

# XCITE

West Lothian Leisure

## Directors' Report & Financial Statements

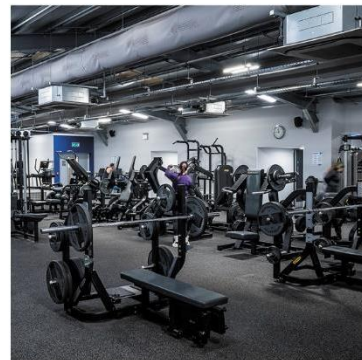
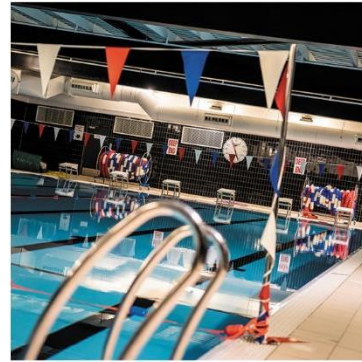
For the year ended 31 March 2024

Registered in Scotland: SC543017

Charity Number: SC027470

**YOUR CHARITY, INVESTING  
EVERY PENNY YOU SPEND  
BACK INTO A HEALTHIER AND  
HAPPIER WEST LoTHIAN.**

[www.westlothianleisure.com](http://www.westlothianleisure.com)



**WEST LOTHIAN LEISURE**

**Directors' Report and Financial Statements**

**For the year ended 31 March 2024**

Registered in Scotland: SC543017  
Charity Number: SC027470

## **WEST LOTHIAN LEISURE**

### **Directors' Report and Financial Statements**

**For the year ended 31 March 2024**

<b>Contents</b>	<b>Pages</b>
Administrative information	1 - 2
Chair's Report	3 - 4
Board Report	5 - 14
Independent Auditor's Report to the Member and Trustees	15 - 18
Statement of Financial Activities incorporating Income and Expenditure Account	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Financial Statements	22 - 34

## WEST LoTHIAN LEISURE

### Administrative Information

For the year ended 31 March 2024

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

Beverley Greer

##### Chief Executive

Ben Lamb

##### Key Management Personnel

Mark Chambers, Head of Corporate 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

Lindsays LLP  
Caledonian Exchange  
19a Canning Street  
Edinburgh  
EH3 8HE

DWF LLP  
No.2 Lochrin Square  
96 Fountainbridge  
Edinburgh  
EH3 9QA

##### Bankers

The Bank of Scotland plc  
Almondvale South  
Livingston  
EH54 6SN

Barclays  
Quay 2  
Fountainbridge  
Edinburgh  
EH3 9QG

##### Auditor

Azets Audit Services  
Chartered Accountants  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

**WEST LOTHIAN LEISURE**

**Administrative Information**

**For the year ended 31 March 2024**

**Board**

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

Beverley Greer	Secretary
Sergio Tansini	Chair
Clr. Tom Conn	Member
Gillian Hentges	Member
Suzanne McAdam	Member
Clr Peter Heggie	Member (Resigned 21 <sup>st</sup> September 2023)
Clr Daniel Logue	Member
Craig Campbell	Member
Michelle Chambers Cran	Member (Appointed 16 May 2024)
Kim Anne Walker	Member (Appointed 16 May 2024)

## WEST LoTHIAN LEISURE

### Board Report

For the year ended 31 March 2024

#### Chair's Statement

As we close this challenging yet transformative year, I am filled with a deep sense of pride and gratitude for what we have accomplished. The past twelve months have tested our resilience, demanded tough decisions, and required unwavering commitment from every member of our organisation. Despite these difficulties, I am pleased to report that we are concluding the year with a much improved financial position and a renewed sense of purpose.

#### Acknowledgment of Challenges and Achievements

This year has been marked by significant challenges. Rising living costs, unprecedented inflationary pressures, high energy costs, insufficient capital funding, and proposed removal of the charity's management fee by our partners, West Lothian Council, over a 4-year period; creating an unsustainable position requiring significant intervention.

The economic environment forced us to confront the need for rationalisation and consolidation of our services. These were not easy decisions, as they involved reevaluating our operations, making tough choices on resource allocation, and streamlining our activities to ensure a sustainable future.

However, amidst these challenges, we achieved some remarkable things:

- Record numbers of 2.6m visits to our venues and services, an increase of 4% from the previous year.
- Record concessionary scheme visits (97k), an increase of 25% from the previous year, ensuring we continue to provide affordable access for those in our community who need it most.
- Reduced our subsidy per visit (the amount we subsidise each individual visit) by 61p.
- Further invested in our people establishing an employee engagement forum, launching a new learning and development platform, and relaunching our annual people engagement survey.
- Delivered new investments and initiatives such as a golf simulator, "Exert" our high-intensity training studio, the new academy arena for our expanding academy programs, and hosted our first-ever Xcite colour run.
- Refreshed our branding and created a new strapline, further highlighting our charitable status "Your charity, investing every penny you spend back into a healthier and happier West Lothian".

#### Financial Overview

Our financial performance this year is a testament to our strategic planning and sound financial stewardship. At the beginning of the year, we faced a projected budget deficit of £1,185k. By year-end, we successfully reduced this to a deficit of £531k; a deficit reduction of 55%.

#### Gratitude and Acknowledgments

Our achievements this year would not have been possible without the extraordinary dedication and hard work of our staff, volunteers, and partners. I extend my deepest gratitude to our team, whose commitment and passion have been the driving force behind our successes.

Thanks as always to West Lothian Council for their support during the year and the management fee they provide, which has been crucial in helping us run our services over the past year.

I am delighted to welcome Michelle Chambers-Cran and Kim Walker to our Board of Directors. Their knowledge, extensive experience and fresh perspectives will undoubtedly strengthen our board.

#### Future Outlook and Goals

Looking ahead, we are excited about the future and the opportunities it holds. We plan to build on the solid foundation established this year by expanding our programs and exploring new initiatives that align with our vision. We'll continue to focus on improving access to community spaces, growing new business, improving the customer experience and ensuring that our services are accessible to all who need them.

## **WEST LOTHIAN LEISURE**

### **Board Report**

**For the year ended 31 March 2024**

While this year presented significant hurdles, it also revealed the strength, resilience, and potential of our organisation. Together, we have not only overcome these challenges but have positioned ourselves for a bright and impactful future. Thank you for your continued support and belief in our vision to help create a West Lothian where everyone can live a healthier, happier and longer life.

**Sergio Tansini, Chair, September 2024**

## WEST LoTHIAN LEISURE

### Board Report

For the year ended 31 March 2024

The Board of Trustees (Non-Executive Directors) presents its report and audited financial statements for the year to 31 March 2024.

#### 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. Surpluses 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 Sports Centre, Xcite East Calder Sports Centre, Xcite Linlithgow Leisure Centre, Xcite Armadale Swimming Pool, Xcite Bathgate Sports Centre, Xcite Broxburn Swimming Pool, Xcite Livingston Leisure Centre, Xcite Whitburn Leisure Centre, Polkemmet Country Park Golf Course and Range, Howden Park Arts Centre, as well as sports and cultural facilities at two community high schools and six high schools. West Lothian Leisure also took on the management of the Winchburgh Sport and Wellbeing Hub during the previous financial year.

On the 31<sup>st</sup> August the lease for Xcite Broxburn Swimming Pool, Xcite Livingston Leisure Centre, Xcite Armadale Swimming Pool and Howden Park Arts Centre were terminated.

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

#### STRATEGIC REPORT

##### Strategies for Achieving the Stated Aims

West Lothian Leisure's Business Plan sets out the vision and values of the organisation together with strategies to achieve the stated aims. This document is developed in partnership with West Lothian Council and other stakeholders and approved by the Board. At each Board meeting performance against the stated success criteria is reported and where performance is below target actions to get back on track are discussed and agreed.

The Business Plan is supported by Departmental Plans and Facility Plans which have more specific action plans that relate to the stated aims.

- **Improving Access to Community Spaces**
  - Expanding portfolio into more community spaces
  - Expanding programming in community spaces
- **Grow New Business**
  - Grow revenues out with existing portfolio
  - Develop new sources of organic growth
  - Grow grants & funding revenue
- **Improving Lives & Communities**
  - Impacting more lives through H&W services
  - Make sure everyone is aware of charitable status
- **Improving the Customer Experience (Internal & External)**
  - Invest in our people, ensuring they have the skills needed to succeed
  - Create a customer focussed, innovative culture
  - Improving customer service



## WEST LoTHIAN LEISURE

### Board Report

For the year ended 31 March 2024

- **Sweat Our Assets**
  - Working smarter to maximise margins
  - Invest in existing spaces where we are well placed to win
  - Develop use of outdoor space

#### Achievements and Performance

The 31<sup>st</sup> March 2024 brings to a close the second full year of trading without any government imposed covid-19 restrictions. Throughout 2023/24 West Lothian Leisure (WLL) continued to recover from the pandemic with 2.59 million visits across our venues and services (93% of pre-covid attendance despite the closure of four venues 5 months into the year).

WLL continued to battle against the significant challenges of a reducing management fee, high energy costs, unprecedented inflation and cost of living pressures. WLL continued its commitment to paying the real living wage resulting in an over 10% pay increase for nearly 57% of our staff.

2023/24 has been one of the most challenging in the company's history. In April 2023 we were faced with a £1,185k budget deficit and the real threat of running out of cash in less than 2 years' time. A year on, and following a quite significant strategic shift, which involved closing four venues at the end of August 2023, the position is very different. A revised year-end deficit of £531k (excluding pension actuarial adjustments) was achieved and this included £112k of one-off costs relating to the closures. The closures have resulted in WLL being back to a sustainable position although management fee reductions proposed for 2026/27 and 2027/28 will require further action.

While the rationalisation and consolidation of our facilities and services has not been easy, for the company or our communities, the results 7 months on are notable. Despite these challenges, 2023/24 saw some excellent achievements & performance, including:

#### Our Communities

- Delivered a total Social Value of £14.4m in the year to March 2024, a 12% increase on the previous year, continuing to demonstrate the positive social, economic, and environmental impacts created by the activities of West Lothian Leisure.
- Over 6,100 children continue to participate in coaching classes every week with 28% growth in gymnastics as a consequence of the creation of the new Xcite Academy Arena in Bathgate.
- Continued growth in gym visits (up 28% on the prior year), including an amazing 228% increase in Xcite Fitness Factory appointments, a programme designed to enhance the fitness journey of 12-15 year olds.
- An overall Net Promoter Score (a customer loyalty metric that gauges the likelihood of our customers recommending our products or services to others) of 55 remains well above the national benchmark and is a fantastic reflection of the work being done to meet customer expectations.

#### Our Partnerships

- Continued to strengthen our partnership with West Lothian Council throughout the year, particularly through the challenges of rationalisation and consolidation, and thank them for their ongoing support. Despite the challenging economic climate, the collaboration and commitment to our joint initiatives has allowed us to continue to enhance the well-being of residents across West Lothian.
- Supported over 50 students through our Education to Employment partnership with West Lothian College, with 11 of them going on to secure employment with us.

## WEST LOTHIAN LEISURE

### Board Report

For the year ended 31 March 2024

#### Our Business

- Reduced the operating deficit by 55% resulting in a 61p reduction in subsidy per visit.
- Retained 96% of our members compared to the prior year despite the challenges of rationalisation and consolidation of services.
- Usage increased by 4% compared to the previous financial year.

#### Our Health Programmes

- Welcomed over 43,000 visits to our Ageing Well programme in the year and were delighted to welcome 115 care home residents who participated in our 'Canalymphics' games event in May.
- Launched the new GP Referral 'Test of Change' model in January, designed to help us expand our programmes and reach more people.

#### Our People

- Successfully redeployed 63% of staff under the threat of redundancy with no compulsory redundancies.
- Completed our first employee engagement survey for over 7 years, achieving an organisational average score of 94 out of 100.
- Launched our new Learning Experience Platform and wellbeing hub.
- Created a brand-new Employee Forum with representatives across our venues giving our employees a voice within the organisation.

#### **Financial Review**

The financial statements for the year ending 31 March 2024 show a deficit of £617,350 (2023: deficit of £340,873). This is before an actuarial loss of £810,000 (2023: gain of £6,044,000) resulting in an overall loss of £1,427,350 (2023: gain of £5,703,127). The overall net fund balance at 31 March 2024 is now a net asset balance of £533,709 compared to a net asset balance of £1,961,059 at 31 March 2023.

West Lothian Leisure had previously experienced significant growth in membership prior to the pandemic; however, it has faced a significant period of business recovery to build back membership and other income to pre-Covid-19 levels. This was made all the more difficult as a result of the cost of living crisis and global economic problems.

The reduction to membership as a result of covid and the continued cost pressures (especially energy and wages) resulted in a budget being approved showing a deficit of £1,185k. It was decided to address this funding gap and the proposed future reductions to the management fee by closing four venues. This happened earlier than initially anticipated at the end of August 2023. This enabled the operating deficit (excluding pension scheme adjustments) to be reduced to £531,350 for 2023/24.

#### **Income**

Membership continued to recover post covid with membership numbers at the start of the year at 97% of membership numbers for March 2020. The closure of the four venues had a significant impact on membership numbers but by the end of the year membership numbers were back to 96% of the level before the closures. Overall membership income was up £710k (over 12%) on the previous year.

Leisure Service income (which includes pay per visit, club, room hire and NHS services) was only £10k down on last year despite the closure of four venues.

The West Lothian Council management fee for the year was £2,025k (£3,691k 2022/23). The £1,500k of additional funding to aid the recovery from the impact COVID came to an end. The landlord's maintenance funding reduced by £40k. 2022/23 included £187k of one-off capital funding and £287k towards start up costs

## WEST LOTHIAN LEISURE

### Board Report

#### For the year ended 31 March 2024

for the Winchburgh facility. In 2023/24 WLC kindly provided £146k towards the cost of maintaining the real living wage and £202k to cover the redundancy costs for the staff at the venues that closed.

Other income including donations and external funding remained reasonably steady but disappointingly saw a reduction in the NHS funding. Investment income increase by nearly 63% as a result of higher interest rates and the placement of £1.5m on a 95-day notice account to maximise the return on surplus cash.

#### Expenditure

Salary costs increased by £327k compared to 2022/23 adjusting for redundancy costs and the adjustment for the defined benefit pension fund. Salary costs include £219k (2023: £nil) for voluntary redundancy and early retirement costs. The FRS102 pension scheme adjustment was £115k compared to £486k for 2022/23.

West Lothian Leisure continues its commitment to paying the real living wage (increase applied from 1<sup>st</sup> April - £10.90 per hour from £9.90). A graded pay award of 5,7 or 10% was applied to all other staff from the 1<sup>st</sup> April 2023. Employer national Insurance contributions returned to their previous level of 13.8% after being temporarily increased by 1.25% for part of 2022/23 and the employer contribution to the Lothian Pension Fund increased by 0.5%. The pay award was partially offset by the savings made from the venue closures.

Significant savings were achieved on energy costs as a result of the closures, energy costs coming in at £655k under budget. Property costs include £876k of maintenance spend, reactive maintenance being overspent against budget due to a number of plant failures. A £26k refund of insurance premiums was received as a result of the restructure.

Input VAT was higher than normal in 2022/23 due to the replacement of gym equipment in all venues bar Bathgate. Depreciation has increased significantly compared to last year as a result of the replacement of the gym equipment and a number of fixed asset additions, notably the replacement of the artificial pitch, the indoor golf simulator and the Exert studio at Bathgate.

A loss on disposal of £147k was made on the gym equipment disposed of following the closure of the gyms at Livingston and Armadale.

Supplies and services include £112k of one off costs relating to the closure of the four venues and termination of the leases.

#### Investment for Growth

Investment for growth continued to focus on implementing a digital transformation strategy and transforming the company website. We continue to diversify by investing in new products and activities, for example a new golf simulator at Bathgate and the conversion of the indoor bowling hall into a multi function academy arena. The new 'Fitness Factory' gym access launched in May 2023, providing gym access for 12–15-year-olds. The new cycle circuit opened at Linlithgow Leisure Centre at the end of May 2023.

#### 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 most severe risks have moved from those associated with the Covid pandemic to those related to the national and global, financial shockwaves affecting the UK economy and customer confidence.

## WEST LOTHIAN LEISURE

### Board Report

#### For the year ended 31 March 2024

The current high-level risks are:

- Unplanned or unexpected increase in operating costs and/or inflation.
- Continued economic downturn and the cost-of-living crisis could threaten financial sustainability.
- Further reduction in WLL's core management fee from WLC which threatens financial sustainability.
- Lack of access to funding resulting in inability to invest in facilities.
- Another Covid-19 pandemic or other infectious disease could temporarily and significantly affect the ability of WLL to provide services and adversely impact its revenue - threatening financial sustainability.
- Business Plan not delivering on business objectives/company goals.
- Major plant failure could result in service disruption and facility(s) closure leading to loss of income.
- Increased staff turnover or difficulties recruiting results in vacancies not being filled and potential disruption to services.

The risk assessments associated with these risks identify existing controls and further actions for risk reduction.

#### *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 of WLL to take on more debt.

#### *Principal Funding Sources*

The majority of income comes from customer receipts - primarily membership income, pay and play income. Other principal 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 31<sup>st</sup> March 2024 were deficit £154,712 (2023: surplus £943,078).

The Board has examined the Company's requirements for reserves in light of the main risks to the organisation. In 2019 it established a new policy whereby the company should aim to retain a minimum of at least £300,000 of reserves.

Incoming resources for the year ended 31 March 2024 were £12,705,155 (2023: £13,655,616). Overall funds on 31 March 2024 were £533,709 (2023: surplus of £1,961,059). The underlying result for the year (ignoring

## WEST LoTHIAN LEISURE

### Board Report

#### For the year ended 31 March 2024

pension adjustments) has resulted in the unrestricted reserves decreasing from £1,300,059 to £768,709 which complies with the new reserves policy.

In addition to carrying reserves WLL has a letter of support from West Lothian Council. 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.

#### **Plans for future periods**

We have prioritised collaborative working with West Lothian Council so that: we can better align our service delivery with Council strategic objectives; our services are better co-ordinated and integrated; we can deliver excellent value for money. We will also continue to work closely with the Health and Social Care Partnership, Sports Scotland, Creative Scotland and West Lothian College. Our business plan review allows us to ensure our vision is shared and that we are focusing on the right actions to ensure we contribute to our partners' outcomes.

We will continue to focus our work in the following areas:

##### **1. Increased Income:**

- Strong focus on implementing and investing in the sales and retention process to grow and keep more members.
- Identifying and accessing new sources of funding including donations and external funding for programmes from national agencies and charitable organisations.
- Improving productivity by implementing a new, staff performance review framework.
- Improving the way, we market and promote the Xcite brand and services.
- Building and launching a new website.
- Improving customer service excellence and engagement with customers to help shape future service delivery.

##### **2. Managing Costs:**

- Continuous review and management of all costs.
- Ongoing review of staff structures to ensure that they match our business and service objectives.
- Continuous review of the asset portfolio to identify potential rationalisation or replacement.
- Maximising the performance and cost efficiency of all support services.
- Support ongoing digital transformation projects.
- Maximising the performance of our buildings and physical assets.
- Ensuring we get excellent value from all our suppliers.
- Implementing the Towards Net Zero policy and investing in energy efficiency in partnership with West Lothian Council.
- Contributing towards the Council's budget reduction plans.

##### **3. Management Fee:**

The core management fee from the Council will continue to reduce with a further £250k reduction in 2024/25. The sport and leisure trust sector continues to face unprecedented cost increases in particular energy costs. The cost-of-living crisis continues to cause a reduction in household discretionary spend resulting in decreased expenditure on leisure. Therefore, WLL continues to review all aspects of the business to identify efficiencies and opportunities for business growth, whilst at the

## WEST LoTHIAN LEISURE

### Board Report

#### For the year ended 31 March 2024

same time continuing to deliver valued services in the communities it serves for those who need these services most.

It is more important than ever, that we continue to engage constructively with the Council so that a joint position on the type and level of service that the community needs is agreed together with the best delivery model and funding to achieve this.

#### **4. Estate Strategy:**

This remains a challenge with the older stock of buildings. West Lothian Leisure is now responsible for the management and funding of all maintenance works for the properties with no capital funding available from West Lothian Council. The reduction in funding, on going maintenance costs and increased operating costs (especially energy) resulted in WLL's request to cease to operate four venues on the 31<sup>st</sup> August 2023. The four venues were Howden Park, Xcite Armadale, Xcite Broxburn Pool and Xcite Livingston, these being four out of the five venues operating with the largest deficit.

#### **5. Investment Strategy:**

The development of a longer-term facility and agreed joint capital investment strategy between the Company and West Lothian Council is required. Prudential borrowing through WLC would be the preferred option to finance this investment but alternative sources of external funding may have to be sought for any large-scale investment.

#### **6. Strategic Planning:**

Our strategic and financial plan takes into consideration increased costs of operating the business and the reduction to the core management fee in future years.

We continue to monitor and manage projects aligned to the Business Plan. A new four year Business Plan for 2024 -2028 is being developed to align with the proposed reductions to the Management Fee.

#### **7. Partnership Working:**

We have built on and extended our partnership working with key partners principally West Lothian Council, Health and Social Care Partnership, Sport Scotland, West Lothian College, Creative Scotland and Community Leisure UK and continue to be an active member of the West Lothian Community Planning Partnership and Health and Social Care Partnership Strategic Board.

#### **8. Reporting:**

We have maintained the quality of reporting of financial and performance information both to partners and the regulatory bodies. Our Annual Report seeks to highlight our achievements in meeting West Lothian Council's strategic objectives. The performance reporting to the Board has also been widened to include KPIs aligned to the success measures described in the Business Plan and individual venue performance against budget.

#### **9. Organisational Culture:**

The roll out of the new performance review framework which will have the charity's core values at its heart, should ensure the workforce is more engaged and motivated.

We remain confident that the ongoing culture of service excellence as evidenced by our member experience, high NPS results and renewed focus on our charity values will continue.

#### **10. Environmental Policy:**

Following COP26 we launched our new environmental, sustainability and energy policy and implementation plans. 'Towards Net-Zero' sets stretching and ambitious targets to become carbon neutral by 2045. The policy seeks to ensure that addressing the climate change emergency becomes everyone's responsibility and sets out clear aims, objectives and actions.

# WEST LoTHIAN LEISURE

## Board Report

For the year ended 31 March 2024

### 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 as such 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 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 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. The Chief Executive determines the grading of staff (within the policy and arrangements set by the Board) and determines staff duties and responsibilities.

#### *Employee Engagement*

WLL 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:

- Entire workforce webinars - staff participated in sessions covering company updates and question and answer sessions with the Chief Executive and Leadership Team.
- Regular email bulletins from the Chief Executive.
- Employee communications on new policies, procedures, and staff benefits.
- The creation of an Employee Forum.
- Employee representative on the WLL Board of Directors.
- Training and development for all staff on the new performance review framework.
- Renewed focus on promoting WLL's core values via the performance framework training.
- New on-line induction training platform.

## WEST LOTHIAN LEISURE

### Board Report

For the year ended 31 March 2024

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.

#### Third Party Indemnity Provision

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.

#### Trustees Attendance at Audit and 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 and Finance Sub Committee meeting.

Attendance Record	Attendance at Audit & Finance Sub Committee meetings			
	Apr	Aug	Nov	Jan
Trustees				
Beverley Greer	P	P	P	P
Suzanne McAdam	P	P	P	P
Sergio Tansini	P	P	P	P
Gillian Hentges	P	P	P	A
CLlr Tom Conn	P	A	A	P
Craig Campbell	A	P	P	P

KEY	CODE
Apologises	A
Resigned	R
Present	P
Cancelled	C
Not yet Admitted	NYA
Not Present	NP

#### Trustees Attendance at 2023/24 Board Meetings

Attendance Record	Attendance at Board meetings				
	Apr	May	Sept	Dec	Feb
Trustees					
Beverley Greer	P	P	P	P	P
Suzanne McAdam	P	P	P	P	P
Craig Campbell	A	P	P	P	P
Sergio Tansini	P	P	P	P	P
Gillian Hentges	P	P	P	P	P
CLlr Peter Heggie	P	A	R	R	R
CLlr Danny Logue	A	A	P	P	A
CLlr Tom Conn	P	P	P	A	P

KEY	CODE
Apologises	A
Resigned	R
Present	P
Cancelled	C
Not yet Admitted	NYA
Not Present	NP



## WEST LOTHIAN LEISURE

### Board Report

For the year ended 31 March 2024

#### 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



Beverley Greer  
Secretary

19TH SEPT 2024

## WEST LOTHIAN LEISURE

### Independent Auditor's Report to the Member and Trustees

For the year ended 31 March 2024

#### Opinion

We have audited the financial statements of West Lothian Leisure (the charitable company) for the year ended 31 March 2024 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 2024 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.

## WEST LOTHIAN LEISURE

### Independent Auditor's Report to the Member and Trustees

For the year ended 31 March 2024

#### 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 14, 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.

## WEST LOTHIAN LEISURE

### Independent Auditor's Report to the Member and Trustees

For the year ended 31 March 2024

#### 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](http://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.

## WEST LOTHIAN LEISURE

### Independent Auditor's Report to the Member and Trustees

For the year ended 31 March 2024

#### ***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**  
**Exchange Place 3**  
**Semple Street**  
**Edinburgh, EH3 8BL**  
Date: *19<sup>th</sup> September 2024*

## WEST LOTHIAN LEISURE

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

For the year ended 31 March 2024

	Notes	Total Unrestricted 2024 £	Total Unrestricted 2023 £
<b>Income and endowments from:</b>			
Grants and donations		1,536	3,706
Charitable activities			
- Membership fees		6,356,593	5,645,884
- Leisure services		4,119,865	4,130,391
- Management service fee		2,025,492	3,690,870
Investments		82,017	50,356
Other			
- Financial income, refunds & fees		119,652	134,409
<b>Total</b>		<b>12,705,155</b>	<b>13,655,616</b>
<b>Expenditure on:</b>			
Charitable activities			
- Sports and leisure facilities	4	13,351,505	13,859,489
Other			
- Net finance cost on defined benefit pension scheme	8	(29,000)	137,000
<b>Total</b>		<b>13,322,505</b>	<b>13,996,489</b>
<b>Net expenditure</b>		<b>(617,350)</b>	<b>(340,873)</b>
<b>Other recognised gains:</b>			
Actuarial (loss)/ gain on defined benefit pension scheme	8	(810,000)	6,044,000
<b>Net movement in funds</b>		<b>(1,427,350)</b>	<b>5,703,127</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward	14	1,961,059	(3,742,068)
<b>Total funds carried forward</b>		<b>533,709</b>	<b>1,961,059</b>

The notes on pages 22 to 34 form part of these financial statements

**WEST LOTHIAN LEISURE**

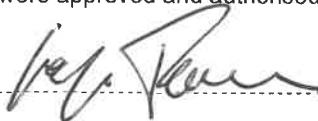
**Balance Sheet**

**As at 31 March 2024**

	Notes	2024		2023	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	9		<u>2,100,305</u>		<u>1,615,198</u>
<i>Total fixed assets</i>			<b>2,100,305</b>		<b>1,615,198</b>
<b>Current assets</b>					
Stock		17,840		30,894	
Debtors	10	278,429		715,913	
Cash at bank and in hand		<u>1,608,530</u>		<u>2,677,792</u>	
<i>Total current assets</i>		<b>1,904,799</b>		<b>3,424,599</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	11	<u>(2,271,027)</u>		<u>(2,693,696)</u>	
<i>Net current (liabilities)/assets</i>			<u>(366,228)</u>		<u>730,903</u>
<i>Total assets less current liabilities</i>			<b>1,734,077</b>		<b>2,346,101</b>
Creditors: amounts falling due after more than one year	12		<u>(965,368)</u>		<u>(1,046,042)</u>
<i>Net assets excluding pension (liability)/asset</i>			<b>768,709</b>		<b>1,300,059</b>
Defined benefit pension (liability)/asset	8		<u>(235,000)</u>		<u>661,000</u>
<b>Total net assets</b>			<u><b>533,709</b></u>		<u><b>1,961,059</b></u>
<b>The unrestricted funds of the charity:</b>					
General funds			<b>768,709</b>		<b>1,300,059</b>
Pension reserve			<b>(235,000)</b>		<b>661,000</b>
<b>Total charity funds</b>	14		<u><b>533,709</b></u>		<u><b>1,961,059</b></u>

The financial statements were approved and authorised for issue by the Board on 19/09 2024.

Sergio Tansini, Chair



Beverley Greer, Secretary



**Registered in Scotland – SC543017**  
**Charity Number – SC027470**

The notes on pages 22 to 34 form part of these financial statements

**WEST LOTHIAN LEISURE**

**Statement of Cash Flows**

**For year ended 31 March 2024**

	Notes	2024		2023	
		£	£	£	£
<b>Cash flows from operating activities:</b>					
<b>Net cash (used in)/provided by operating activities</b>	15		(87,634)		187,593
<b>Cash flows from investing activities:</b>					
Interest received		82,017		50,356	
Disposal proceeds of property, plant and equipment		113,403		223,988	
Purchase of property, plant and equipment		(720,557)		(144,580)	
<b>Net cash (used in)/provided by investing activities</b>			(525,137)		129,764
<b>Cash flows from financing activities:</b>					
Repayments of borrowing		(456,491)		(94,061)	
<b>Net cash used in financing activities</b>			(456,491)		(94,061)
<b>Change in cash and cash equivalents in the reporting period</b>	16		(1,069,262)		223,296
<b>Cash and cash equivalents at the beginning of the reporting period</b>			2,677,792		2,454,496
<b>Cash and cash equivalents at the end of the reporting period</b>			1,608,530		2,677,792

The notes on pages 22 to 34 form part of these financial statements



## **WEST LOTHIAN LEISURE**

### **Notes to the Financial Statements**

**For year ended 31 March 2024**

#### **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 2024.

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.

## WEST LOTHIAN LEISURE

### Notes to the Financial Statements

For year ended 31 March 2024

#### 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 has a rolling Service Agreement with West Lothian Council and the current funding agreement within this will fall due for renewal on 31 March 2025. 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 2024 of £533,709 (2023: net assets £1,961,059). Excluding the deficit on the defined benefit retirement scheme the charitable company reported net assets of £768,709 (2023 net assets: £1,300,059).

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 £198,578 budget deficit for 2024/25 (and a cash surplus of £239,225), 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.

West Lothian Leisure wrote to West Lothian Council seeking consent to implement the closure of four venues on 31st August 2023. On 20th June West Lothian Council approved the request to close three venues, with the fourth transferring to a third party. The four venues are Xcite Armadale, Xcite Broxburn Pool, Xcite Livingston and Howden Park Centre. The closure of these venues has allowed the budgeted deficit to be reduced by in the region of £1m.

The most recent cash flow projections to 31st March 2025 show that forecast that cash should not fall below £1.2m.

##### 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.

- Revenue grants are 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

## WEST LOTHIAN LEISURE

### Notes to the Financial Statements

For year ended 31 March 2024

#### 2. Accounting Policies (continued)

##### 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.

##### 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

##### 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.

## WEST LOTHIAN LEISURE

### Notes to the Financial Statements

For year ended 31 March 2024

#### 2. Accounting Policies (continued)

##### 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.

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.

##### 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.

## WEST LOTHIAN LEISURE

### Notes to the Financial Statements

For year ended 31 March 2024

#### 2. Accounting Policies (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

	2024 £	2023 £
Employee costs (note 6)	7,004,630	6,882,590
Property costs	2,782,964	3,414,630
Transport costs	68,654	76,995
Supplies and services	2,237,021	2,347,571
Irrecoverable VAT	630,902	692,186
Depreciation and impairment	350,091	211,826
Loss on disposal of fixed assets	147,114	87,180
Bank charges	80,327	87,975
Discounts	18,314	21,966
Governance costs (note 5)	31,488	36,570
	<b>13,351,505</b>	<b>13,859,489</b>

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

	2024 £	2023 £
Audit and other accountancy fees	29,870	29,850
Trustee indemnity insurance	1,618	6,720
	<b>31,488</b>	<b>36,570</b>

**WEST LOTHIAN LEISURE**  
**Notes to the Financial Statements**  
**For year ended 31 March 2024**

**6. Staff Costs and Numbers**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>6,046,661</b>	5,596,297
Social security costs	<b>423,996</b>	389,233
Other pension costs	<b>418,973</b>	411,060
FRS 102 defined benefit pension scheme adjustment	<b>115,000</b>	486,000
	<b>7,004,630</b>	<b>6,882,590</b>

The above amounts include redundancy and pension strain costs of £218,991 (2023: £nil). £202,616 funding was received in connection with these costs (2023: £nil).

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

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
£60,000 - £69,999	<b>2</b>	2
£70,000 - £79,999	<b>1</b>	1
£90,000 - £99,999	<b>1</b>	-
	<b>4</b>	<b>3</b>

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
The average monthly number of employees during the year was	<b>355</b>	363

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:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
K Anderson	-	22,576
S McAdam	<b>50,879</b>	26,767

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

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
G Hentges	<b>1,702</b>	300

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 (2023: £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 and Head of Finance. The total employee benefits received by key management personnel in the year was £377,485 (2023: £331,102).

## WEST LOTHIAN LEISURE

### Notes to the Financial Statements

For year ended 31 March 2024

#### 7. Operating Deficit

	2024	2023
	£	£
<b>The operating deficit is stated after charging</b>		
Auditor's remuneration – audit	29,870	29,850
Depreciation of tangible fixed assets	350,091	211,826
Reversal of impairment of tangible fixed assets	-	(87,855)
Loss on disposal of fixed assets	147,114	87,180
Hire of equipment, plant and machinery	26,883	15,549

#### 8. Pension Costs

The total pension cost charged to net expenditure for the year amounted to £504,973 (2023: £1,034,060). Included within this figure is a FRS 102 adjustment of £115,000 (2023: £486,000) and finance income of £29,000 (2023 costs incurred of £137,000).

##### 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 £157,344 (2023: £141,663).

##### 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 £261,629 (2023: £259,768). 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 2025 are forecast to be £253,000.

In accordance with FRS 102 – Employee Benefits – a valuation of the fund was carried out at 31 March 2024, 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 2024	31 March 2023
	% per annum	% per annum
Salary increases	3.45%	3.45%
Pension increases	2.75%	2.95%
Discount rate	4.85%	4.75%

##### Mortality

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

	Males	Females
Current pensioners	21.2 years	22.6 years
Future pensioners	20.7 years	24.6 years

**WEST LOTHIAN LEISURE**

**Notes to the Financial Statements**

**For year ended 31 March 2024**

**8. Pension Costs (continued)**

The major categories of assets of the scheme were:

	<b>2024</b>	<b>2023</b>
Equities	<b>71%</b>	<b>72%</b>
Bonds	<b>17%</b>	<b>15%</b>
Property	<b>8%</b>	<b>8%</b>
Cash	<b>4%</b>	<b>5%</b>

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of employer assets	<b>34,651</b>	<b>33,431</b>
Present value of funded liabilities	<b>(24,794)</b>	<b>(23,743)</b>
Present value of unfunded liabilities	<b>(235)</b>	<b>-</b>
Net asset per actuarial valuation	<b>9,622</b>	<b>9,688</b>
Net asset ceiling restriction	<b>(9,857)</b>	<b>(9,027)</b>
Net (liability)/asset in balance sheet	<b>(235)</b>	<b>661</b>

**Analysis of the amount charged to resources expended:**

	<b>Year to</b>	<b>Year to</b>
	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>£'000</b>	<b>£'000</b>
Past service cost of the defined benefit scheme	<b>(77)</b>	<b>-</b>
Current service cost of the defined benefit scheme	<b>(321)</b>	<b>(756)</b>
	<b>(398)</b>	<b>(756)</b>

**Analysis of amount charged to other finance costs:**

	<b>Year to</b>	<b>Year to</b>
	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>£'000</b>	<b>£'000</b>
Expected return on employer assets	<b>1,584</b>	<b>901</b>
Interest on pension scheme liabilities	<b>(1,126)</b>	<b>(1,038)</b>
Interest on the effect of asset ceiling	<b>(429)</b>	<b>-</b>
Net interest income/(cost)	<b>29</b>	<b>(137)</b>

**Analysis of amounts included in other recognised gains and losses:**

	<b>Year to</b>	<b>Year to</b>
	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>£'000</b>	<b>£'000</b>
Actual return less expected return on pension scheme assets	<b>456</b>	<b>(188)</b>
Other experience	<b>(3,024)</b>	<b>(1,999)</b>
Net change in financial and demographic assumptions underlying the present value of the scheme liabilities	<b>2,159</b>	<b>17,258</b>
Loss on asset ceiling restriction	<b>(401)</b>	<b>(9,027)</b>
Actuarial (loss) / gain recognised in net movement of funds	<b>(810)</b>	<b>6,044</b>



**WEST LOTHIAN LEISURE**

**Notes to the Financial Statements**

**For year ended 31 March 2024**

**8. Pension Costs (continued)**

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

	Year to 31 March 2024 £'000	Year to 31 March 2023 £'000
Opening fair value of employer assets	33,431	32,856
Interest income on plan assets	1,584	901
Contributions by members	97	101
Contributions by the employer	272	260
Contributions in respect of unfunded benefits	11	10
Actuarial (loss)	(68)	(188)
Unfunded benefits paid	(11)	(10)
Benefits paid	(665)	(499)
Closing fair value of employer assets	<u>34,651</u>	<u>33,431</u>

Changes in the defined benefit obligation are as follows:

	Year to 31 March 2024 £'000	Year to 31 March 2023 £'000
Opening defined benefit obligation	23,743	37,616
Current service cost	321	756
Past service cost	77	-
Interest cost	1,126	1,038
Contributions by members	97	101
Actuarial loss/(gain)	341	(15,259)
Estimated benefits paid	(665)	(499)
Estimated unfunded benefits paid	(11)	(10)
Closing defined benefit obligation	<u>25,029</u>	<u>23,743</u>

**9. Tangible Fixed Assets**

	Furniture & equipment £	Computer equipment £	Total £
<b>Cost</b>			
As at 1 April 2023	3,111,082	68,743	3,179,825
Additions	830,270	265,445	1,095,715
Disposals	(877,963)	-	(877,963)
As at 31 March 2024	<u>3,063,389</u>	<u>334,188</u>	<u>3,397,577</u>
<b>Depreciation and impairment</b>			
As at 1 April 2023	1,513,938	50,689	1,564,627
Charge for the year	303,273	46,818	350,091
Eliminated on disposals	(617,446)	-	(617,446)
As at 31 March 2024	<u>1,199,765</u>	<u>97,507</u>	<u>1,297,272</u>
<b>Net book value</b>			
As at 31 March 2024	<u>1,863,624</u>	<u>236,681</u>	<u>2,100,305</u>
As at 31 March 2023	<u>1,597,144</u>	<u>18,054</u>	<u>1,615,198</u>

The net book value of the assets held under finance lease agreements as at 31 March 2024 was £1,327,789 (2023: £1,373,371). The depreciation charged on these assets in the year to 31 March 2024 was £225,979 (2023: £150,023).

**WEST LOTHIAN LEISURE**  
**Notes to the Financial Statements**  
**For year ended 31 March 2024**

**10. Debtors**

	2024 £	2023 £
Trade debtors	1,033	285,144
Other debtors and prepayments	277,396	430,769
	<b>278,429</b>	<b>715,913</b>

**11. Creditors: Amounts falling due within one year**

	2024 £	2023 £
Finance lease creditor	211,516	212,175
Tax and social security	7,623	31,075
Trade and other creditors	1,637,975	1,893,363
Accruals and deferred income	413,913	557,083
	<b>2,271,027</b>	<b>2,693,696</b>

Trade and other creditors include £1,490,470 due to West Lothian Council (2023: £1,620,792).

Finance lease creditors are secured over the assets to which they relate.

**12. Creditors: Amounts falling due after one year**

	2024 £	2023 £
Finance lease creditor	965,368	1,046,042
	<b>965,368</b>	<b>1,046,042</b>
<i>Analysed as follows:</i>		
Repayable between 1 – 2 years	209,639	188,448
Repayable between 2 – 5 years	630,058	699,400
Repayable in more than 5 years	125,671	158,194
	<b>965,368</b>	<b>1,046,042</b>

Finance lease creditors are secured over the assets to which they relate.

**WEST LOTHIAN LEISURE**

**Notes to the Financial Statements**

**For year ended 31 March 2024**

**13. Share Capital**

The charitable company is limited by guarantee of £1 per member and has no share capital. At 31 March 2024 and 2023 there was one member.

**14. Reserves**

<b>2024</b>	<b>Balance at 1 April 2023 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Other gains/ (losses) £</b>	<b>Balance at 31 March 2024 £</b>
General funds	1,300,059	12,705,155	(13,236,505)	-	<b>768,709</b>
Pension reserve	661,000	-	(86,000)	(810,000)	<b>(235,000)</b>
<b>Unrestricted funds</b>	<b>1,961,059</b>	<b>12,705,155</b>	<b>(13,322,505)</b>	<b>(810,000)</b>	<b>533,709</b>
<b>2023</b>	<b>Balance at 1 April 2022 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Other gains/ (losses) £</b>	<b>Balance at 31 March 2023 £</b>
General funds	1,017,932	13,655,616	(13,373,489)	-	<b>1,300,059</b>
Pension reserve	(4,760,000)	-	(623,000)	6,044,000	<b>661,000</b>
<b>Unrestricted funds</b>	<b>(3,742,068)</b>	<b>13,655,616</b>	<b>(13,996,489)</b>	<b>6,044,000</b>	<b>1,961,059</b>

**15. Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2024 £</b>	<b>2023 £</b>
Net expenditure for the reporting period	<b>(617,350)</b>	(340,873)
Depreciation and impairment of fixed assets	<b>350,091</b>	211,826
Interest received	<b>(82,017)</b>	(50,356)
FRS 102 pension adjustments	<b>86,000</b>	623,000
Decrease/(increase) in debtors	<b>437,484</b>	(556,043)
(Decrease)/increase in creditors	<b>(422,010)</b>	211,146
Decrease/(increase) in stock	<b>13,054</b>	1,713
Loss on disposal of fixed assets	<b>147,114</b>	87,180
<b>Net cash (used in)/provided by operating activities</b>	<b>(87,634)</b>	187,593

## WEST LoTHIAN LEISURE

### Notes to the Financial Statements

For year ended 31 March 2024

#### 16. Analysis of Changes in Net Debt

	Brought forward £	Cash flow £	Non-Cash flow £	Carried forward £
Cash	2,677,792	(1,069,262)	-	1,608,530
Finance lease debt	(1,258,217)	456,491	(375,158)	(1,176,884)
	<b>1,419,575</b>	<b>(612,771)</b>	<b>(375,158)</b>	<b>431,646</b>

#### 17. Commitments

At 31 March 2024 the charitable company had commitments under non-cancellable operating leases for equipment as set out below: -

	2024 £	2023 £
Payments falling due:		
Within one year	10,675	10,675
Within two to five years	9,545	20,220
	<b>20,220</b>	<b>30,895</b>

West Lothian Leisure is committed to the expansion of the gym at Whitburn and Bathgate after securing capital funding from West Lothian Council. This funding will be repayable by way of a deduction against future management fees. The estimated cost of the building work including related fees is £260,000 for Whitburn and £463,000 for Bathgate.

#### 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
Beverley Greer		Sports Coach	27/06/2013
Tom Conn	West Lothian Council	Elected Member	12/03/2020
Peter Heggie	West Lothian Council	Elected Member	30/06/2022
Danny Logue	West Lothian Council	Elected Member	30/06/2022
Suzanne McAdam	West Lothian Leisure	Area Manager	15/09/2022
Craig Campbell		Consultant	23/03/2023
Sergio Tansini		Retired Company Director	04/10/2019
Gillian Hentges	Sainsbury's Bank	Chartered Accountant	26/10/2021
Michelle Chambers Cran	David Lloyd	Regional Manager	16/05/2024
Kim Anne Walker		Retired Managing Director	16/05/2024

## WEST LoTHIAN LEISURE

### Notes to the Financial Statements

For year ended 31 March 2024

#### 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 5. 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 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, £962,950 (2023: £1,002,950) was received from West Lothian Council as a management fee, with a further £713,926 (2023: £713,926) in connection with new facilities taken on in April 2017, a further £nil for facilities taken on during 2022/23 (2023: £287,000) and additional funding of £nil (2023: £1,686,994). In addition to this, £128,000 (2023: £128,000) was received for free under 16s swimming, £120,830 (2023: £120,830) for free under 5s and over 60s swimming, £7,000 (2023: £7,000) for ASN curricular swimming and £87,463 (2023: £87,463) for curricular swimming. A further £82,892 (2023: £77,757) was received in grants and other income during the year.

Payroll and expenses of £6,923,529 (2023: £6,473,346) were disbursed by West Lothian Council and reimbursed by West Lothian Leisure. Other expenditure invoiced during the year totalled £63,960 (2023: £64,889). During the year £146,000 (2023: £nil) was received to cover the additional cost of applying the real living wage and £202,616 (2023: £nil) received from West Lothian Council towards redundancy costs. At the year-end there is a balance due to West Lothian Council of £1,490,470 (2023: £1,620,792) and £nil (2023: £7,322) due from West Lothian Council.