	673,913
Depreciation	**496,994**	393,588
Loss on disposal of fixed assets	**962**	662
Bank charges	**73,636**	71,902
Discounts	**35,346**	38,874
Governance costs (note 5)	**39,896**	44,608
	14,426,313	13,135,182

The above costs relate to the one activity of the charitable company, to deliver sports and leisure facilities to the community within West Lothian.

5. Governance Costs

	2026 £	*2025* £
Audit and other accountancy fees	**32,616**	37,788
Trustee indemnity insurance	**7,280**	6,820
	39,896	44,608

6. Staff Costs and Numbers

	2026	2025
	£	£
Wages and salaries	**6,639,186**	6,038,823
Social security costs	**667,931**	436,729
Other pension costs	**542,998**	460,334
FRS 102 defined benefit pension scheme adjustment	**(28,000)**	55,000
	7,822,115	6,990,886

The aggregate number of employees whose emoluments exceeded £60,000 was as follows:

	2026	2025
	Number	Number
£70,000 - £79,999	**3**	2
£80,000 - £89,999	**1**	1
£90,000 - £99,999	**-**	1
£100,000 - £109,999	**1**	-
	5	4

	2026	2025
	Number	Number
The average monthly number of employees during the year was	**342**	335

One employee is a member of the Board as staff representative. Remuneration including back pay, pension and employer national insurance contributions for their employee role whilst holding office was as follows:

	2026	2025
	£	£
S McAdam	**58,288**	53,758

One member of the board received remuneration for the role of group fitness instructor during the year:

	2026	2025
	£	£
G Hentges	**-**	1,058

None of the amounts above included any remuneration for being a director; all amounts were received for employment under employment contract.

No expenses were reimbursed to directors *(2025:* £nil*)*.

In addition to the trustees, the key management personnel of the charitable company are deemed to be the Chief Executive, Head of Operations, Head of Corporate Services, Head of Commercial Services (new post from May 2024), and Head of Finance. The total employee benefits received by key management personnel in the year was £532,903 (2025: £492,355).

7. Net income

	2026 £	2025 £
Net income is stated after charging		
Auditor's remuneration – audit	**35,700**	33,980
Auditor's remuneration – taxation services	**3,370**	2,150
Depreciation of tangible fixed assets	**496,994**	393,588
Loss on disposal of fixed assets	**962**	662
Interest expense on finance leases	**74,700**	64,606
Expenditure on leases	**24,799**	11,349
Hire of equipment, plant and machinery	**113,852**	20,981

8. Pension Costs

The total pension cost charged to net income for the year amounted to a credit of £297,002 *(2025: charge of £528,334)*. Included within this figure is a FRS 102 adjustment of £28,000 *(2025: £55,000)* and net finance income of £812,000 *(2025 costs of £13,000)*.

Defined contribution pension scheme

In 2014 the charitable company introduced a defined contribution pension scheme. New employees are automatically enrolled into this scheme although they may choose to opt out if they wish. Total employer's contributions to this scheme during the year amounted to £280,921 *(2025: £203,801)*.

Defined benefit superannuation scheme

The charitable company is an admitted body of the Lothian Pension Fund. The Superannuation Fund is a defined benefit scheme into which employees' and employer's contributions, and interest and dividends from investments are paid and from which pensions, lump sums and superannuation benefits are paid out. Total employer's contributions to this scheme during the year amounted to £262,077 *(2025: £256,533)*. Employees' contributions are determined based on their salary, increasing the higher the salary 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 the Projected Unit Method. The last actuarial valuation was at 31 March 2023. Employer contribution for the year to 31 March 2027 are forecast to be £251,000.

In accordance with FRS 102 – Employee Benefits – a valuation of the fund was carried out at 31 March 2026, by Hymans Robertson, independent actuaries, based on the last full triennial valuations and allowing for the changes in financial assumptions as prescribed under FRS 102.

The main assumptions used in the calculations are:

	31 March 2026 % per annum	***31 March 2025 % per annum***
Salary increases	3.70%	3.45%
Pension increases	3.00%	2.75%
Discount rate	6.30%	5.80%

Mortality

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2025 model, with core parameterisation, initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	**Females**
Current pensioners	21.5 years	22.7 years
Future pensioners	20.9 years	24.6 years

8. Pension Costs (continued)

The major categories of assets of the scheme were:

	2026	*2025*
Equities	69%	69%
Bonds	19%	19%
Property	8%	8%
Cash	4%	4%

The table below compares the estimated present value of the scheme liabilities with the employer assets:

	2026 £'000	*2025 £'000*
Fair value of employer assets	**37,688**	35,370
Present value of funded liabilities	**(21,473)**	(21,177)
Present value of unfunded liabilities	**(198)**	(199)
Net asset per actuarial valuation	**16,017**	13,994
Net asset ceiling restriction	**(16,215)**	(14,193)
Net liability in balance sheet	**(198)**	(199)

Analysis of the amount charged to resources expended:

	Year to 31 March 2026 £'000	*Year to 31 March 2025 £'000*
Past service cost of the defined benefit scheme	**-**	-
Current service cost of the defined benefit scheme	**(235)**	(310)
	(235)	(310)

Analysis of amount charged to other finance costs:

	Year to 31 March 2026 £'000	*Year to 31 March 2025 £'000*
Expected return on employer assets	**2,044**	1,674
Interest on pension scheme liabilities	**(1,232)**	(1,209)
Interest on the effect of asset ceiling	**-**	(478)
Net interest income/(cost)	**812**	(13)

Analysis of amounts included in other recognised gains and losses:

	Year to 31 March 2026 £'000	*Year to 31 March 2025 £'000*
Actual return less expected return on pension scheme assets	**522**	(720)
Other experience	**(194)**	235
Net change in financial and demographic assumptions underlying the present value of the scheme liabilities	**855**	4,447
Loss on asset ceiling restriction	**(2,022)**	(3,858)
Actuarial (loss)/gain recognised in net movement of funds	**(839)**	104

8. Pension Costs (continued)

Changes in fair value of the scheme assets are as follows:

	Year to 31 March 2026 £'000	*Year to 31 March 2025 £'000*
Opening fair value of employer assets	**35,370**	34,651
Interest income on plan assets	**2,044**	1,674
Contributions by members	**100**	95
Contributions by the employer	**251**	244
Contributions in respect of unfunded benefits	**12**	11
Actuarial gain/(loss)	**522**	(720)
Unfunded benefits paid	**(12)**	(11)
Benefits paid	**(599)**	(574)
Closing fair value of employer assets	**37,688**	35,370

Changes in the defined benefit obligation are as follows:

	Year to 31 March 2026 £'000	*Year to 31 March 2025 £'000*
Opening defined benefit obligation	**21,376**	25,029
Current service cost	**235**	310
Past service cost	**-**	-
Interest cost	**1,232**	1,209
Contributions by members	**100**	95
Actuarial (gain)/loss	**(661)**	(4,682)
Estimated benefits paid	**(599)**	(574)
Estimated unfunded benefits paid	**(12)**	(11)
Closing defined benefit obligation	**21,671**	21,376

9. Tangible Fixed Assets

	Leasehold improvements	Furniture & equipment £	Computer equipment £	Total £
Cost				
As at 1 April 2025	618,565	3,398,794	282,354	**4,299,713**
Additions	-	327,820	-	**327,820**
Disposals	-	(180,839)	(16,906)	**(197,745)**
As at 31 March 2026	618,565	3,545,775	265,448	**4,429,788**
Depreciation and impairment				
As at 1 April 2025	2,822	1,516,397	95,710	**1,614,929**
Charge for the year	30,928	420,998	45,068	**496,994**
Eliminated on disposals	-	(179,877)	(16,906)	**(196,783)**
As at 31 March 2026	33,750	1,757,518	123,872	**1,915,140**
Net book value				
As at 31 March 2026	**584,815**	**1,788,257**	**141,576**	**2,514,648**
As at 31 March 2025	615,743	1,882,397	186,644	2,684,784

The net book value of the assets held under finance lease agreements as at 31 March 2026 was £1,036,413 *(2025: £1,199,209)*. The depreciation charged on these assets in the year to 31 March 2026 was £231,893 *(2025: £229,242)*.

10. Debtors

	2026 £	2025 £
Trade debtors	**69,179**	9,012
Other debtors and prepayments	**289,142**	298,760
	358,321	307,772

11. Creditors: Amounts falling due within one year

	2026 £	2025 £
Finance lease creditor	**248,794**	216,302
Tax and social security	**70,151**	-
Trade and other creditors	**2,187,912**	1,958,181
Accruals and deferred income	**512,900**	513,164
	3,019,757	2,687,647

Trade and other creditors include £1,945,936 due to West Lothian Council (2025: £1,715,759).

12. Creditors: Amounts falling due after one year

	2026 £	2025 £
Finance lease creditor	**775,913**	803,313
	775,913	803,313
Analysed as follows:		
Repayable between 1 – 2 years	**361,588**	216,301
Repayable between 2 – 5 years	**346,646**	490,992
Repayable in more than 5 years	**67,679**	96,020
	775,913	803,313

The charity has a number of finance lease arrangements with varied start and end dates and total terms ranging from 5-8 years, with a weighted average remaining term of 4 years. The leases are repayable in monthly instalments, have a weighted average interest rate of 8.1%, and are secured over the assets to which they relate.

13. Share Capital

The charitable company is limited by guarantee of £1 per member and has no share capital. At 31 March 2026 and 2025 there was one member.

14. Reserves

2026	Balance at 1 April 2025 £	Income £	Expenditure £	Transfer £	Other gains/ (losses) £	Balance at 31 March 2026 £
General funds	**895,364**	**13,812,097**	**(14,454,313)**	**524,527**	**-**	**777,675**
Pension reserve	**(199,000)**	**-**	**840,000**	**-**	**(839,000)**	**(198,000)**
Unrestricted funds	**696,364**	**13,812,097**	**(13,614,313)**	**524,527**	**(839,000)**	**579,675**
Restricted funds	**-**	**524,527**	**-**	**(524,527)**	**-**	**-**
Total funds	**696,364**	**14,336,624**	**(13,614,313)**	**-**	**(839,000)**	**579,675**

Restricted funds relate to funding received specifically for fixed asset additions; this funding has been released to general funds as the conditions of the funding are met.

2025	Balance at 1 April 2024 £	Income £	Expenditure £	Transfer £	Other gains/ (losses) £	Balance at 31 March 2025 £
General funds	768,709	12,913,229	(13,080,182)	293,608	-	895,364
Pension reserve	(235,000)	-	(68,000)	-	104,000	(199,000)
Unrestricted funds	533,709	12,913,229	(13,148,182)	293,608	104,000	696,364
Restricted funds	-	293,608	-	(293,608)	-	-
Total funds	533,709	13,206,837	(13,148,182)	-	104,000	696,364

15. Reconciliation of net income to net cash flow from operating activities

	2026 £	*2025 £*
Net income for the reporting period	**722,311**	58,655
Depreciation of fixed assets	**496,994**	393,588
Interest received	**(24,769)**	(48,691)
FRS 102 pension adjustments	**(840,000)**	68,000
(Increase) in debtors	**(50,549)**	(29,343)
Increase in creditors	**299,618**	411,834
Decrease/(increase) in stock	**7,075**	(1,067)
Loss on disposal of fixed assets	**962**	662
Net cash provided by operating activities	**611,642**	853,638

16. Analysis of Changes in Net Debt

	Brought forward £	Cash flow £	Non-Cash flow £	Carried forward £
Cash	1,374,861	313,683	-	**1,688,544**
Finance lease debt	(1,019,615)	241,477	(246,569)	**(1,024,707)**
	355,246	555,160	(246,569)	**663,837**

17. Commitments

At 31 March 2026 the charitable company had commitments under non-cancellable operating leases for equipment as set out below: -

	2026 £	*2025* £
Payments falling due:		
Within one year	**12,339**	8,371
Within two to five years	**19,365**	-
	31,704	8,371

18. Members' Interests

Due to the nature of the charitable company's operations and composition of its Board, being comprised of individuals from public sector and commercial organisations, it is inevitable that transactions will take place with companies and organisations in which a member of West Lothian Leisure has an interest.

The charitable company works in partnership with West Lothian Council with which transactions have been undertaken during the year. The following is a list of members of the Board who held potentially connected positions during the year.

Table showing potential for Director's Connected Interests:

WLL Director	Company	Occupation	Date Joined
Tom Conn	West Lothian Council	Elected Member	12/03/2020
Danny Logue	West Lothian Council	Elected Member	30/06/2022
Craig Campbell		Consultant	23/03/2023
Sergio Tansini		Retired Company Director	04/10/2019
Gillian Hentges	Myeloma UK	Chartered Accountant	26/10/2021
Michelle Chambers Cran	David Lloyd	Regional Manager	16/05/2024
David Drummond	Scottish Rugby Union	Area Director	11/12/2025
Alex Dodds	West Lothian Leisure	Duty Manager	18/09/2025

19. Related Party Transactions

West Lothian Council is the sole member of the charitable company. West Lothian Council may appoint or remove any director from office, provided that the number of directors in office appointed by West Lothian Council at any time does not form a majority or exceed a maximum of 4. West Lothian Council may, by special resolution, direct the directors to take, or refrain from taking, specified action, and is entitled to make any decision of the company as if agreed by the company in a general meeting.

West Lothian Council has the registered address of West Lothian Civic Centre, Howden South Road, Livingston, West Lothian, EH54 6FF, also commissions the work of the charitable company by virtue of a services agreement, which provides a substantial portion of the charitable company's funding and use of the premises operated by the charitable company.

During the year, £143,950 (2025: £712,950) was received from West Lothian Council as a management fee, with a further £713,926 (2025: £713,926) in connection with new facilities taken on in April 2017. In addition to this, £128,000 (2025: £128,000) was received for free under 16s swimming, £120,830 (2025: £120,830) for free under 5s and over 60s swimming, £7,000 (2025: £7,000) for ASN curricular swimming and £87,463 (2025: £87,463) for curricular swimming. A further £573,820 (2025: £334,098) was received in grants and other income during the year.

Payroll and expenses of £7,836,230 (2025: £6,958,362) were disbursed by West Lothian Council and reimbursed by West Lothian Leisure. Other expenditure invoiced during the year totalled £24,769 (2025: £68,044). During the year £278,000 (2025: £278,000) was received to cover the additional cost of applying the real living wage. At the year-end there is a balance due to West Lothian Council of £1,945,936 (2025: £1,715,759).

20. Comparative Statement of Financial Activities

	Unrestricted 2025 £	Restricted 2025 £	Total Funds 2025 £
Income and endowments from:			
Grants and donations	11,539	-	11,539
Charitable activities			
- Membership fees	7,158,469	-	7,158,469
- Leisure services	3,877,231	-	3,877,231
- Management service fee	1,704,876	-	1,704,876
Investments	48,691	-	48,691
Other			
- Financial income, refunds & fees	112,423	293,608	406,031
Total	12,913,229	293,608	13,206,837
Expenditure on:			
Charitable activities			
- Sports and leisure facilities	13,135,182	-	13,135,182
Other			
- Net finance cost on defined benefit pension scheme	13,000	-	13,000
Total	13,148,182	-	13,148,182
Net income/(expenditure)	(234,953)	293,608	58,655
Other recognised gains:			
Transfers between funds	293,608	(293,608)	-
Actuarial gain on defined benefit pension scheme	104,000	-	104,000
Net movement in funds	162,655	-	162,655
Reconciliation of funds:			
Total funds brought forward	533,709	-	533,709
Total funds carried forward	696,364	-	696,364