

CELTIC LEISURE

England & Wales · Charity number 1161131

Details

Other names CELTIC LEISURE, NEATH PORT TALBOT LEISURE LIMITED

Status Registered

Legal form Charitable company

Company number [09519616](#)

Registered 2015-03-31

Register [View on the Charity Commission register](#)

Contact

Address Aberafan Leisure & Fitness Centre
Princess Margaret Way
Port Talbot
West Glamorgan
SA12 6QW

Phone 01639640080

Email secretary@celticleisure.org

Website www.celticleisure.org

Activities

Objects: THE CHARITY'S OBJECTS ARE: 1) THE ADVANCEMENT AND SUPPORT OF EDUCATION, CULTURE, ARTS AND HERITAGE; 2) THE PROVISION OR ASSISTANCE IN THE PROVISION OF FACILITIES FOR RECREATION OR OTHER LEISURE TIME OCCUPATION IN THE INTEREST OF SOCIAL WELFARE, SUCH FACILITIES BEING PROVIDED TO THE PUBLIC AT LARGE; 3) THE PROMOTION AND PRESERVATION OF GOOD HEALTH THROUGH COMMUNITY PARTICIPATION IN HEALTHY RECREATION.

Activities: Celtic Leisure operates leisure and cultural venues in the county borough of Neath Port Talbot

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Arts/culture/heritage/science, Recreation
- **Who:** The General Public/mankind

Geography

- Neath Port Talbot

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£9,360,885	£9,055,590	£1,243,408	370
2024-03-31	£9,133,703	£9,391,661	£778,113	370
2023-03-31	£6,974,134	£7,604,134	£756,071	364
2022-03-31	£5,967,470	£6,920,458	£-3,373,929	285
2021-03-31	£5,397,377	£6,120,801	£-6,540,941	271

Trustees

Name	Role	Appointed
Beverley Miller		2024-12-11
Gareth Lee Jones		2025-11-19
Garry Davies		2019-09-17
HAROLD WORTH		2015-03-31
PHILOMENA LUCY Fowler		2015-03-31
Paul Randall		2024-09-25
Paul Walker		2025-09-24

CELTIC LEISURE

England & Wales - Charity number 1161131

Accounts

REGISTERED COMPANY NUMBER: 09519616 (England and Wales)
REGISTERED CHARITY NUMBER: 1161131

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
FOR
CELTIC LEISURE**

Bevan Buckland LLP (Statutory Auditors)
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

CELTIC LEISURE

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FOR THE YEAR ENDED 31 MARCH 2025**

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CELTIC LEISURE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

OBJECTIVES AND ACTIVITIES

Objectives and activities

As a company limited by guarantee and a registered charity, Celtic Leisure (the Company) is committed to demonstrating the benefits it provides in the County Borough of Neath Port Talbot. This statement sets out the objectives, vision and values of the Charity.

Objectives

The overall aims of Celtic Leisure as set out in its Articles of Association are:

- The advancement and support of education, culture, arts and heritage.
- The provision or assistance in the provision of facilities for recreation or other leisure time occupation in the interest of social welfare, such facilities being provided to the public at large.
- The promotion and preservation of good health through community participation in healthy recreation.

Vision

To be South Wales leading provider of active wellbeing, leisure and cultural services - inspiring and empowering our communities to thrive.

Mission

We exist to help people live healthier, happier and more connected lives - physically, mentally, and culturally, by delivering inclusive, high-quality services that enrich lives and strengthen communities.

To achieve our vision and mission, Celtic Leisure has developed a 5-year business strategy built on five strategic pillars: investing in its people, developing an outstanding customer experience, engaging with the community, driving commercial growth, and enhancing brand development.

Celtic Leisure is committed to supporting Neath Port Talbot Borough Council in achieving its strategic objectives, positioning itself as an essential service delivery partner. As a true community leisure provider, Celtic Leisure offers high-quality products and services that are both affordable and accessible to all.

Organisational Core Values

The following core values underpin our strategy:

- Empowerment, respect, and continuous development of employees.
- Excellence in service and responsiveness to customer needs.
- Inclusivity, accessibility, and social responsibility
- Forward-thinking, adaptability, and commercial awareness
- Trust, transparency, and mutual support

Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

CELTIC LEISURE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES

Strategies for achieving objectives

Celtic Leisure ('the Company') is a not-for-profit organisation registered as a charity, operating under the leisure trust model. The Company functions independently of the Local Authority and collaborates while working in collaboration to achieve outcomes aligned with its vision, strategy, and charitable objects.

Activities undertaken to achieve objectives

The Company's objective is to provide a range of recreational, cultural, and leisure services that support social welfare for the public in the County Borough of Neath Port Talbot and surrounding areas.

During the financial year ending March 2025, Celtic Leisure operated the following facilities:

Gym and Swimming Pool Centres: Aberavon Leisure & Fitness Centre, Neath Leisure Centre, and Vale of Neath Leisure Centre

Gym and Sports Complex : Neath Sports Centre, Pontardawe Leisure Centre

Theatre/Cinemas : Gwyn Hall

Seasonal Seafront Activity : Aberavon Beach Splash

Bowls Halls : Pontardawe and Aberafan

The company's activities are summarised below and are conducted to further our charitable purposes for community benefit.

Advancements of Education

Celtic Leisure offers a comprehensive learn-to-swim programme, providing children with structured opportunities to develop water confidence. The programme includes one-to-one lessons, an Aqua Academy, and school swimming, which is delivered in partnership with Neath Port Talbot schools.

Advancements of Culture, Arts & Heritage

Gwyn Hall delivers a wide range of cultural experiences, including live performances, music events, and cinema screenings. The venue supports local dance schools, promotes the Welsh language through performances for young audiences, and hosts children's art exhibitions in collaboration with local schools. Gwyn Hall also encourages social inclusion through diverse programming and relaxed cinema screenings suited to individuals with learning difficulties.

Promotion of Healthy Living & Wellbeing

Celtic Leisure's centres provide facilities for local clubs, schools, and societies to train, prepare, and compete. Facilities include swimming pools, athletics tracks, sports halls, and outdoor pitches. The centres also host events that extend beyond sport, such as dog and bird shows, and offer accessible facilities for people with disabilities.

Promotion of Good Health and Wellbeing in the Community

Celtic Leisure offers an extensive range of exercise classes, encouraging individuals of all ages and abilities to stay active in a supportive environment. The Company collaborates with local businesses as a corporate health partner to provide staff health reviews and delivers tailored nutrition and fitness advice through qualified gym instructors. Celtic also supports and sponsors local community festivals, promoting health and fitness across the region.

STRATEGIC REPORT

Achievements and performance

Fundraising activities

Celtic Leisure's fundraising activities throughout the financial year included sourcing funds through the range of available grants which in 2025 totalled £232,185 (2024: £99,814)

Financial review

Results

Following the decision of the extension of the operating contract with the local authority, the Company had started to focus more on growth and commercial goals which reflected well on its year end results. The company's surplus in 2025 totalled £305,295 (2024: £257,958 deficit) before defined benefit pension remeasurement adjustment for the year ended 31 March 2025. After considering actuarial gains of the Pension Fund (£160,000), the net movement of funds resulted in a surplus of £465,295.

The Company continues to target the External Income growth with 2025 results of £5,607,358 being 1% higher than in the prior year (2024: £5,602,331). This result includes an offset of income loss from discontinued operation of the Pontardawe Swimming Pool.

The ongoing partnership with NPTCBC continues to strengthen which has a positive impact on financial growth and sustainability.

CELTIC LEISURE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Financial review

Reserves policy

The Company's reserves as at 31 March 2025 before accounting for any asset/liability from the Company's defined benefit pension scheme amounted to £1,063,408 (2024: £458,113).

However, after accounting for the Company's defined benefit pension scheme gains the net unrestricted funds totalled £1,243,408 (2024: £778,113).

At the end of the financial year, the Company reviewed and updated its cash reserves policy, determining that a sustainable level of free cash reserves should be £850,000. Since then, the Company has developed a financial plan to achieve this target by year 4 of the contract.

The Company maintains a positive working capital provision, with most of its income received in advance of expenditure.

Going concern

In October 2024, the 5-year contract extension between Celtic Leisure and Neath Port Talbot County Borough Council (NPTCBC) was formally agreed, resulting in a Deed of Variation being signed on 28 May 2025. The new contract will run until 31st March 2030.

Expansion and improvement plans

The Company is actively exploring ways to enhance its efficiency and expand its commercial portfolio. This involves increasing and prioritising commercial activities, as well as investigating available investment opportunities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

Celtic Leisure is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The Company is constituted under a Memorandum of Association dated 31 March 2015 and is a registered charity number 1161131.

The principal objects of the Company are:

- The advancement and support of education, culture, arts and heritage;
- The provision or assistance in the provision of facilities for recreation or other leisure time occupation in the of social welfare, such facilities being provided to the public at large; and
- The promotion and preservation of good health through community participation in health recreation.

The Trustees meet formally four times a year for regular business. Celtic Leisure seeks to have Trustees comprised as follows:

- Up to two representatives appointed by Neath Port Talbot County Borough Council; and
- Eight persons, who are not local authority persons defined by the Local Government and Housing Action, who represent the wider community which the Charity serves and are appointed by the Trustees.

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Organisational structure and decision-making policies

The board of Trustees, which can have up to 12 members, administers the Charity. The board normally meets quarterly. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and artistic performance related activity.

Policies adopted for the induction and training of Trustees

It is Celtic Leisure's intention to make its Trustees aware of their duties and responsibilities as Trustees of the Charity. It is also our intention that as and when those legal responsibilities change the Trustees will be made aware of any such changes. In the future Trustees recruited to the Board will undergo an induction day and will meet key personnel during this session.

CELTIC LEISURE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

The arrangements for setting pay and remuneration of key management personnel is linked to the general staff pay award as agreed with Union Representatives. Consideration is given to the National Joint Council Pay Award for Local Government during these negotiations, and subject to affordability are ratified by the Board of Trustees.

Related party relationships

Two of our Trustees were appointed from our staff team and receive remuneration for their work with the charity. Any connection between a Trustee or senior manager of the Charity with a supplier or company who undertakes a service for the Charity must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party. The trustees encourage members of staff to take on the role of trusteeship on behalf of the Charity.

Risk management

The Trustees manage risk through regular reviews of the following documents:

- The Risk Register, focusing on the strategic risk component
- The Health & Safety Policy

At the end of the financial year, the Risk Register was updated to distinguish between strategic and operational risks. This significantly improved the management process, with operational risks being reviewed and adjusted more frequently than strategic ones.

A few strategic risks remain at a moderate level even after implementing mitigation strategies. These include: the influence of competition on commercial income performance, rising operating costs, insufficient free cash reserves, and uncertainty regarding macroeconomic factors.

Trustees' indemnities

Celtic Leisure currently provide for Trustee indemnity.

Engagement with employees and employment of individuals with a disability

The policy of Celtic Leisure is to consult and discuss with employees on matters likely to affect employees' interests.

Information on matters of concern to employees is given through such means as briefing meetings, notice boards and announcements through the companies Sage HR app.

Celtic Leisure is a disability confident organisation and continues to be part of the government's Disability Confident Employer Scheme offering employment opportunities to individuals with a disability provided they meet the shortlisting criteria.

Remuneration of Key Management Personnel

The arrangements for setting pay and remuneration of key management personnel is linked to National Pay Award. Consideration is given to the National Joint Council Pay Award for Local Government during these negotiations, and subject to affordability are ratified by the Board of Trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09519616 (England and Wales)

Registered Charity number

1161131

Registered office

Aberavon Leisure And Fitness Centre
Princess Margaret Way
Port Talbot
SA12 6QW

CELTIC LEISURE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

Trustees

L A J Dineen (resigned 31.3.25)
P L Fowler
J A Stephens (resigned 25.9.24)
H H Worth
H Stockham (resigned 25.9.24)
D Smith (resigned 11.12.24)
J Locke (resigned 24.9.25)
G C Davies
B Anderson (appointed 25.9.24) (resigned 26.8.25)
P Randall (appointed 25.9.24)
B Miller (appointed 11.12.24)

Company Secretary

H J Morris-Sayce

Auditors

Bevan Buckland LLP (Statutory Auditors)
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Celtic Leisure for the purposes 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).

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

In accordance with the company's articles, a resolution proposing that Bevan Buckland LLP be reappointed as an auditor of the company will be put at a General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on and signed on the board's behalf by:

.....
P L Fowler - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CELTIC LEISURE

Opinion

We have audited the financial statements of Celtic Leisure (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (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 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other 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 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CELTIC LEISURE

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company 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.

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.

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud.
- obtaining an understanding of the legal and regulatory frameworks that the Company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Company, The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CELTIC LEISURE**

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Henry Lloyd Davies (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP (Statutory Auditors)
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date:

CELTIC LEISURE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	4				
Charitable Activities		9,140,389	194,070	9,334,459	9,117,089
Investment income	3	26,426	-	26,426	16,614
Total		<u>9,166,815</u>	<u>194,070</u>	<u>9,360,885</u>	<u>9,133,703</u>
EXPENDITURE ON					
Charitable activities	5				
Charitable Activities		<u>9,055,590</u>	-	<u>9,055,590</u>	<u>9,391,661</u>
NET INCOME/(EXPENDITURE)		111,225	194,070	305,295	(257,958)
Transfers between funds	16	194,070	(194,070)	-	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit schemes		<u>160,000</u>	-	<u>160,000</u>	<u>280,000</u>
Net movement in funds		465,295	-	465,295	22,042
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>778,113</u>	-	<u>778,113</u>	<u>756,071</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,243,408</u></u>	<u><u>-</u></u>	<u><u>1,243,408</u></u>	<u><u>778,113</u></u>

The notes form part of these financial statements

CELTIC LEISURE

**BALANCE SHEET
31 MARCH 2025**

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
FIXED ASSETS					
Tangible assets	11	592,544	-	592,544	161,652
CURRENT ASSETS					
Stocks	12	49,959	-	49,959	55,016
Debtors	13	301,279	-	301,279	769,399
Cash at bank		1,457,185	-	1,457,185	666,401
		1,808,423	-	1,808,423	1,490,816
CREDITORS					
Amounts falling due within one year	14	(1,337,559)	-	(1,337,559)	(1,194,355)
NET CURRENT ASSETS		470,864	-	470,864	296,461
TOTAL ASSETS LESS CURRENT LIABILITIES		1,063,408	-	1,063,408	458,113
PENSION ASSET	17	180,000	-	180,000	320,000
NET ASSETS		1,243,408	-	1,243,408	778,113
FUNDS	16				
Unrestricted funds				1,243,408	778,113
TOTAL FUNDS				1,243,408	778,113

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
P L Fowler - Trustee

CELTIC LEISURE

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	1	1,226,392	37,330
Net cash provided by operating activities		<u>1,226,392</u>	<u>37,330</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(462,034)	(159,333)
Interest received		26,426	16,614
Net cash used in investing activities		<u>(435,608)</u>	<u>(142,719)</u>
Change in cash and cash equivalents in the reporting period			
		790,784	(105,389)
Cash and cash equivalents at the beginning of the reporting period		<u>666,401</u>	<u>771,790</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,457,185</u></u>	<u><u>666,401</u></u>

The notes form part of these financial statements

CELTIC LEISURE

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	305,295	(257,958)
Adjustments for:		
Depreciation charges	31,142	24,843
Interest received	(26,426)	(16,614)
Decrease/(increase) in stocks	5,057	(22,250)
Decrease in debtors	468,120	92,176
Increase/(decrease) in creditors	143,204	(102,867)
Difference between pension charge and cash contributions	300,000	320,000
Net cash provided by operations	<u>1,226,392</u>	<u>37,330</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.24 £	Cash flow £	At 31.3.25 £
Net cash			
Cash at bank	666,401	790,784	1,457,185
	<u>666,401</u>	<u>790,784</u>	<u>1,457,185</u>
Total	<u>666,401</u>	<u>790,784</u>	<u>1,457,185</u>

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. CHARITY INFORMATION

Celtic Leisure is a private company limited by guarantee incorporated in England and Wales. The registered office is Aberavon Leisure and Fitness Centre, Princess Margaret Way, Port Talbot, Wales, SA12 6QW.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy. The principal accounting policies adopted are set out below.

Going concern

The current contract between Celtic Leisure and Neath Port Talbot County Borough Council was renewed in 2025, and will last for five years. There are no issues around Going concern.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Pension asset

The Company has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the asset or liability depend upon a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension asset or liability in the balance sheet, as well as the appropriateness of the recognition of any asset. The assumptions reflect historical experience and current trends. When a scheme has surplus the asset to be recognised is calculated at the lower of the surplus in the defined benefit plan and the asset ceiling. The asset ceiling is the higher of the economic benefit that could be achieved from a refund of surplus on exiting the Fund, and the economic benefit from payment of future service contributions to the Fund below future expected Current Service Costs.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and the receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Income from grants is deferred only when the terms and conditions of the grant permit the income to be deferred to future periods.

Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

2. ACCOUNTING POLICIES - continued

Income

The management fee is an unrestricted fund which is available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company. The income is invoiced and recognised in the period to which it relates.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Expenditure on charitable activities which further the Charitable company's objectives, as well as any associated support costs. All expenditure is inclusive of irrecoverable VAT.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The company participates in a defined contribution pension scheme. Contributions to the scheme are charged to the profit and loss account as they fall due

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the life of the lease
Plant and machinery	Over 5 - 10 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

2. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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 at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation (legal and constructive) resulting from a past event that will probably 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

CELTIC LEISURE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

2. ACCOUNTING POLICIES - continued

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

3. INVESTMENT INCOME

	2025	2024
	£	£
Deposit account interest	<u>26,426</u>	<u>16,614</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		2025	2024
	Activity	£	£
Grants	Charitable Activities	232,185	99,814
Leisure & cultural activities	Charitable Activities	5,580,932	5,585,717
Management Fees	Charitable Activities	<u>3,521,342</u>	<u>3,431,558</u>
		<u>9,334,459</u>	<u>9,117,089</u>

Grants received, included in the above, are as follows:

	2025	2024
	£	£
Sport Wales Grant	38,115	38,115
UKSPF Smaller Projects Grant	150,000	61,699
ACW Gwyn Activities Grant	<u>44,070</u>	<u>-</u>
	<u>232,185</u>	<u>99,814</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 6)	Totals
	£	£	£
Charitable Activities	<u>8,360,636</u>	<u>694,954</u>	<u>9,055,590</u>

6. SUPPORT COSTS

Charitable Activities	<u>694,954</u>
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The auditor's remuneration amounts to an audit fee of £16,000 (2024 £15,950) and £4,000 for accountancy fees (2024 £4,750).

CELTIC LEISURE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

6. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

Support costs

	2025 Charitable Activities £	2024 Total activities £
Insurance and Banking costs	226,927	194,877
Postage and stationery	16,210	39,809
Sundries	416,604	332,869
Accountancy and legal fees	35,213	45,801
	<u>694,954</u>	<u>613,356</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2025 £	2024 £
Depreciation - owned assets	31,142	24,483
	<u>31,142</u>	<u>24,483</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

During the year two trustees received remuneration from their employment with the charity but not for their services as a Trustee.

The Memorandum and Articles of Association of the charity provides the charity with the legal authority to make such payments.

The employees have two staff representatives on the Trustee board.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2025 nor for the year ended 31 March 2024.

9. STAFF COSTS

	2025 £	2024 £
Wages and salaries	5,370,239	5,212,339
	<u>5,370,239</u>	<u>5,212,339</u>

The average monthly number of employees during the year was as follows:

	2025	2024
Administration	23	23
Leisure	308	290
	<u>331</u>	<u>313</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024
£60,001 - £70,000	1	1
£90,001 - £100,000	-	1
£100,000 - £110,000	1	-
	<u>2</u>	<u>2</u>

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

9. STAFF COSTS - continued

Wages & salaries costs are split as below.:

	2025 £	2024 £
Wages and salaries	4,642,554	4,541,259
Social Security costs	280,147	263,658
Contribution to defined contribution pension schemes	125,686	67,422
Operating costs of defined benefit pension schemes	310,000	340,000
Total	<u>5,370,239</u>	<u>5,212,339</u>

Key management remuneration

Key management compensation includes members of senior management. The compensation paid or payable to key management for employee services totalled £346,157 (2024: £349,214).

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Charitable Activities	9,017,275	99,814	9,117,089
Investment income	16,614	-	16,614
Total	<u>9,033,889</u>	<u>99,814</u>	<u>9,133,703</u>
EXPENDITURE ON			
Charitable activities			
Charitable Activities	9,291,847	99,814	9,391,661
NET INCOME/(EXPENDITURE)			
Other recognised gains/(losses)			
Actuarial gains on defined benefit schemes	280,000	-	280,000
Net movement in funds	22,042	-	22,042
RECONCILIATION OF FUNDS			
Total funds brought forward	756,071	-	756,071
TOTAL FUNDS CARRIED FORWARD	<u>778,113</u>	<u>-</u>	<u>778,113</u>

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2024	142,549	610,180	61,699	814,428
Additions	-	462,034	-	462,034
Disposals	-	(451,201)	-	(451,201)
Reclassification	-	61,699	(61,699)	-
At 31 March 2025	<u>142,549</u>	<u>682,712</u>	<u>-</u>	<u>825,261</u>
DEPRECIATION				
At 1 April 2024	142,549	510,227	-	652,776
Charge for year	-	31,142	-	31,142
Eliminated on disposal	-	(451,201)	-	(451,201)
At 31 March 2025	<u>142,549</u>	<u>90,168</u>	<u>-</u>	<u>232,717</u>
NET BOOK VALUE				
At 31 March 2025	<u>-</u>	<u>592,544</u>	<u>-</u>	<u>592,544</u>
At 31 March 2024	<u>-</u>	<u>99,953</u>	<u>61,699</u>	<u>161,652</u>

12. STOCKS

	2025 £	2024 £
Stocks	<u>49,959</u>	<u>55,016</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade and other debtors	133,303	598,058
Prepayments	167,976	171,341
	<u>301,279</u>	<u>769,399</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	189,236	210,629
VAT	102,654	85,545
Other creditors	365,345	288,705
Accruals and deferred income	245,202	212,838
Accrued expenses	435,122	396,638
	<u>1,337,559</u>	<u>1,194,355</u>

Deferred income is included in the financial statements as follows:

	2025 £	2024 £
Movements in the year:		
Deferred income at 1 April 2024	212,838	261,719
Released from previous periods	(1,217,034)	(1,229,837)
Resources deferred in the year	1,249,398	1,180,956
Deferred income at 31 March 2025	<u>245,202</u>	<u>212,838</u>

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025 £	2024 £
Within one year	2,967	428
Between one and five years	3,441	214
	<u>6,408</u>	<u>642</u>

16. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
Unrestricted funds				
General fund	458,113	411,225	(398,474)	470,864
Pension Reserve	320,000	(140,000)	-	180,000
Fixed Asset	-	-	592,544	592,544
	<u>778,113</u>	<u>271,225</u>	<u>194,070</u>	<u>1,243,408</u>
Restricted funds				
UKSPF Smaller Projects Grant	-	150,000	(150,000)	-
ACW Gwyn Activities Grant	-	44,070	(44,070)	-
	<u>-</u>	<u>194,070</u>	<u>(194,070)</u>	<u>-</u>
TOTAL FUNDS	<u>778,113</u>	<u>465,295</u>	<u>-</u>	<u>1,243,408</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	9,166,815	(8,755,590)	-	411,225
Pension Reserve	-	(300,000)	160,000	(140,000)
	<u>9,166,815</u>	<u>(9,055,590)</u>	<u>160,000</u>	<u>271,225</u>
Restricted funds				
UKSPF Smaller Projects Grant	150,000	-	-	150,000
ACW Gwyn Activities Grant	44,070	-	-	44,070
	<u>194,070</u>	<u>-</u>	<u>-</u>	<u>194,070</u>
TOTAL FUNDS	<u>9,360,885</u>	<u>(9,055,590)</u>	<u>160,000</u>	<u>465,295</u>

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General fund	396,071	62,042	458,113
Pension Reserve	360,000	(40,000)	320,000
	<u>756,071</u>	<u>22,042</u>	<u>778,113</u>
TOTAL FUNDS	<u>756,071</u>	<u>22,042</u>	<u>778,113</u>

CELTIC LEISURE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	9,033,889	(8,971,847)	-	62,042
Pension Reserve	-	(320,000)	280,000	(40,000)
	<u>9,033,889</u>	<u>(9,291,847)</u>	<u>280,000</u>	<u>22,042</u>
Restricted funds				
UKSPF Smaller Projects Grant	61,699	(61,699)	-	-
Sport Wales Grant	38,115	(38,115)	-	-
	<u>99,814</u>	<u>(99,814)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u><u>9,133,703</u></u>	<u><u>(9,391,661)</u></u>	<u><u>280,000</u></u>	<u><u>22,042</u></u>

Designated Fund

Fixed Asset

Relates to the net book value of the charity's unrestricted fixed asset.

Pension Reserve

The Pension Reserve Fund reflects the charity's defined benefit pension scheme liability under FRS 102. It highlights the estimated future funding obligation and is updated annually based on actuarial valuations. Movements are shown in the Statement of Financial Activities.

Restricted Fund

Sport Wales Grant

Funding received has been allocated to provide exercise classes for individuals aged 60 and above.

UKSPF Smaller Projects Grant

This grant has been used to finance the upgrade of outdated equipment in Gwyn Hall, the cinema and theatre operated by Celtic Leisure.

ACW Activities Grant

This grant has also been used to finance the upgrade of equipment within Gwyn Hall, the cinema and theatre operated by Celtic Leisure.

Transfers between funds

After completing the activities funded by the UKSPF smaller grants project and the ACW Gwyn activities grant, a surplus of £194,070 remained. As the original restrictions were fully met, the trustees have transferred the surplus to the general funds to support related future activities.

17. EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit scheme

Celtic Leisure contributes to the City and County of Swansea Pension Scheme (which is a multi-employer defined benefit scheme).

The valuation of the fund and the pension costs are assessed with the advice of a qualified independent actuary, using the projected unit method. The most recent actuarial valuation of the City and County of Swansea Pension Fund (the 'Fund') was carried out at 31 March 2022.

In accordance with the requirements of FRS 102, a qualified independent actuary updated the results of the valuation based on information supplied by the scheme administrators, in order to ascertain the valuation of the scheme at 31 March 2022.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	2025	2024
	£	£
Current service cost	310,000	340,000
Net interest from net defined benefit asset/liability	(10,000)	(20,000)
Past service cost	20,000	-
	<u>320,000</u>	<u>320,000</u>
Actual return on plan assets	<u>-</u>	<u>-</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2025	2024
	£	£
Opening defined benefit obligation	16,270,000	15,980,000
Current service cost	310,000	340,000
Past service cost	20,000	-
Contributions by scheme participants	100,000	110,000
Interest cost	760,000	730,000
Actuarial losses/(gains)	(3,860,000)	(390,000)
Benefits paid	(510,000)	(500,000)
	<u>13,090,000</u>	<u>16,270,000</u>

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

	Defined benefit pension plans	
	2025	2024
	£	£
Opening fair value of scheme assets	23,780,000	21,210,000
Contributions by scheme participants	120,000	110,000
Assets Interest Income	1,110,000	970,000
Benefits paid	(510,000)	(500,000)
Assets other remeasurement	(800,000)	1,990,000
	<u>23,700,000</u>	<u>23,780,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2025	2024
	£	£
Assets other remeasurement	(800,000)	1,990,000
	<u>(800,000)</u>	<u>1,990,000</u>

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2025	2024
	£	£
Equities	15,880,000	16,460,000
Government bonds	170,000	210,000
Multi Asset Credit	-	500,000
Cash	70,000	140,000
Other	6,920,000	5,710,000
Property	660,000	760,000
	<u>23,700,000</u>	<u>23,780,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2025	2024
Discount rate	5.80%	4.70%
Future salary increases	4.00%	4.10%
Future pension increases	2.50%	2.60%
CPI Inflation	2.50%	2.60%
Pension Accounts Revaluation Rate	2.50%	2.60%

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2025	2024
	Years	Years
Retiring today		
-Males	21.6	21.7
-Females	21.9	22.4
Retiring in 20 years		
-Males	24.2	24.3
-Females	25.0	25.3

Amounts taken to other comprehensive income:

	2025	2024
	£	£
Actual return on scheme assets	(310,000)	(2,960,000)
Less: calculated interest element	1,110,000	970,000
	<u>(800,000)</u>	<u>(1,990,000)</u>
Actuarial changes related to obligations	(3,860,000)	(390,000)
Effects of changes in the amount of surplus that is not recoverable	2,900,000	2,100,000
	<u>(160,000)</u>	<u>(280,000)</u>

The amounts included in the balance sheet arising from the charity's obligations in respect of defined plans are as follows:

	2025	2024
	£	£
Present value of defined benefit obligations	(13,090,000)	(16,270,000)
Fair value of plan assets	23,700,000	23,780,000
	<u>10,610,000</u>	<u>7,510,000</u>
Restriction on scheme assets	(10,430,000)	(7,190,000)
Total asset/(liability) recognised	180,000	320,000

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

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Defined contribution scheme

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the profit or loss in respect of defined contribution schemes was £435,686 (2024 £407,422).

18. RELATED PARTY DISCLOSURES

The Trustees of Celtic Leisure are related parties. Trustees' emoluments are disclosed in note 7 to the financial statement's. Two Trustees holding office during the year ended 31 March 2025 (2024: 2) were contributing members for the defined benefit pension scheme.

The employer's pension contribution for these members was at the rate of 12.9% (2024: 12.9%). The aggregate employer's contributions in respect of the two Trustees was £4,418 for the year ended 31 March 2025 (2024 £4,915). The employers contribution for 2025 in respect of the highest paid Trustee £ (2024 : £2,624).

A Trustee during our year was also a director of a related party, Sales to this company was £13,101 (2024: £9,731) and purchases £7,162 (2024: £23,430). These transactions took place at arms length.

Celtic Leisure has received income of £4,040,010 (2024: £3,641,248) from Neath Port Talbot Council in the year ended 31st March 2025, of this £3,541,342 relates to management fees (2024 £3,431,558). Expenditure from Neath Port Talbot Council totalled £369,147 (2024: £395,477).

19. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the Charitable company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as maybe required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

CELTIC LEISURE

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025**

	2025 £	2024 £
INCOME AND ENDOWMENTS		
Investment income		
Deposit account interest	26,426	16,614
Charitable activities		
Grants	232,185	99,814
Leisure & cultural activities	5,580,932	5,585,717
Management Fees	3,521,342	3,431,558
	9,334,459	9,117,089
Total incoming resources	9,360,885	9,133,703
EXPENDITURE		
Charitable activities		
Wages	5,370,239	5,212,339
Supplies & service costs	1,084,459	935,158
Premises costs	1,886,648	2,605,965
Plant and machinery	19,290	24,843
	8,360,636	8,778,305
Support costs		
Support costs		
Insurance and Banking costs	226,927	194,877
Postage and stationery	16,210	39,809
Sundries	416,604	332,869
Accountancy and legal fees	35,213	45,801
	694,954	613,356
Total resources expended	9,055,590	9,391,661
Net income/(expenditure)	305,295	(257,958)

CELTIC LEISURE

England & Wales - Charity number 1161131

Accounts

REGISTERED COMPANY NUMBER: 09519616 (England and Wales)
REGISTERED CHARITY NUMBER: 1161131

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
CELTIC LEISURE**

Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

CELTIC LEISURE

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FOR THE YEAR ENDED 31 MARCH 2024**

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CELTIC LEISURE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

OBJECTIVES AND ACTIVITIES

Objectives and activities

As a company limited by guarantee and a registered charity, Celtic Leisure (the Company) is committed to demonstrating the benefits it provides in the County Borough of Neath Port Talbot. This statement sets out the objectives, vision and values of the Charity.

Objectives

The overall aims of Celtic Leisure as set out in its Articles of Association are:

- The advancement and support of education, culture, arts and heritage.
- The provision or assistance in the provision of facilities for recreation or other leisure time occupation in the interest of social welfare, such facilities being provided to the public at large.
- The promotion and preservation of good health through community participation in healthy recreation.

Vision

That Celtic Leisure will be:

- The partner of choice for all organisations in Neath Port Talbot with a common purpose in the areas of physical literacy, culture, exercise sport and health.
- A leaner, fitter organisation that is equipped to withstand and adapt to an ever-changing economy and market; and
- An organisation that is fully engaged with its customers, communities and partners, and responsive to their needs.

Organisational Values

- We are an organisation that has high standards, and we will adopt the following values and principles in dealings with our customers, colleagues and partners, we will:
 - Act with integrity and show respect.
 - Be honest and open
 - Listen, and put people at the heart of the decisions we make.
 - Will be accountable for our actions.
 - Endeavour to be fair and equal and be sensitive to the differences between people.

Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

CELTIC LEISURE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES

Strategies for achieving objectives

Celtic Leisure ('the Company') is a non-profit distributing body registered as a charity. For the general public in the County Borough of Neath Port Talbot and its environs, the Company's objectives are to provide a range of services for recreation, cultural and leisure time occupation in the interests of social welfare; to advance the education of the public in leisure activities; and to promote and protect good health amongst the public by the encouragement of healthy lifestyles and participation in appropriate leisure and cultural activities.

Celtic Leisure is legally independent of the Council, although its objectives have been established to reflect those of the Council, with which it works in partnership to ensure that the leisure centres, swimming pools and Gwyn Hall make a full contribution towards achieving the objectives of the community plan.

The Company relies on both a management fee from the Council and income from activities charged to users of the facilities to cover its operating costs. Affordability and access to these facilities is important and is reflected in the Company's pricing policy.

Activities undertaken to achieve objectives

In the financial year ending March 2024, Celtic Leisure operated multiple leisure centres and swimming pools, a performing arts centre, a seasonal seafront activity and a couple of bowls venues.

Our activities are summarised below and are undertaken to further our charitable purposes for community benefit.

Advancement of Education, Culture, Arts & Heritage

By:

- providing the opportunity for children to be confident and proficient in water, through the provision of a structured learn to swim programme
- providing the opportunity for local children to learn to swim in an encouraging environment, by working in close association with Neath Port Talbot schools.
- providing a wide range of live events and films at the Gwyn Hall, to suit all tastes
- providing the opportunity for local amateur societies to perform in a professional venue.
- providing regular on stage live music performances
- providing a local facility for conferences and meetings
- providing a venue for frequent screenings of National Theatre Live performances
- providing a professional venue for local dance schools to both rehearse and perform live on stage
- promoting the use of the Welsh language in the Arts through live stage performances aimed at younger children
- providing a social and wellbeing provision by presenting recurring monthly quiz nights promoting cinematic themes
- providing a venue to host children's art exhibitions, by working with local schools.
- providing an environment for more relaxed cinema screenings to benefit individuals with learning difficulties autism and other cognitive disorders

Provision of Recreation Facilities to Promote Healthy Living & Wellbeing

Through:

- the utilisation of our swimming pool facilities by local swimming and aquatic clubs for both training and competition.
- the use of our indoor gyms, sports and bowls halls by various clubs, schools, societies and individuals for re training and competitions
- the use of our two artificial football pitches by local junior and senior football and rugby teams
- the use of our outdoor athletic track by clubs and individuals allowing them to be involved in athletics at all abilities whether at a competitive level or just for pleasure
- the use of our facilities to undertake various shows to promote the interest of the wider non-sporting community outside of the leisure industry by hosting events such as dogs and bird shows
- the use of our facilities by various disabled groups

CELTIC LEISURE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES

Promotion of Good Health and wellbeing in The Community

Through:

- the provision of an extensive programme of exercise classes, helping a cross section of people keeping fit in an encouraging environment that promotes physical and emotional well-being
- working with local businesses as a corporate partner to offer health reviews to company staff
- utilising our trained gym instructors to deliver appropriate nutrition and diet advice of individuals
- the provision of a discounted pricing for individuals under 21 years of age helping to give easier a gym facilities and stop inactivity
- our presence at and sponsoring various community festivals being able to give advice to individuals on various ways in which to stay fit and healthy.
- our Carbon Reduction Programme in partnership with Neat Port Talbot Council, commenced in 2023-24, and is a long-term plan to significantly improve the energy and carbon performance of our facilities.

STRATEGIC REPORT

Achievement and performance

Fundraising activities

Celtic Leisure's fundraising activities throughout the financial year included sourcing funds through the range of available grants which in 2024 totaled £99,814 (2023: £47,716)

Financial review

Results

The Company continued facing a number of challenges in the financial year which had made it return a deficit of £257,958 (2023: £630,000 deficit) before defined benefit pension remeasurement adjustment for the year ended 31 March 2024. After considering actuarial gains of the Pension Fund (£280,000), the net movement of funds resulted in a surplus of £22,042.

The Company continues to target the External Income growth with 2024 results of £5,602,331 being 26% higher than in the prior year (2023: £4,125,260).

The challenges resulting from the adverse external factors and market conditions have been addressed by further enforcement of the ongoing partnership with NPTCBC as well as employment of consultancy services.

Reserves policy

The Company's reserves as at 31 March 2024 before accounting for any asset/liability from the Company's defined benefit pension scheme amounted to £458,113 (2023: £396,071).

However, after accounting for the Company's defined benefit pension scheme gains the net unrestricted funds totalled £778,113 (2023: £756,071).

In agreement with the Charity Commission's guideline, Celtic Leisure retains desired levels of reserves, exceeding £400,000, excluding the defined benefit pension scheme impact.

The Company has a favorable working capital provision, with a vast majority of its income being paid in advance of expenditure. The Company proactively monitors the levels of desired reserves with tools and strategies such as robust forecasting, corporate planning, maximization of income streams, portfolio expansion and market and competition monitoring.

CELTIC LEISURE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Financial review

Going concern

In May 2024 Celtic Leisure's Board of Trustees (the Board) agreed to the request of the Neath Port Talbot County Borough Council (NPTCBC) to enter negotiations for Celtic Leisure to continue providing leisure services post the contract completion date, 31st March 2025.

Later in the year, in October 2024, the 5-year contract extension was formally agreed, and the Board entered ongoing negotiations regarding the terms of the new contract, this new contract will run to 1st April 2030.

Celtic Leisure is also planning to undertake a recruitment process to replace the current, retiring CEO with the intention of the new CEO being in place by 1st April 2025.

The indemnity agreement signed by the Board and NPTCBC remains in place until the commencement of the new contract, on 1st April 2025.

Expansion and improvement plans

The Company is actively seeking ways to improve its commercial portfolio. This is both, through the use of available resources to improve existing offers as well as through researching investment opportunities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

Celtic Leisure is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The Company is constituted under a Memorandum of Association dated 31 March 2015 and is a registered charity number 1161131.

The principal objects of the Company are:

- The advancement and support of education, culture, arts and heritage;
- The provision or assistance in the provision of facilities for recreation or other leisure time occupation in the of social welfare, such facilities being provided to the public at large; and
- The promotion and preservation of good health through community participation in health recreation.

The Trustees meet formally four times a year for regular business. Celtic Leisure seeks to have Trustees comprised as follows:

- Up to two representatives appointed by Neath Port Talbot County Borough Council; and
- Eight persons, who are not local authority persons defined by the Local Government and Housing Act, who represent the wider community which the Charity serves and are appointed by the Trustees.

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Organisational structure and decision-making policies

The board of Trustees, which can have up to 12 members, administers the Charity. The board normally meets quarterly. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and artistic performance related activity.

CELTIC LEISURE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Policies adopted for the induction and training of Trustees

It is Celtic Leisure's intention to make its Trustees aware of their duties and responsibilities as Trustees of the Charity. It is also our intention that as and when those legal responsibilities change the Trustees will be made aware of any such changes. In the future Trustees recruited to the Board will undergo an induction day and will meet key personnel during this session.

Key management remuneration

The arrangements for setting pay and remuneration of key management personnel is linked to the general staff pay award as agreed with Union Representatives. Consideration is given to the National Joint Council Pay Award for Local Government during these negotiations, and subject to affordability are ratified by the Board of Trustees.

Related party relationships

Two of our Trustees were appointed from our staff team and receive remuneration for their work with the charity. Any connection between a Trustee or senior manager of the Charity with a supplier or company who undertakes a service for the Charity must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party. The trustees encourage members of staff to take on the role of trusteeship on behalf of the Charity.

Risk management

The Trustees review risk management across the year in their Board meetings:

- The Health & Safety Policy is reviewed and resigned annually.
- The risk register and the principal risks and uncertainties identified and movement in risk are highlighted during the year.
- The company has policies, systems and procedures to mitigate those identified risks

During 2023/24, the risk register was overhauled to include the proximity of the risks to the organisation as it gets closer to the end of the contract period, but also a review of the risks in relation to insourcing to Neath Port Talbot County Borough Council (NPTCBC). Discussions were had in relation to potential job losses at the Tata Steelworks and ways to mitigate this risk on memberships.

CL has been fortunate during 2023/24 to still have in place the indemnity agreement with NPTCBC which has continued to support the business as it continues to recover from the Covid pandemic.

Trustees' indemnities

Celtic Leisure currently provide for Trustee indemnity.

Engagement with employees and employment of individuals with a disability

The policy of Celtic Leisure is to consult and discuss with employees on matters likely to affect employees' interests.

Information on matters of concern to employees is given through such means as briefing meetings, notice boards and announcements through the companies Sage HR app.

Celtic Leisure is a disability confident organisation and continues to be part of the government's Disability Confident Employer Scheme offering employment opportunities to individuals with a disability provided they meet the shortlisting criteria.

Remuneration of Key Management Personnel

The arrangements for setting pay and remuneration of key management personnel is linked to National Pay Award. Consideration is given to the National Joint Council Pay Award for Local Government during these negotiations, and subject to affordability are ratified by the Board of Trustees.

CELTIC LEISURE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09519616 (England and Wales)

Registered Charity number

1161131

Registered office

Aberavon Leisure And Fitness Centre
Princess Margaret Way
Port Talbot
SA12 6QW

Trustees

L A J Dineen
Mrs P L Fowler
Mr J A Stephens (resigned 25.9.24)
H H Worth
Mrs H Stockham (resigned 25.9.24)
D Smith
Mrs J Locke
G C Davies
B Anderson (appointed 25.9.24)
P Randall (appointed 25.9.24)

Company Secretary

Mrs H J Morris-Sayce

Auditors

Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Celtic Leisure for the purposes 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).

Company 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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

CELTIC LEISURE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

In accordance with the company's articles, a resolution proposing that Bevan Buckland LLP be reappointed as an auditor of the company will be put at a General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on11.12.24..... and signed on the board's behalf by:



P L Fowler - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CELTIC LEISURE

Opinion

We have audited the financial statements of Celtic Leisure (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (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 incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other 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 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Prior year Audit by Another Auditor

The financial statements of the Charitable Company for the period ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion. We have reviewed the predecessor auditor's report and considered its implications on the current year's financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CELTIC LEISURE

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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 trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company 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.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CELTIC LEISURE

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud.
- obtaining an understanding of the legal and regulatory frameworks that the Company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Company, The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

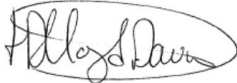
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CELTIC LEISURE**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Henry Lloyd Davies (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date: 11/12/2024

CELTIC LEISURE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	9,033,889	99,814	9,133,703	6,974,134
EXPENDITURE ON					
Charitable activities	4				
Charitable Activities		9,291,847	99,814	9,391,661	7,604,134
NET INCOME/(EXPENDITURE)		(257,958)	-	(257,958)	(630,000)
Other recognised gains/(losses)					
Actuarial gains on defined benefit schemes		280,000	-	280,000	4,760,000
Net movement in funds		22,042	-	22,042	4,130,000
RECONCILIATION OF FUNDS					
Total funds brought forward		756,071	-	756,071	(3,373,929)
TOTAL FUNDS CARRIED FORWARD		<u>778,113</u>	<u>-</u>	<u>778,113</u>	<u>756,071</u>

The notes form part of these financial statements

CELTIC LEISURE

**BALANCE SHEET
31 MARCH 2024**

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	10	161,652	-	161,652	26,802
CURRENT ASSETS					
Stocks	11	55,016	-	55,016	32,766
Debtors	12	769,399	-	769,399	861,935
Cash at bank		666,401	-	666,401	771,790
		<u>1,490,816</u>	<u>-</u>	<u>1,490,816</u>	<u>1,666,491</u>
CREDITORS					
Amounts falling due within one year	13	(1,194,355)	-	(1,194,355)	(1,297,222)
		<u>296,461</u>	<u>-</u>	<u>296,461</u>	<u>369,269</u>
NET CURRENT ASSETS					
		<u>296,461</u>	<u>-</u>	<u>296,461</u>	<u>369,269</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>458,113</u>	<u>-</u>	<u>458,113</u>	<u>396,071</u>
PENSION ASSET					
	16	320,000	-	320,000	360,000
		<u>778,113</u>	<u>-</u>	<u>778,113</u>	<u>756,071</u>
NET ASSETS/(LIABILITIES)					
		<u>778,113</u>	<u>-</u>	<u>778,113</u>	<u>756,071</u>
FUNDS					
Unrestricted funds	15			<u>778,113</u>	<u>756,071</u>
TOTAL FUNDS					
				<u>778,113</u>	<u>756,071</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 11.12.24 and were signed on its behalf by:


P L Fowler - Trustee

The notes form part of these financial statements

CELTIC LEISURE

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	53,944	24,976
Net cash provided by operating activities		<u>53,944</u>	<u>24,976</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(159,333)	(60,986)
Net cash used in investing activities		<u>(159,333)</u>	<u>(60,986)</u>
Change in cash and cash equivalents in the reporting period			
		(105,389)	(36,010)
Cash and cash equivalents at the beginning of the reporting period		<u>771,790</u>	<u>807,800</u>
Cash and cash equivalents at the end of the reporting period		<u><u>666,401</u></u>	<u><u>771,790</u></u>

The notes form part of these financial statements

CELTIC LEISURE

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES		2024 £	2023 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)		(257,958)	(630,000)
Adjustments for:			
Depreciation charges		24,843	34,184
(Increase)/decrease in stocks		(22,250)	7,855
Decrease/(increase) in debtors		92,176	(231,837)
(Decrease)/increase in creditors		(102,867)	214,774
Difference between pension charge and cash contributions		320,000	630,000
		<u>53,944</u>	<u>24,976</u>
Net cash provided by operations		<u>53,944</u>	<u>24,976</u>
2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.4.23 £	Cash flow £	At 31.3.24 £
Net cash			
Cash at bank	771,790	(105,389)	666,401
	<u>771,790</u>	<u>(105,389)</u>	<u>666,401</u>
Total	<u>771,790</u>	<u>(105,389)</u>	<u>666,401</u>

The notes form part of these financial statements

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. CHARITY INFORMATION

Celtic Leisure is a private company limited by guarantee incorporated in England and Wales. The registered office is Aberavon Leisure and Fitness Centre, Princess Margaret Way, Port Talbot, Wales, SA12 6QW.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy. The principal accounting policies adopted are set out below.

Going concern

In October 2024, the Local Authority held a cabinet meeting to make a decision regarding future of indoor leisure services. The current contract between Celtic Leisure and Neath Port Talbot County Borough Council is due to expire in Mar 2025 therefore a recommendation was put forward by NPTCBC to extend the contract by a further 5 years. The extension was agreed in principle by the Board. The formal legal agreement will not be signed until early 2025.

Should the contract not be legally signed, the current contract will run until 31 March 2025, where Celtic Leisure will be taken in-house by Neath Port Talbot County Borough Council.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Pension asset

The Company has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the asset or liability depend upon a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension asset or liability in the balance sheet, as well as the appropriateness of the recognition of any asset. The assumptions reflect historical experience and current trends. When a scheme has surplus the asset to be recognised is calculated at the lower of the surplus in the defined benefit plan and the asset ceiling. The asset ceiling is the higher of the economic benefit that could be achieved from a refund of surplus on exiting the Fund, and the economic benefit from payment of future service contributions to the Fund below future expected Current Service Costs.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES - continued

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and the receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Income from grants is deferred only when the terms and conditions of the grant permit the income to be deferred to future periods.

Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences.

The management fee is an unrestricted fund which is available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company. The income is invoiced and recognised in the period to which it relates.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Expenditure on charitable activities which further the Charitable company's objectives, as well as any associated support costs. All expenditure is inclusive of irrecoverable VAT.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES - continued

Expenditure

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The company participates in a defined contribution pension scheme. Contributions to the scheme are charged to the profit and loss account as they fall due

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the life of the lease
Plant and machinery	20% straight line or over the remainder of the council contract

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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 at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES - continued

Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation (legal and constructive) resulting from a past event that will probably 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

CELTIC LEISURE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES - continued

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

3. DONATIONS AND LEGACIES

	2024	2023
	£	£
Grants	99,814	47,716
Leisure & cultural activities	5,602,331	4,125,260
Management Fees	3,431,558	2,801,158
	9,133,703	6,974,134

Grants received, included in the above, are as follows:

	2024	2023
	£	£
Sport Wales Grant	38,115	47,716
UKSPF Smaller Projects Grant	61,699	-
	99,814	47,716

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Charitable Activities	8,778,305	613,356	9,391,661
	8,778,305	613,356	9,391,661

5. SUPPORT COSTS

Charitable Activities	Support costs £ 613,356
	613,356

The auditor's remuneration amounts to an audit fee of £16,500 (2023 £13,000) and £3,500 for accountancy fees (2023 £2,000).

CELTIC LEISURE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

5. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

Support costs

	2024 Charitable Activities £	2023 Total activities £
Insurance	194,877	159,930
Postage and stationery	39,809	43,231
Sundries	332,869	193,256
Accountancy and legal fees	45,801	33,649
	613,356	430,066

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024 £	2023 £
Depreciation - owned assets	24,483	34,184

7. TRUSTEES' REMUNERATION AND BENEFITS

During the year two trustees received remuneration from their employment with the charity but not for their services as a Trustee.

The Memorandum and Articles of Association of the charity provides the charity with the legal authority to make such payments.

The employees have two staff representatives on the Trustee board.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

8. STAFF COSTS

	2024 £	2023 £
Wages and salaries	5,212,339	5,116,485
	5,212,339	5,116,485

The average monthly number of employees during the year was as follows:

	2024	2023
Administration	23	22
Leisure	293	319
	316	341

CELTIC LEISURE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

8. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£60,001 - £70,000	1	-
£90,001 - £100,000	1	-
£140,000 - £150,000	-	1
	2	1
	2	1

Wages & salaries costs are split as below.:

	2024	2023
	£	£
Wages and salaries	4,541,259	3,929,084
Social Security costs	263,658	255,566
Contribution to defined contribution pension schemes	67,422	171,835
Operating costs of defined benefit pension schemes	340,000	760,000
	5,212,339	5,116,485
Total	5,212,339	5,116,485

Included within wages and salaries costs are redundancy payments totalling £nil (2023: £33,923). As at the current year end £nil remained outstanding (2023: £nil).

In regard to the above the charity was required to make a payment into the City and County of Swansea Pension Scheme of £nil (2023: £90,277).

Key management remuneration

Key management compensation includes members of senior management. The compensation paid or payable to key management for employee services totalled £349,214 (2023: £271,791).

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	6,974,134	-	6,974,134
	6,974,134	-	6,974,134
EXPENDITURE ON			
Charitable activities			
Charitable Activities	7,604,134	-	7,604,134
	7,604,134	-	7,604,134
NET INCOME/(EXPENDITURE)	(630,000)	-	(630,000)
Other recognised gains/(losses)			
Actuarial gains on defined benefit schemes	4,760,000	-	4,760,000
	4,760,000	-	4,760,000
Net movement in funds	4,130,000	-	4,130,000

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued		Unrestricted funds £	Restricted funds £	Total funds £	
RECONCILIATION OF FUNDS					
Total funds brought forward		(3,373,929)	-	(3,373,929)	
TOTAL FUNDS CARRIED FORWARD		<u>756,071</u>	<u>-</u>	<u>756,071</u>	
10. TANGIBLE FIXED ASSETS					
	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £	
COST					
	At 1 April 2023	142,549	512,546	-	655,095
	Additions	-	97,634	61,699	159,333
	At 31 March 2024	<u>142,549</u>	<u>610,180</u>	<u>61,699</u>	<u>814,428</u>
DEPRECIATION					
	At 1 April 2023	142,549	485,744	-	628,293
	Charge for year	-	24,483	-	24,483
	At 31 March 2024	<u>142,549</u>	<u>510,227</u>	<u>-</u>	<u>652,776</u>
NET BOOK VALUE					
	At 31 March 2024	<u>-</u>	<u>99,953</u>	<u>61,699</u>	<u>161,652</u>
	At 31 March 2023	<u>-</u>	<u>26,802</u>	<u>-</u>	<u>26,802</u>
11. STOCKS			2024	2023	
			£	£	
	Stocks		<u>55,016</u>	<u>32,766</u>	
12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			2024	2023	
			£	£	
	Trade debtors		598,058	722,326	
	Other debtors		-	1,024	
	Prepayments and accrued income		171,341	138,585	
			<u>769,399</u>	<u>861,935</u>	

CELTIC LEISURE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	210,629	121,115
VAT	85,545	136,912
Other creditors	288,705	245,829
Accruals and deferred income	212,838	350,072
Accrued expenses	396,638	443,294
	1,194,355	1,297,222

Deferred income is included in the financial statements as follows:

	2024	2023
	£	£
Movements in the year:		
Deferred income at 1 April	261,719	144,805
Released from previous periods	(1,229,837)	(2,022,404)
Resources deferred in the year	1,180,956	2,139,318
	212,838	261,719

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	428	3,623
Between one and five years	214	642
	642	4,265

15. MOVEMENT IN FUNDS

	At 1.4.23	Net movement in funds	At 31.3.24
	£	£	£
Unrestricted funds			
General fund	396,071	62,042	458,113
Pension Reserve	360,000	(40,000)	320,000
	756,071	22,042	778,113
TOTAL FUNDS	756,071	22,042	778,113

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	9,033,889	(8,971,847)	-	62,042
Pension Reserve	-	(320,000)	280,000	(40,000)
	<u>9,033,889</u>	<u>(9,291,847)</u>	<u>280,000</u>	<u>22,042</u>
Restricted funds				
UKSPF Smaller Projects Grant	61,699	(61,699)	-	-
Sport Wales Grant	38,115	(38,115)	-	-
	<u>99,814</u>	<u>(99,814)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u><u>9,133,703</u></u>	<u><u>(9,391,661)</u></u>	<u><u>280,000</u></u>	<u><u>22,042</u></u>

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	396,071	-	396,071
Pension Reserve	(3,770,000)	4,130,000	360,000
	<u>(3,373,929)</u>	<u>4,130,000</u>	<u>756,071</u>
TOTAL FUNDS	<u><u>(3,373,929)</u></u>	<u><u>4,130,000</u></u>	<u><u>756,071</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	6,974,134	(6,974,134)	-	-
Pension Reserve	-	(630,000)	4,760,000	4,130,000
	<u>6,974,134</u>	<u>(7,604,134)</u>	<u>4,760,000</u>	<u>4,130,000</u>
TOTAL FUNDS	<u><u>6,974,134</u></u>	<u><u>(7,604,134)</u></u>	<u><u>4,760,000</u></u>	<u><u>4,130,000</u></u>

Sport Wales Grant

Funding Received and used towards the provision of exercise classes aimed at individuals in 60+ age group.

UKSPF Smaller Projects Grant

CELTIC LEISURE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

15. MOVEMENT IN FUNDS - continued

Used to finance and upgrade of an outdated equipment in Gwyn Hall, the cinema and theatre operated by Celtic Leisure.

16. EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit scheme

Celtic Leisure contributes to the City and County of Swansea Pension Scheme (which is a multi-employer defined benefit scheme).

The valuation of the fund and the pension costs are assessed with the advice of a qualified independent actuary, using the projected unit method. The most recent actuarial valuation of the City and County of Swansea Pension Fund (the 'Fund') was carried out at 31 March 2022.

In accordance with the requirements of FRS 102, a qualified independent actuary updated the results of the valuation based on information supplied by the scheme administrators, in order to ascertain the valuation of the scheme at 31 March 2022.

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	2024	2023
	£	£
Current service cost	340,000	760,000
Net interest from net defined benefit asset/liability	(20,000)	100,000
Past service cost	-	-
	320,000	860,000
	-	-
Actual return on plan assets	-	-

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2024	2023
	£	£
Opening defined benefit obligation	15,980,000	24,390,000
Current service cost	340,000	760,000
Contributions by scheme participants	110,000	110,000
Interest cost	730,000	660,000
Actuarial losses/(gains)	(390,000)	(9,700,000)
Benefits paid	(500,000)	(240,000)
	16,270,000	15,980,000
	16,270,000	15,980,000

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2024	2023
	£	£
Opening fair value of scheme assets	21,210,000	20,620,000
Contributions by employer	-	230,000
Contributions by scheme participants	110,000	110,000
Assets Interest Income	970,000	560,000
Benefits paid	(500,000)	(240,000)
Assets other remeasurement	1,990,000	(70,000)
	<u>23,780,000</u>	<u>21,210,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2024	2023
	£	£
Assets other remeasurement	1,990,000	(70,000)
	<u>1,990,000</u>	<u>(70,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2024	2023
	£	£
Equities	16,460,000	15,010,000
Government bonds	210,000	190,000
Multi Asset Credit	500,000	450,000
Cash	140,000	1,550,000
Other	5,710,000	3,200,000
Property	760,000	810,000
	<u>23,780,000</u>	<u>21,210,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2024	2023
Discount rate	4.70%	4.60%
Future salary increases	4.10%	4.10%
Future pension increases	2.60%	2.60%
CPI Inflation	2.60%	2.60%
Pension Accounts Revaluation Rate	2.60%	2.60%

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

	2024 Years	2023 Years
Retiring today		
-Males	21.7	22.2
-Females	22.4	22.9
Retiring in 20 years		
-Males	24.3	24.7
-Females	25.3	25.8

Amounts taken to other comprehensive income:

	2024 £	2023 £
Actual return on scheme assets	(2,960,000)	(490,000)
Less: calculated interest element	970,000	560,000
	(1,990,000)	70,000
Actuarial changes related to obligations	(390,000)	(9,700,000)
Effects of changes in the amount of surplus that is not recoverable	2,100,000	4,870,000
	(280,000)	(4,760,000)

The amounts included in the balance sheet arising from the charity's obligations in respect of defined plans are as follows:

	2024 £	2023 £
Present value of defined benefit obligations	(16,270,000)	(15,980,000)
Fair value of plan assets	23,780,000	21,210,000
	7,510,000	5,230,000
Restriction on scheme assets	(7,190,000)	(4,870,000)
Total asset/(liability) recognised	320,000	360,000

Defined contribution scheme

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the profit or loss in respect of defined contribution schemes was £407,422 (2023 £931,835).

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

17. RELATED PARTY DISCLOSURES

The Trustees of Celtic Leisure are related parties. Trustees' emoluments are disclosed in note 7 to the financial statements. Two Trustees holding office during the year ended 31 March 2024 (2023: 2) were contributing members for the defined benefit pension scheme.

The employer's pension contribution for these members was at the rate of 12.9% (2023: 12.9%). The aggregate employer's contributions in respect of the two Trustees was £4,915 for the year ended 31 March 2024 (2023 £7,950). The employers contribution for 2024 in respect of the highest paid Trustee £2,624 (2023 : £4,394).

A Trustee is also a director of a related party, Sales to this company was £9,731 (2023: £10,089) and purchases £23,430 (2023: £11,983). These transactions took place at arms length.

Celtic Leisure has received income of £3,641,248 (2023: £2,801,158) from Neath Port Talbot Council in the year ended 31st March 2024, of this £3,431,558 relates to management fees (2023 £2,801,158). Expenditure from Neath Port Talbot Council totalled £395,477 (2023: £95,831) included within the amount this year is an amount for the services of an interim CEO from the council.

18. POST BALANCE SHEET EVENTS

In September 2024, Celtic Leisure board of Trustees reviewed the future of the charity with the current contract with Neath Port Talbot Council due to run until 31 March 2025. A proposal was put to the cabinet of the local authority for review with an extension to the contract of 5 years to run until 31 March 2030. The cabinet approved the proposal in October 2024, with the final legal agreement to be signed in early 2025.

The current CEO, Paul Walker is to step down from his role, Celtic Leisure will begin the search for a new CEO to run in-line with the new contract until March 2030.

19. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the Charitable company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as maybe required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

CELTIC LEISURE

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024**

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Grants	99,814	47,716
Leisure & cultural activities	5,602,331	4,125,260
Management Fees	3,431,558	2,801,158
	9,133,703	6,974,134
Total incoming resources	9,133,703	6,974,134
EXPENDITURE		
Charitable activities		
Wages	5,212,339	5,116,485
Supplies & service costs	935,158	758,276
Premises costs	2,605,965	1,265,123
Plant and machinery	24,843	34,184
	8,778,305	7,174,068
Support costs		
Support costs		
Insurance	194,877	159,930
Postage and stationery	39,809	43,231
Sundries	332,869	193,256
Accountancy and legal fees	45,801	33,649
	613,356	430,066
Total resources expended	9,391,661	7,604,134
Net expenditure	(257,958)	(630,000)

This page does not form part of the statutory financial statements

CELTIC LEISURE

England & Wales - Charity number 1161131

Accounts

Charity registration number 1161131

Company registration number 09519616 (England and Wales)

CELTIC LEISURE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

CELTIC LEISURE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

G C Davies
L A J Dineen
P L Fowler
J Locke
D Smith
J A Stephens
H Stockham
H Worth

Secretary

H Morris-Sayce

Charity number

1161131

Company number

09519616

Registered office

Aberavon Leisure And Fitness Centre
Princess Margaret Way
Neath
West Glamorgan
SA12 6QW

Auditor

Azets Audit Services
Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

Bankers

HSBC UK
1 Centenary Square
Birmingham
B1 1HQ

CELTIC LEISURE

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CELTIC LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

As a company limited by guarantee and a registered charity, Celtic Leisure is committed to demonstrating the benefits it provides in the County Borough of Neath Port Talbot. This statement sets out the objects, vision and values of the Charity.

Objectives

The overall aims of Celtic Leisure as set out in its Articles of Association are:

- The advancement and support of education, culture, arts and heritage;
- The provision or assistance in the provision of facilities for recreation or other leisure time occupation in the interest of social welfare, such facilities being provided to the public at large;
- The promotion and preservation of good health through community participation in healthy recreation.

Vision

That Celtic Leisure will be:

- The partner of choice for all organisations in Neath Port Talbot with a common purpose in the areas of physical literacy, culture, exercise sport and health;
- A leaner, fitter organisation that is equipped to withstand and adapt to an ever-changing economy and market; and
- An organisation that is fully engaged with its customers, communities and partners, and responsive to their needs.

Organisational Values

We are an organisation that has high standards, and we will adopt the following values and principles in dealings with our customers, colleagues and partners, we will:

- Act with integrity and show respect.
- Be honest and open
- Listen, and put people at the heart of the decisions we make.
- Will be accountable for our actions.
- Endeavour to be fair and equal, and be sensitive to the differences between people.

Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Going Concern

Following negotiations with Neath Port Talbot County Borough Council (NPTCBC), Celtic Leisure has agreed to surrender the contract it holds with the Council for the purpose of providing physical literacy, culture, exercise sport and health within the community. This is currently planned for 31/03/2025.

Further, in October 2020 Celtic Leisure entered into an agreement with NPTCBC that ensures that it is adequately funded and able to meet all its obligations to the date of completion of the contract.

That members note that officers are now working to a transfer of the service in-house to the Council by no later than 31st March 2025 and reports will be brought back to members throughout 2024/2025 to advise members of next steps in the insourcing.

CELTIC LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Strategies for achieving objectives

Celtic Leisure ('the Company') is a non-profit making body registered as a charity in the County Borough of Neath Port Talbot and its environs. The Company's objectives are to provide a range of services for the general public, for recreation, cultural and leisure time occupation in the interests of social welfare; to advance the education of the public in leisure activities; and to promote and protect good health amongst the public by the encouragement of healthy lifestyles and participation in appropriate leisure and cultural activities.

The predecessor society and Company (see 'Structure, governance and management' below), was formed to take the transfer of the leisure centres and swimming pool operations of Neath Port Talbot County Borough Council ('the Council') with effect from 1 April 2003.

Celtic Leisure is legally independent of the Council, although its objectives have been established to reflect those of the Council, with which it works in partnership to ensure that the leisure centres, swimming pools and Gwyn Hall make a full contribution towards achieving the objectives of the community plan.

The Company relies on a management fee from the Council and income from activities charged to users of the facilities to cover its operating costs. Affordability and access to these facilities is important and is reflected in the Company's pricing policy.

Activities undertaken to achieve objectives

With government restriction around COVID-19 pandemic progressively lifting from May 2021, the business was able to gradually return to full capacity of its activities throughout the course of the year.

Participation throughout 2022/23

The COVID-19 pandemic significantly affected the trading performance of the business but following the lifting of all lockdowns, returned to pre pandemic levels.

CELTIC LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Main activities undertaken to further the Company's purposes for the public benefit

Our activities summarised below are undertaken to further our charitable purposes for public benefit and can be three areas:

Advancement of Education, Culture, Arts & Heritage

- Through the provision of a structured learn to swim programme give the opportunity for children to become confident and proficient in water
- Working in close association with schools within the area, provide the opportunity for local children to learning to swim in an encouraging environment
- Supporting a wide range of live events and films at our Gwyn Hall site to suit all tastes
- The programming of the latest blockbuster films in our 3 cinema screens
- The promotion of shows and pantomimes run by local amateur societies
- Regular on stage live music performances
- The availability of the facility for conferences and meetings
- Frequent screenings of National Theatre Live performances
- Working with local dance schools with both practices and live stage performances
- The promotion of Welsh language in the Arts through live stage performances aimed at younger children
- Recurring monthly quiz nights promoting cinematic themes
- Working with local schools in providing a venue to host children's art exhibitions
- Assisting the local college in providing working opportunities for students to achieve customer service-based qualifications
- Providing an environment for more relaxed cinema screenings to benefit individuals with learning difficulties, autism and other cognitive disorders

Provision of Recreation Facilities To Promote Healthy Living & Welfare

- Utilisation of our swimming pool facilities by local swimming and aquatic clubs for both training and competitions
- Use of our indoor gyms, sports and bowls halls by various clubs, schools, societies and individuals for recreation, training and competitions
- Providing two artificial football pitches for use by local junior and senior football teams
- Promoting the participation in Walking Football as both an indoors and outdoor sport aiming at keeping people with lack of mobility still to be involved with football
- Use of our outdoor athletic track by clubs and individuals allowing them to be involved in running at all levels of abilities whether at a competitive level or just for pleasure
- Promotion of other sports such as archery, boxing, trampolining, gymnastics, martial arts
- Use of our facilities to undertake various shows to promote the interest of the wider non-sporting community outside of the leisure industry by hosting events such as dogs and bird shows
- The use of our facilities by various disabled groups

Promotion of Good Health in The Community

- Through the provision of an extensive programme of exercise classes, helping a cross section of people keeping fit in an encouraging environment that promotes physical and emotional well-being
- Working with local businesses as a Corporate partner to offer health reviews to company staff
- Utilising our trained gym instructors to deliver appropriate nutrition and diet advice of individuals
- Through the provision of a discounted pricing for individuals under 21 years of age helping to give easier a gym facilities and stop inactivity
- With our presence at and sponsoring various community festivals being able to give advice to individuals or ways in which to stay fit and healthy.

In addition, during the year past our facilities have been used widely in order to help with the community response to the pandemic in utilising our sites as both testing and vaccinating centres.

CELTIC LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

Fundraising activities

As a charity, Celtic Leisure does not engage in fundraising activities to finance its activities. However, Celtic Leisure welcomes other charitable organisations who wish to use the premises to hold their own fundraising activities which are undertaken at their own risk.

Financial review

Financial risk management objectives and policies

The Trustees of Celtic Leisure in their execution of the Company's strategy are subject to a number of risks. The key operational risks and uncertainties affecting the Company are considered to relate to competition from other operators of leisure facilities, together with the retention of suitably qualified employees. Operational risks are reviewed regularly by the Trustees, and appropriate processes are put in place to monitor and mitigate their impact.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in liquidity and interest rates. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company as set out below. Given the size of the Company, the Trustees have not delegated the responsibility of monitoring financial risk management to a sub-committee. The policies set by the Trustees are implemented by the Company's financial department.

Liquidity risk

The Company actively maintains a level of bank balances that is designed to ensure the Company has sufficient available funds for its operations and planned objectives.

Results

The Company has faced a number of challenges over the last few years and has found itself in the position of being unable to generate sufficient income to meet its expected annual expenditure. The results as set out on page 12, show an excess of expenditure over income of £630,000 for the year (2022: an excess of £952,988 of expenditure over income). After considering actuarial gains on the Pension Fund of £4,760,000 there was a surplus in the net movement in funds of £4,130,000 (2022: £3,167,012).

Going concern

Following negotiations with Neath Port Talbot County Borough Council (NPTCBC), Celtic Leisure has agreed to surrender the contract it holds with the Council for the purpose of providing physical literacy, culture, exercise sport and health within the community. This is currently planned for 31/03/2025.

Further, in October 2020 Celtic Leisure entered into an agreement with NPTCBC that ensures that it is adequately funded and able to meet all its obligations to the date of completion of the contract.

The completion date for insourcing of services into Neath Port Talbot County Borough Council (NPTCBC) has now been agreed to be no later than 1st April 2025.

CELTIC LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

That members note that officers are now working to a transfer of the service in-house to the Council by no later than April 2025 and reports will be brought back to members throughout 2024/2025 to advise members of next steps in the insourcing.

It is the intention of the Trustees to dissolve Celtic Leisure as soon as reasonably possible on transfers of services and exiting the contract with NPTCBC. As a result, the financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

Reserves

The Company's reserves as at 31 March 2023 amounted to an overall net asset position on its balance sheet of £756,071 (2022: liability of £3,373,929) of which £360,000 (2022: deficit of £3,770,000) relate to the scheme surplus with a general free reserve surplus of £396,071 (2022: £396,072). Reserves are needed to bridge between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The Trustees consider that the ideal level of reserves is £400,000 excluding the pension surplus.

Key financial performance indicators

As a charity our financial governance is central to our success and ongoing sustainability. The use and development of internal Key Performance Indicators as a method of tracking and improving performance is seen as key to the overall success of the organisation. In addition to monitoring financial performance there are also a series of non-financial measurements in place to ensure that the organisation is achieving its objectives in terms of its interaction with the wider community.

Structure, governance and management

Celtic Leisure is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The Company is constituted under a Memorandum of Association dated 31 March 2015 and is a registered charity number 1161131.

The principal objects of the Company are:

- The advancement and support of education, culture, arts and heritage;
- The provision or assistance in the provision of facilities for recreation or other leisure time occupation in the interest of social welfare, such facilities being provided to the public at large; and
- The promotion and preservation of good health through community participation in health recreation.

The Trustees meet formally four times a year for regular business. Celtic Leisure seeks to have Trustees comprised as follows:

- Two employees of the Charity, elected by the members at the Annual Review Meeting;
- Up to two representatives appointed by Neath Port Talbot County Borough Council; and
- Eight persons, who are not local authority persons defined by the Local Government and Housing Action, who represent the wider community which the Charity serves and are appointed by the Trustees.

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

CELTIC LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Organisational structure and decision-making policies

The board of Trustees, which can have up to 12 members, administers the Charity. The board normally meets quarterly. A Transition Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Transition Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and artistic performance related activity.

Policies adopted for the induction and training of Trustees

It is Celtic Leisure's intention to make its Trustees aware of their duties and responsibilities as Trustees of the Charity. It is also our intention that as and when those legal responsibilities change that the Trustees will be made aware of any such changes. In the future Trustees recruited to the Board will undergo an induction day and will meet key personnel during this session.

Related party relationships

Two of our Trustees were appointed from our staff team and receive remuneration from their work with the charity. Any connection between a Trustee or senior manager of the Charity with a supplier or company who undertake a service for the Charity must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party. The trustees encourage members of staff to take on the role of trusteeship on behalf of the Charity.

Risk management

The Trustees have a risk management strategy which comprises:

- a review of its risk register and the principal risks and uncertainties identified
- the establishment of policies, systems and procedures to mitigate those risks identified
- the implementation of procedures designed to minimise or manage any potential impact on the Charity should those risks materialise.

Attention has also been focused on non-financial risks arising from slips and trips of customers and the contamination of the pools. These risks are managed by ensuring accreditation is up to date with staff being encouraged to develop and keep abreast of legislation. Testing results are kept and monitored by senior staff with operational responsibility. Regular Health & Safety meetings are held and a specialist consultant is retained. A staff training programme is also in place.

Trustees' indemnities

Celtic Leisure do provide for Trustee indemnity.

Plans for future periods

Plans for future periods are discussed in section Going concern of the Financial review.

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

CELTIC LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Engagement with employees and employment of the disabled

The policy of Celtic Leisure is to consult and discuss with employees on matters likely to affect employees' interests. Information on matters of concern to employees is given through such means as briefing meetings, notice boards etc which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's operational performance.

The policy of the Company provides full and fair consideration to disabled applicants for employment and that existing employees who become disabled will have the opportunity to retrain and continue in employment. No unnecessary limitations are placed on the type of work which disabled persons can perform and the policy ensures that in appropriate cases consideration is given to modifications to equipment or premises and to adjustments in working practices.

Remuneration of Key Management Personnel

The arrangements for setting pay and remuneration of key management personnel is linked to the general staff pay award as agreed with Union Representatives. Consideration is given to the National Joint Council Pay Award for Local Government during these negotiations, and subject to affordability are ratified by the Board of Trustees.

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

The trustees' report was approved by the Board of Trustees.



Leigh Dineen

Trustee

Date:

CELTIC LEISURE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CELTIC LEISURE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CELTIC LEISURE

Opinion

We have audited the financial statements of Celtic Leisure (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2023 and of its incoming resources and application of resources, 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.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other 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 opinion.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1.2 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

CELTIC LEISURE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CELTIC LEISURE

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company 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. In preparing the financial statements, the trustees are responsible for assessing the charity'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 dissolve 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 144 of the Charities Act 2011 and report in accordance with the Act 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 Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity 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 entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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.

CELTIC LEISURE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CELTIC LEISURE

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Craig Yearsley FCCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

.....

Chartered Accountants
Statutory Auditor

Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CELTIC LEISURE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<u>Income from:</u>					
Charitable activities	3	6,974,134	5,278,237	689,198	5,967,435
Investments	4	-	35	-	35
Total income		6,974,134	5,278,272	689,198	5,967,470
<u>Expenditure on:</u>					
Charitable activities	5	7,604,134	6,148,273	772,185	6,920,458
Net expenditure for the year/ Net outgoing resources		(630,000)	(870,001)	(82,987)	(952,988)
Other recognised gains and losses					
Actuarial gain on defined benefit pension schemes		4,760,000	4,120,000	-	4,120,000
Net movement in funds		4,130,000	3,249,999	(82,987)	3,167,012
Fund balances at 1 April 2022		(3,373,929)	(6,623,928)	82,987	(6,540,941)
Fund balances at 31 March 2023		756,071	(3,373,929)	-	(3,373,929)

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CELTIC LEISURE

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	9		26,802		-
Current assets					
Stocks	10	32,766		40,621	
Debtors	11	861,935		630,098	
Cash at bank and in hand		771,790		807,800	
		<u>1,666,491</u>		<u>1,478,519</u>	
Creditors: amounts falling due within one year	12	<u>(1,297,222)</u>		<u>(1,082,448)</u>	
Net current assets			369,269		396,071
Total assets less current liabilities			<u>396,071</u>		<u>396,071</u>
Net assets excluding pension surplus/(deficit)			396,071		396,071
Defined benefit pension surplus/(deficit)	14		<u>360,000</u>		<u>(3,770,000)</u>
Net assets/(liabilities)			<u>756,071</u>		<u>(3,373,929)</u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		396,071		396,071	
Pension reserve		<u>360,000</u>		<u>(3,770,000)</u>	
			<u>756,071</u>		<u>(3,373,929)</u>
			<u>756,071</u>		<u>(3,373,929)</u>

CELTIC LEISURE

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

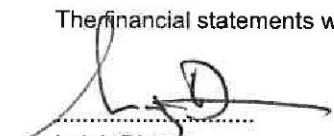
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on24.1.24.



Leigh Dineen
Trustee

Company registration number 09519616

CELTIC LEISURE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		24,976		(78,900)
Investing activities					
Purchase of tangible fixed assets		(60,986)		-	
Investment income received		-		35	
Net cash (used in)/generated from investing activities					
			(60,986)		35
Net cash used in financing activities					
			-		-
Net decrease in cash and cash equivalents					
			(36,010)		(78,865)
Cash and cash equivalents at beginning of year			807,800		886,665
Cash and cash equivalents at end of year			771,790		807,800

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Celtic Leisure is a private company limited by guarantee incorporated in England and Wales. The registered office is Aberavon Leisure And Fitness Centre, Princess Margaret Way, Port Talbot, Wales, SA12 6QW

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy. The principal accounting policies adopted are set out below.

1.2 Going concern

On 7 December 2020, Neath Port Talbot County Borough Council (NPTCBC) published an invitation to tender for the contract for the provision/ management of leisure services within Neath Port Talbot County Borough Council.

On Feb 2022 NPTBCB decided to take the provision of these services in house, this decision was officially ratified by the NPTCBC council cabinet meeting on 25th January 2023.

That members note that officers are now working to a transfer of the service in-house to the Council by no later than the 31st March 2025 and reports will be brought back to members throughout 2024/2025 to advise members of next steps in the insourcing.

As a result, Celtic Leisure will exit its current contract with NPTCBC at 31st March 2025.

It is the intention of the Trustees to dissolve Celtic Leisure as soon as reasonably possible on transfers of services and exiting the contract with NPTCBC. As a result, the financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Income from grants is deferred only when the terms and conditions of the grant permit the income to be deferred to future periods.

Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences.

The management fee is an unrestricted fund which is available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company. The income is invoiced and recognised in the period to which it relates.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs. All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the life of the lease
Plant and equipment	20% straight line or over the remainder of the council contract

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Charitable activities

	2023 £	2022 £
Leisure and cultural activities	4,125,259	2,700,715
Management fees	2,801,159	1,519,522
Performance related grants	47,716	1,747,198
	<u>6,974,134</u>	<u>5,967,435</u>
Analysis by fund		
Unrestricted funds	6,974,134	5,278,237
Restricted funds	-	689,198
	<u>6,974,134</u>	<u>5,967,435</u>

4 Investments

	Total Unrestricted funds	
	2023 £	2022 £
Interest receivable	-	35
	<u>-</u>	<u>35</u>

5 Charitable activities

	2023 £	2022 £
Staff costs	5,101,597	4,712,294
Depreciation and impairment	34,184	107,705
Premises costs	1,230,811	1,119,766
Transport costs	16,712	11,382
Supplies and services costs	803,957	542,811
Support services costs	416,873	426,500
	<u>7,604,134</u>	<u>6,920,458</u>
Analysis by fund		
Unrestricted funds	7,604,134	6,148,273
Restricted funds	-	772,185
	<u>7,604,134</u>	<u>6,920,458</u>

The auditor's remuneration amounts to an audit fee of £13,000 (2022: £12,850) and £2,000 for accountancy fees (2022: £2,000).

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

During the period two trustees, received remuneration from their employment with the charity but not for their services as a Trustee.

The Memorandum and Articles of Association of the charity provides the charity with the legal authority to make such payments.

The employees have two staff representatives on the Trustee board.

7 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Administration	22	23
Leisure	319	246
Total	<u>341</u>	<u>269</u>

Employment costs

	2023 £	2022 £
Wages and salaries	3,914,196	3,582,700
Social security costs	255,566	204,777
Other pension costs	931,835	924,817
	<u>5,101,597</u>	<u>4,712,294</u>

Included within wages and salaries costs are redundancy payments totalling £33,923 (2022: £nil). As at the current year end £nil remained outstanding (2022: £nil).

In regard to the above the charity was required to make a payment into the City and County of Swansea Pension Scheme of £90,277 (2022: £nil). As at the current year end £90,277 remained outstanding (2022: £nil).

Key management compensation

Key management compensation includes members of senior management. The compensation paid or payable to key management for employee services totalled £271,791 (2022: £197,161).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£80,000 - £90,000	-	1
£140,000 - £150,000	1	-

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

9 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Total £
Cost			
At 1 April 2022	142,549	451,560	594,109
Additions	-	60,986	60,986
At 31 March 2023	<u>142,549</u>	<u>512,546</u>	<u>655,095</u>
Depreciation and impairment			
At 1 April 2022	142,549	451,560	594,109
Depreciation charged in the year	-	34,184	34,184
At 31 March 2023	<u>142,549</u>	<u>485,744</u>	<u>628,293</u>
Carrying amount			
At 31 March 2023	<u>-</u>	<u>26,802</u>	<u>26,802</u>

10 Stocks

	2023 £	2022 £
Finished goods and goods for resale	<u>32,766</u>	<u>40,621</u>

11 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	722,326	33,848
Other debtors	1,024	240,116
Prepayments and accrued income	138,585	356,134
	<u>861,935</u>	<u>630,098</u>

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		136,912	92,116
Deferred income	13	261,719	144,805
Trade creditors		121,115	269,020
Other creditors		9,985	16,550
Accruals		767,491	559,957
		<u>1,297,222</u>	<u>1,082,448</u>

13 Deferred income

	2023 £	2022 £
Other deferred income	<u>261,719</u>	<u>144,805</u>

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	<u>261,719</u>	<u>144,805</u>
Movements in the year:		
Deferred income at 1 April 2022	144,805	101,645
Released from previous periods	(2,022,404)	(1,380,739)
Resources deferred in the year	<u>2,139,318</u>	<u>1,423,899</u>
Deferred income at 31 March 2023	<u>261,719</u>	<u>144,805</u>

14 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £931,835 (2022 - £54,817).

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Retirement benefit schemes

(Continued)

Defined benefit schemes

Celtic Leisure contributes to the City and County of Swansea Pension Scheme (which is a multi-employer defined benefit scheme).

The valuation of the fund and the pension costs are assessed with the advice of a qualified independent actuary, using the projected unit method. The most recent actuarial valuation of the City and County of Swansea Pension Fund (the "Fund") was carried out at 31 March 2022.

In accordance with the requirements of FRS 102, a qualified independent actuary updated the results of the valuation, based on information supplied by the scheme administrators, in order to ascertain the valuation of the scheme at 31 March 2022.

Key assumptions

	2023 %	2022 %
Discount rate	4.60	2.70
Expected rate of increase of pensions in payment	2.60	2.9
Expected rate of salary increases	4.1	4.4
CPI inflation	2.6	2.9
Pension accounts revaluation rate	2.6	2.9

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2023 Years	2022 Years
Retiring today		
- Males	22.2	22.1
- Females	24.7	24.2
Retiring in 20 years		
- Males	22.9	23.2
- Females	25.8	25.7

Amounts recognised in the profit and loss account:

	2023 £	2022 £
Current service cost	760,000	970,000
Net interest on defined benefit liability/(asset)	100,000	140,000
Total costs	860,000	1,110,000

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Retirement benefit schemes

(Continued)

Amounts taken to other comprehensive income:

	2023 £	2022 £
Actual return on scheme assets	(490,000)	(2,130,000)
Less: calculated interest element	560,000	390,000
Return on scheme assets excluding interest income	70,000	(1,740,000)
Actuarial changes related to obligations	(9,700,000)	(2,380,000)
Effects of changes in the amount of surplus that is not recoverable	4,870,000	-
Total costs/(income)	<u>(4,760,000)</u>	<u>(4,120,000)</u>

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2023 £	2022 £
Present value of defined benefit obligations	15,980,000	24,390,000
Fair value of plan assets	(21,210,000)	(20,620,000)
(Surplus)/deficit in scheme	(5,230,000)	3,770,000
Restriction on scheme assets	4,870,000	-
Total (asset)/liability recognised	<u>(360,000)</u>	<u>3,770,000</u>

Movements in the present value of defined benefit obligations:

	2023 £
Liabilities at 1 April 2022	24,390,000
Current service cost	760,000
Benefits paid	(240,000)
Contributions from scheme members	110,000
Actuarial gains and losses	(9,700,000)
Interest cost	660,000
At 31 March 2023	<u>15,980,000</u>

The defined benefit obligations arise from plans which are wholly unfunded.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Retirement benefit schemes

(Continued)

Movements in the fair value of plan assets:

	2023
	£
Fair value of assets at 1 April 2022	20,620,000
Interest income	560,000
Return on plan assets (excluding amounts included in net interest)	(70,000)
Benefits paid	(240,000)
Contributions by the employer	230,000
Contributions by scheme members	110,000
	<hr/>
At 31 March 2023	21,210,000
	<hr/> <hr/>

The fair value of plan assets at the reporting period end was as follows:

	2023	2022
	£	£
Equity instruments	15,010,000	16,270,000
Debt instruments	190,000	1,730,000
Property	810,000	930,000
Multi Asset Credit	450,000	470,000
Cash	1,550,000	190,000
Other	3,200,000	1,030,000
	<hr/>	<hr/>
	21,210,000	20,620,000
	<hr/> <hr/>	<hr/> <hr/>

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 1 April 2022	Incoming resources	Balance at 31 March 2023
	£	£	£	£	£	£
Arts Council of Wales	-	199,018	(199,018)	-	-	-
3G Pitches	82,987	-	(82,987)	-	-	-
Welsh Government Over 60's grant	-	38,116	(38,116)	-	-	-
HMRC Coronavirus Job Retention Scheme	-	399,030	(399,030)	-	-	-
Neath Port Talbot - Winter of Wellbeing	-	8,034	(8,034)	-	-	-
Neath Port Talbot - Summer of Fun	-	41,000	(41,000)	-	-	-
Small business grant	-	4,000	(4,000)	-	-	-
	<u>82,987</u>	<u>689,198</u>	<u>(772,185)</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Arts Council Wales: grant was received to support the Gwyn Hall Theatre during the COVID 19 pandemic.

3G pitches: grants were received from Welsh Government and Sports Council Wales in respect of providing 3G Pitches at Pontardawe and Neath Sports Centre, see note 20 for further details.

Sports Resilience Fund: supported floodlight upgrades at Pontardawe 3G pitch (£22,000), concierge tablets for 6 sites (£6,000) and headsets for class instructors (£10,000).

Welsh Government Over 60s grant: funding received to support activities for members of the public over 60.

HMRC Coronavirus Job Retention Scheme received from Welsh Government being provided to give support to business 'during the Covid 19 pandemic.

Neath Port Talbot - Winter of Wellbeing: To support the social, emotional, and physical wellbeing of children and young people 0 - 25 years.

Neath Port Talbot - Summer of Fun: Grant aimed to provide all children and young people aged 0 - 25 in Wales the opportunity to access free activities supporting their development and wellbeing.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

16 Financial commitments, guarantees and contingent liabilities

In 2020 the Charity received a grant from Welsh Government during 2020 of £126,164 in respect of the development of a 3G Artificial Turf facility at Parc Ynysderw, Pontardawe. As set out in note 1.2, it is expected that the current contract with NPTCBC will expire during 2025 and the intention of the Trustees is to dissolve the Company as soon as reasonably possible upon transfer of services and exiting the contract. In these circumstances, under the terms of the grant, Celtic Leisure could be liable to repay the grant in full. However, the Trustees believe that the new contractor will be required, under the terms of the transfer, to satisfy the terms and conditions of the grant and continue to operate the 3G pitch for the benefit of the community and clubs in the area. Accordingly, the Trustees do not believe that the Charity will be liable to repay any of the grant monies and, therefore, no liability to repay was recognised at 31 March 2022 or 31 March 2023.

17 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	3,623	3,572

18 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

19 Related party transactions

The Trustees of Celtic Leisure are related parties. Trustees' emoluments are disclosed in note 10 to the financial statements. 2 Trustees holding office during the year ended 31 March 2023 (2022: 2) were contributing members for the defined benefit pension scheme.

The employer's pension contribution for these members was at the rate of 12.9% (2022: 12.9%). The aggregate employer's contributions in respect of the two Trustees was £7,950 for the year ended 31 March 2023 (2022: £7,642). The employer's contribution for 2023 in respect of the highest paid Trustee was £4,394 (2022: £4,434).

Celtic Leisure receives a management fee from Neath Port Talbot Country Borough Council ("the Council") which is disclosed in note 4. Celtic Leisure also makes charges to and incurs recharges from the Council. Balances included in debtors and creditors which relate to amounts due from/to the Council are disclosed in notes 13 and 14 to the financial statements.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Post balance sheet events

On 25th January 2023 Neath Port Talbot County Borough Council (NPTCBC) held a cabinet meeting in which a transfer date for the provision of services currently provided by Celtic Leisure of 1st April 2024 was agreed.

That members note that officers are now working to a transfer of the service in-house to the Council by no later than the 31st March 2025 and reports will be brought back to members throughout 2024/2025 to advise members of next steps in the insourcing.

21 Cash generated from operations	2023 £	2022 £
Surplus for the year	(630,000)	(952,988)
Adjustments for:		
Investment income recognised in statement of financial activities	-	(35)
Depreciation and impairment of tangible fixed assets	34,184	107,705
Difference between pension charge and cash contributions	630,000	870,000
Movements in working capital:		
Decrease/(increase) in stocks	7,855	(14,759)
(Increase) in debtors	(231,837)	(246,794)
Increase in creditors	97,860	114,811
Increase in deferred income	116,914	43,160
Cash generated from/(absorbed by) operations	24,976	(78,900)
22 Analysis of changes in net funds		
The charity had no debt during the year.		

CELTIC LEISURE

England & Wales - Charity number 1161131

Accounts

Charity registration number 1161131

Company registration number 09519616 (England and Wales)

CELTIC LEISURE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

CELTIC LEISURE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

A Davies
G C Davies
L A J Dineen
P L Fowler
J Locke
D Smith
J A Stephens
H Stockham
H Worth

Secretary

H Morris-Sayce

Charity number

1161131

Company number

09519616

Registered office

Aberavon Leisure And Fitness Centre
Princess Margaret Way
Neath
West Glamorgan
SA12 6QW

Auditor

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

Bankers

HSBC UK
1 Centenary Square
Birmingham
B1 1HQ

CELTIC LEISURE

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CELTIC LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

As a company limited by guarantee and a registered charity, Celtic Leisure is committed to demonstrating the benefits it provides in the County Borough of Neath Port Talbot. This statement sets out the objects, vision and values of the Charity.

Objectives

The overall aims of Celtic Leisure as set out in its Articles of Association are:

- The advancement and support of education, culture, arts and heritage;
- The provision or assistance in the provision of facilities for recreation or other leisure time occupation in the interest of social welfare, such facilities being provided to the public at large;
- The promotion and preservation of good health through community participation in healthy recreation.

Vision

That Celtic Leisure will be:

- The partner of choice for all organisations in Neath Port Talbot with a common purpose in the areas of physical literacy, culture, exercise sport and health;
- A leaner, fitter organisation that is equipped to withstand and adapt to an ever-changing economy and market; and
- An organisation that is fully engaged with its customers, communities and partners, and responsive to their needs.

Organisational Values

We are an organisation that has high standards, and we will adopt the following values and principles in dealings with our customers, colleagues and partners, we will:

- Act with integrity and show respect.
- Be honest and open
- Listen, and put people at the heart of the decisions we make.
- Will be accountable for our actions.
- Endeavour to be fair and equal, and be sensitive to the differences between people.

Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Going Concern

Following negotiations with Neath Port Talbot County Borough Council (NPTCBC), Celtic Leisure has agreed to surrender the contract it holds with the Council for the purpose of providing physical literacy, culture, exercise sport and health within the community. This is currently planned for 31/03/2024.

Further, in October 2020 Celtic Leisure entered into an agreement with NPTCBC that ensures that it is adequately funded and able to meet all its obligations to the date of completion of the contract.

That members note that officers are now working to a transfer of the service in-house to the Council by no later 31st March 2024 and reports will be brought back to members throughout 2023/2024 to advise members of next steps in the insourcing.

CELTIC LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Strategies for achieving objectives

Celtic Leisure ('the Company') is a non-profit making body registered as a charity in the County Borough of Neath Port Talbot and its environs. The Company's objectives are to provide a range of services for the general public, for recreation, cultural and leisure time occupation in the interests of social welfare; to advance the education of the public in leisure activities; and to promote and protect good health amongst the public by the encouragement of healthy lifestyles and participation in appropriate leisure and cultural activities.

The predecessor society and Company (see 'Structure, governance and management' below), was formed to take the transfer of the leisure centres and swimming pool operations of Neath Port Talbot County Borough Council ('the Council') with effect from 1 April 2003.

Celtic Leisure is legally independent of the Council, although its objectives have been established to reflect those of the Council, with which it works in partnership to ensure that the leisure centres, swimming pools and Gwyn Hall make a full contribution towards achieving the objectives of the community plan.

The Company relies on a management fee from the Council and income from activities charged to users of the facilities to cover its operating costs. Affordability and access to these facilities is important and is reflected in the Company's pricing policy.

Activities undertaken to achieve objectives

With government restriction around COVID-19 pandemic progressively lifting from May 2021, the business was able to gradually return to full capacity of its activities throughout the course of the year.

Participation throughout 2021/22

The COVID-19 pandemic has significantly affected the trading performance of the business and despite the lifting of both, national and local lockdowns, the business participation and memberships continue to suffer lower volumes.

CELTIC LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Main activities undertaken to further the Company's purposes for the public benefit

Our activities summarised below are undertaken to further our charitable purposes for public benefit and can be three areas:

Advancement of Education, Culture, Arts & Heritage

- Through the provision of a structured learn to swim programme give the opportunity for children to become confident and proficient in water
- Working in close association with schools within the area, provide the opportunity for local children to learning to swim in an encouraging environment
- Supporting a wide range of live events and films at our Gwyn Hall site to suit all tastes
- The programming of the latest blockbuster films in our 3 cinema screens
- The promotion of shows and pantomimes run by local amateur societies
- Regular on stage live music performances
- The availability of the facility for conferences and meetings
- Frequent screenings of National Theatre Live performances
- Working with local dance schools with both practices and live stage performances
- The promotion of Welsh language in the Arts through live stage performances aimed at younger children
- Recurring monthly quiz nights promoting cinematic themes
- Working with local schools in providing a venue to host children's art exhibitions
- Assisting the local college in providing working opportunities for students to achieve customer service-based qualifications
- Providing an environment for more relaxed cinema screenings to benefit individuals with learning difficulties, autism and other cognitive disorders

Provision of Recreation Facilities To Promote Healthy Living & Welfare

- Utilisation of our swimming pool facilities by local swimming and aquatic clubs for both training and competitions
- Use of our indoor gyms, sports and bowls halls by various clubs, schools, societies and individuals for recreation, training and competitions
- Providing two artificial football pitches for use by local junior and senior football teams
- Promoting the participation in Walking Football as both an indoors and outdoor sport aiming at keeping people with lack of mobility still to be involved with football
- Use of our outdoor athletic track by clubs and individuals allowing them to be involved in running at all levels of abilities whether at a competitive level or just for pleasure
- Promotion of other sports such as archery, boxing, trampolining, gymnastics, martial arts
- Use of our facilities to undertake various shows to promote the interest of the wider non-sporting community outside of the leisure industry by hosting events such as dogs and bird shows
- The use of our facilities by various disabled groups

Promotion of Good Health in The Community

- Through the provision of an extensive programme of exercise classes, helping a cross section of people keeping fit in an encouraging environment that promotes physical and emotional well-being
- Working with local businesses as a Corporate partner to offer health reviews to company staff
- Utilising our trained gym instructors to deliver appropriate nutrition and diet advice of individuals
- Through the provision of a discounted pricing for individuals under 21 years of age helping to give easier a gym facilities and stop inactivity
- With our presence at and sponsoring various community festivals being able to give advice to individuals or ways in which to stay fit and healthy.

In addition, during the year past our facilities have been used widely in order to help with the community response to the pandemic in utilising our sites as both testing and vaccinating centres.

CELTIC LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

Fundraising activities

As a charity, Celtic Leisure does not engage in fundraising activities to finance its activities. However, Celtic Leisure welcomes other charitable organisations who wish to use the premises to hold their own fundraising activities which are undertaken at their own risk.

In line with other local authorities across Wales, Neath Port Talbot Council have been awarded funding by Welsh Government to mitigate their losses of income during and following the Coronavirus pandemic. Internal and outsourced leisure are able to claim loss of income after the mitigation of expenditure. Celtic Leisure has agreed the principle for claims will be the result of any deficit experienced by Celtic Leisure during the year and will be eligible for reclaim under this scheme as part of the overall claim for Neath Port Talbot Council. Celtic Leisure claim submitted Q4 of 2021/22 will be the last claim under the scheme.

Financial review

Financial risk management objectives and policies

The Trustees of Celtic Leisure in their execution of the Company's strategy are subject to a number of risks. The key operational risks and uncertainties affecting the Company are considered to relate to competition from other operators of leisure facilities, together with the retention of suitably qualified employees. Operational risks are reviewed regularly by the Trustees, and appropriate processes are put in place to monitor and mitigate their impact.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in liquidity and interest rates. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company as set out below. Given the size of the Company, the Trustees have not delegated the responsibility of monitoring financial risk management to a sub-committee. The policies set by the Trustees are implemented by the Company's financial department.

Liquidity risk

The Company actively maintains a level of bank balances that is designed to ensure the Company has sufficient available funds for its operations and planned objectives.

Results

The Company has faced a number of challenges over the last few years and has found itself in the position of being unable to generate sufficient income to meet its expected annual expenditure. The results as set out on page 12, show an excess of expenditure over income of £952,988 for the year (2021: an excess of £723,424 of expenditure over income). After considering actuarial gains on the Pension Fund of £4,120,000 there was a surplus in the net movement in funds of £3,167,012 (2021: deficit of £2,733,424).

Going concern

Following negotiations with Neath Port Talbot County Borough Council (NPTCBC), Celtic Leisure has agreed to surrender the contract it holds with the Council for the purpose of providing physical literacy, culture, exercise sport and health within the community. This is currently planned for 31/03/2024.

Further, in October 2020 Celtic Leisure entered into an agreement with NPTCBC that ensures that it is adequately funded and able to meet all its obligations to the date of completion of the contract.

The completion date for insourcing of services into Neath Port Talbot County Borough Council (NPTCBC) has now been agreed to be no later than 1st April 2024. The date was officially communicated and agreed during NPTCBC cabinet meeting held on 25th January 2023.

CELTIC LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

That members note that officers are now working to a transfer of the service in-house to the Council by no later 31st March 2024 and reports will be brought back to members throughout 2023/2024 to advise members of next steps in the insourcing.

It is the intention of the Trustees to dissolve Celtic Leisure as soon as reasonably possible on transfers of services and exiting the contract with NPTCBC. As a result, the financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

Reserves

The Company's reserves as at 31 March 2022 amounted to an overall net liability position on its balance sheet of £3,373,929 (2021: £6,540,941) of which £3,770,000 (2021: £7,020,000) relate to the pension scheme deficit with a general free reserve surplus of £396,071 (2021: £396,072). Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The Trustees consider that the ideal level of reserves is £400,000 excluding the pension deficit.

Key financial performance indicators

As a charity our financial governance is central to our success and ongoing sustainability. The use and development of internal Key Performance Indicators as a method of tracking and improving performance is seen as key to the overall success of the organisation. In addition to monitoring financial performance there are also a series of non-financial measurements in place to ensure that the organisation is achieving its objectives in terms of its interaction with the wider community.

Structure, governance and management

Celtic Leisure is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The Company is constituted under a Memorandum of Association dated 31 March 2015 and is a registered charity number 1161131.

The principal objects of the Company are:

- The advancement and support of education, culture, arts and heritage;
- The provision or assistance in the provision of facilities for recreation or other leisure time occupation in the interest of social welfare, such facilities being provided to the public at large; and
- The promotion and preservation of good health through community participation in health recreation.

The Trustees meet formally four times a year for regular business. Celtic Leisure seeks to have Trustees comprised as follows:

- Two employees of the Charity, elected by the members at the Annual Review Meeting;
- Up to two representatives appointed by Neath Port Talbot County Borough Council; and
- Eight persons, who are not local authority persons defined by the Local Government and Housing Action, who represent the wider community which the Charity serves and are appointed by the Trustees.

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

CELTIC LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Organisational structure and decision-making policies

The board of Trustees, which can have up to 12 members, administers the Charity. The board normally meets quarterly. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and artistic performance related activity.

Policies adopted for the induction and training of Trustees

It is Celtic Leisure's intention to make its Trustees aware of their duties and responsibilities as Trustees of the Charity. It is also our intention that as and when those legal responsibilities change that the Trustees will be made aware of any such changes. In the future Trustees recruited to the Board will undergo an induction day and will meet key personnel during this session.

Related party relationships

Two of our Trustees were appointed from our staff team and receive remuneration from their work with the charity. Any connection between a Trustee or senior manager of the Charity with a supplier or company who undertake a service for the Charity must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party. The trustees encourage members of staff to take on the role of trusteeship on behalf of the Charity.

Risk management

The Trustees have a risk management strategy which comprises:

- a review of its risk register and the principal risks and uncertainties identified
- the establishment of policies, systems and procedures to mitigate those risks identified
- the implementation of procedures designed to minimise or manage any potential impact on the Charity should those risks materialise.

Attention has also been focused on non-financial risks arising from slips and trips of customers and the contamination of the pools. These risks are managed by ensuring accreditation is up to date with staff being encouraged to develop and keep abreast of legislation. Testing results are kept and monitored by senior staff with operational responsibility. Regular Health & Safety meetings are held and a specialist consultant is retained. A staff training programme is also in place.

Trustees' indemnities

Celtic Leisure do provide for Trustee indemnity.

Plans for future periods

Plans for future periods are discussed in section Going concern of the Financial review.

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

CELTIC LEISURE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Engagement with employees and employment of the disabled

The policy of Celtic Leisure is to consult and discuss with employees on matters likely to affect employees' interests. Information on matters of concern to employees is given through such means as briefing meetings, notice boards etc which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's operational performance.

The policy of the Company provides full and fair consideration to disabled applicants for employment and that existing employees who become disabled will have the opportunity to retrain and continue in employment. No unnecessary limitations are placed on the type of work which disabled persons can perform and the policy ensures that in appropriate cases consideration is given to modifications to equipment or premises and to adjustments in working practices.

Remuneration of Key Management Personnel

The arrangements for setting pay and remuneration of key management personnel is linked to the general staff pay award as agreed with Union Representatives. Consideration is given to the National Joint Council Pay Award for Local Government during these negotiations, and subject to affordability are ratified by the Board of Trustees.

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.



Leigh Dineen
Trustee

29 March 2023

CELTIC LEISURE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CELTIC LEISURE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CELTIC LEISURE

Opinion

We have audited the financial statements of Celtic Leisure (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2022 and of its incoming resources and application of resources, 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.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other 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 opinion.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1.2 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

CELTIC LEISURE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CELTIC LEISURE

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company 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. In preparing the financial statements, the trustees are responsible for assessing the charity'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 dissolve 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 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity 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 entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

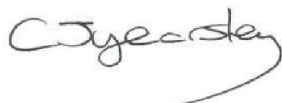
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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.

CELTIC LEISURE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CELTIC LEISURE

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Craig Yearsley FCCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

29 March 2023

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CELTIC LEISURE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Charitable activities	3	5,278,237	689,198	5,967,435	3,442,443	1,954,934	5,397,377
Investments	4	35	-	35	-	-	-
Total income		<u>5,278,272</u>	<u>689,198</u>	<u>5,967,470</u>	<u>3,442,443</u>	<u>1,954,934</u>	<u>5,397,377</u>
Expenditure on:							
Charitable activities	5	6,148,273	772,185	6,920,458	3,952,954	2,167,847	6,120,801
Net expenditure for the year/ Net outgoing resources		(870,001)	(82,987)	(952,988)	(510,511)	(212,913)	(723,424)
Other recognised gains and losses							
Actuarial gain/(loss) on defined benefit pension schemes		4,120,000	-	4,120,000	(2,010,000)	-	(2,010,000)
Net movement in funds		<u>3,249,999</u>	<u>(82,987)</u>	<u>3,167,012</u>	<u>(2,520,511)</u>	<u>(212,913)</u>	<u>(2,733,424)</u>
Fund balances at 1 April 2021		(6,623,928)	82,987	(6,540,941)	(4,103,417)	295,900	(3,807,517)
Fund balances at 31 March 2022		<u>(3,373,929)</u>	<u>-</u>	<u>(3,373,929)</u>	<u>(6,623,928)</u>	<u>82,987</u>	<u>(6,540,941)</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CELTIC LEISURE

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	8		-		107,705
Current assets					
Stocks	9	40,621		25,862	
Debtors	10	630,098		383,304	
Cash at bank and in hand		807,800		886,665	
		<u>1,478,519</u>		<u>1,295,831</u>	
Creditors: amounts falling due within one year	11	<u>(1,082,448)</u>		<u>(924,477)</u>	
Net current assets			396,071		371,354
Total assets less current liabilities			396,071		479,059
Provisions for liabilities			<u>(3,770,000)</u>		<u>(7,020,000)</u>
Net liabilities			<u>(3,373,929)</u>		<u>(6,540,941)</u>
Income funds					
Restricted funds	15		-		82,987
Unrestricted funds			<u>(3,373,929)</u>		<u>(6,623,928)</u>
			<u>(3,373,929)</u>		<u>(6,540,941)</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 29 March 2023



Leigh Dineen
Trustee

Company registration number 09519616

CELTIC LEISURE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(78,900)		271,754
Investing activities					
Proceeds on disposal of tangible fixed assets		-		150,003	
Investment income received		35		-	
		<u>35</u>		<u>150,003</u>	
Net cash generated from investing activities			35		150,003
Net cash used in financing activities			-		-
			<u>-</u>		<u>-</u>
Net (decrease)/increase in cash and cash equivalents			(78,865)		421,757
Cash and cash equivalents at beginning of year			886,665		464,908
			<u>886,665</u>		<u>464,908</u>
Cash and cash equivalents at end of year			<u>807,800</u>		<u>886,665</u>

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Celtic Leisure is a private company limited by guarantee incorporated in England and Wales. The registered office is Aberavon Leisure And Fitness Centre, Princess Margaret Way, Port Talbot, Wales, SA12 6QW

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy. The principal accounting policies adopted are set out below.

1.2 Going concern

On 7 December 2020, Neath Port Talbot County Borough Council (NPTCBC) published an invitation to tender for the contract for the provision/ management of leisure services within Neath Port Talbot County Borough Council.

On Feb 2022 NPTBCB decided to take the provision of these services in house, this decision was officially ratified by the NPTCBC council cabinet meeting on 25th January 2023.

That members note that officers are now working to a transfer of the service in-house to the Council by no later than the 31st March 2024 and reports will be brought back to members throughout 2023/2024 to advise members of next steps in the insourcing.

As a result, Celtic Leisure will exit its current contract with NPTCBC at 31st March 2024.

It is the intention of the Trustees to dissolve Celtic Leisure as soon as reasonably possible on transfers services and exiting the contract with NPTCBC. As a result, the financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Income from grants is deferred only when the terms and conditions of the grant permit the income to be deferred to future periods.

Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences.

The management fee is an unrestricted fund which is available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company. The income is invoiced and recognised in the period to which it relates.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs. All expenditure is inclusive of irrecoverable VAT.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the life of the lease
Plant and equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Charitable activities

	2022 £	2021 £
Leisure and cultural activities	2,700,715	466,418
Management fees	1,519,522	1,436,025
Performance related grants	1,747,198	3,494,934
	<u>5,967,435</u>	<u>5,397,377</u>
Analysis by fund		
Unrestricted funds	5,278,237	3,442,443
Restricted funds	689,198	1,954,934
	<u>5,967,435</u>	<u>5,397,377</u>

4 Investments

	Unrestricted funds	Total
	2022 £	2021 £
Interest receivable	35	-
	<u>35</u>	<u>-</u>

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

5 Charitable activities

	2022 £	2021 £
Staff costs	4,712,294	4,378,681
Depreciation and impairment	107,705	347,812
Premises costs	1,119,766	860,585
Transport costs	11,382	10,692
Supplies and services costs	542,811	336,582
Support services costs	426,500	186,449
	<u>6,920,458</u>	<u>6,120,801</u>
Analysis by fund		
Unrestricted funds	6,148,273	3,952,954
Restricted funds	772,185	2,167,847
	<u>6,920,458</u>	<u>6,120,801</u>

The auditor's remuneration amounts to an audit fee of £12,850 (2021: £15,000) and £2,000 for accountancy fees (2021: £nil).

6 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Administration	23	23
Leisure	246	248
Total	<u>269</u>	<u>271</u>

Employment costs

	2022 £	2021 £
Wages and salaries	3,582,700	3,351,055
Social security costs	204,777	201,001
Other pension costs	924,817	826,625
	<u>4,712,294</u>	<u>4,378,681</u>

Key management compensation

Key management compensation includes members of senior management. The compensation paid or payable to key management for employee services totalled £197,161 (2021: £255,105).

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Employees

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£80,000 - £90,000	1	1

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

During the period two trustees, received remuneration from their employment with the charity but not for their services as a Trustee.

The Memorandum and Articles of Association of the charity provides the charity with the legal authority to make such payments.

The employees have a staff representative on the Trustee board.

8 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Total £
Cost			
At 1 April 2021	142,549	451,560	594,109
At 31 March 2022	142,549	451,560	594,109
Depreciation and impairment			
At 1 April 2021	126,100	360,304	486,404
Depreciation charged in the year	16,449	91,256	107,705
At 31 March 2022	142,549	451,560	594,109
Carrying amount			
At 31 March 2022	-	-	-
At 31 March 2021	16,449	91,256	107,705

9 Stocks

	2022 £	2021 £
Finished goods and goods for resale	40,621	25,862

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	33,848	58,279
Other debtors	240,116	-
Prepayments and accrued income	356,134	325,025
	<u>630,098</u>	<u>383,304</u>

11 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Other taxation and social security		92,116	148,822
Deferred income	12	144,805	101,645
Trade creditors		269,020	80,073
Other creditors		16,550	13,676
Accruals		559,957	580,261
		<u>1,082,448</u>	<u>924,477</u>

12 Deferred income

	2022	2021
	£	£
Other deferred income	<u>144,805</u>	<u>101,645</u>

Deferred income is included in the financial statements as follows:

	2022	2021
	£	£
Deferred income is included within:		
Current liabilities	<u>144,805</u>	<u>101,645</u>
Movements in the year:		
Deferred income at 1 April 2021	101,645	67,878
Released from previous periods	(1,380,739)	(466,420)
Resources deferred in the year	<u>1,423,899</u>	<u>500,187</u>
Deferred income at 31 March 2022	<u>144,805</u>	<u>101,645</u>

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Provisions for liabilities	Notes	2022 £	2021 £
Retirement benefit obligations	14	3,770,000	7,020,000
		<u>3,770,000</u>	<u>7,020,000</u>

14 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £54,817 (2021 - £36,625).

Defined benefit schemes

Celtic Leisure contributes to the City and County of Swansea Pension Scheme (which is a multi-employer defined benefit scheme).

The valuation of the fund and the pension costs are assessed with the advice of a qualified independent actuary, using the projected unit method. The most recent actuarial valuation of the City and County of Swansea

Pension Fund (the "Fund") was carried out at 31 March 2022.

In accordance with the requirements of FRS 102, a qualified independent actuary updated the results of the valuation, based on information supplied by the scheme administrators, in order to ascertain the valuation of the scheme at 31 March 2022.

Key assumptions

	2022 %	2021 %
Discount rate	2.70	2.1
Expected rate of increase of pensions in payment	2.9	2.6
Expected rate of salary increases	4.4	4.1
CPI inflation	2.9	2.6
Pension accounts revaluation rate	2.9	2.6
	<u> </u>	<u> </u>

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2022 Years	2021 Years
Retiring today		
- Males	22.1	22.3
- Females	24.2	24.3
	<u> </u>	<u> </u>
Retiring in 20 years		
- Males	23.2	23.3
- Females	25.7	25.8
	<u> </u>	<u> </u>

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

14 Retirement benefit schemes

(Continued)

Amounts recognised in the profit and loss account:

	2022	2021
	£	£
Current service cost	970,000	690,000
Net interest on defined benefit liability/(asset)	140,000	100,000
	<u>1,110,000</u>	<u>790,000</u>

Amounts taken to other comprehensive income:

	2022	2021
	£	£
Actual return on scheme assets	(2,130,000)	(4,250,000)
Less: calculated interest element	390,000	320,000
	<u>(1,740,000)</u>	<u>(3,930,000)</u>
Return on scheme assets excluding interest income	(2,380,000)	5,940,000
Actuarial changes related to obligations	(4,120,000)	2,010,000
	<u>(4,120,000)</u>	<u>2,010,000</u>

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2022	2021
	£	£
Present value of defined benefit obligations	24,390,000	25,380,000
Fair value of plan assets	(20,620,000)	(18,360,000)
	<u>3,770,000</u>	<u>7,020,000</u>

Movements in the present value of defined benefit obligations:

	2022
	£
Liabilities at 1 April 2021	25,380,000
Current service cost	970,000
Benefits paid	(230,000)
Contributions from scheme members	120,000
Actuarial gains and losses	(2,380,000)
Interest cost	530,000
	<u>24,390,000</u>

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

14 Retirement benefit schemes

(Continued)

The defined benefit obligations arise from plans funded as follows:

	2022
	£
Wholly unfunded obligations	24,390,000
Wholly or partly funded obligations	-
	<u>24,390,000</u>

Movements in the fair value of plan assets:

	2022
	£
Fair value of assets at 1 April 2021	18,360,000
Interest income	390,000
Return on plan assets (excluding amounts included in net interest)	1,740,000
Benefits paid	(230,000)
Contributions by the employer	240,000
Contributions by scheme members	120,000
	<u>20,620,000</u>

The fair value of plan assets at the reporting period end was as follows:

	2022	2021
	£	£
Equity instruments	16,270,000	14,250,000
Debt instruments	1,730,000	2,110,000
Property	930,000	720,000
Multi Asset Credit	470,000	-
Cash	190,000	330,000
Other	1,030,000	950,000
	<u>20,620,000</u>	<u>18,360,000</u>

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		Movement in funds		Balance at 31 March 2022
	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 1 April 2021	Incoming resources	Resources expended	
	£	£	£	£	£	£	£
Arts Council of Wales	-	186,535	(186,535)	-	199,018	(199,018)	-
3G Pitches	295,900	-	(212,913)	82,987	-	(82,987)	-
Sports Resilience Fund	-	38,000	(38,000)	-	-	-	-
Welsh Government Over 60's grant	-	49,972	(49,972)	-	38,116	(38,116)	-
HMRC Coronavirus Job Retention Scheme	-	1,680,427	(1,680,427)	-	399,030	(399,030)	-
Neath Port Talbot - Winter of Wellbeing	-	-	-	-	8,034	(8,034)	-
Neath Port Talbot - Summer of Fun	-	-	-	-	41,000	(41,000)	-
Small business grant	-	-	-	-	4,000	(4,000)	-
	295,900	1,954,934	(2,167,847)	82,987	689,198	(772,185)	-

The Arts Council Wales: grant was received to support the Gwyn Hall Theatre during the COVID 19 pandemic.

3G pitches: grants were received from Welsh Government and Sports Council Wales in respect of providing 3G Pitches at Pontardawe and Neath Sports Centre, see note 20 for further details.

Sports Resilience Fund: supported floodlight upgrades at Pontardawe 3G pitch (£22,000), concierge tablets for 6 sites (£6,000) and headsets for class instructors (£10,000).

Welsh Government Over 60s grant: funding received to support activities for members of the public over 60.

HMRC Coronavirus Job Retention Scheme received from Welsh Government being provided to give support to business 'during the Covid 19 pandemic.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Restricted funds

(Continued)

Neath Port Talbot - Winter of Wellbeing: To support the social, emotional, and physical wellbeing of children and young people 0 - 25 years.

Neath Port Talbot - Summer of Fun: Grant aimed to provide all children and young people aged 0 - 25 in Wales the opportunity to access free activities supporting their development and wellbeing.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	-	-	-	24,718	82,987	107,705
Current assets/(liabilities)	396,071	-	396,071	371,354	-	371,354
Provisions and pensions	(3,770,000)	-	(3,770,000)	(7,020,000)	-	(7,020,000)
	<u>(3,373,929)</u>	<u>-</u>	<u>(3,373,929)</u>	<u>(6,623,928)</u>	<u>82,987</u>	<u>(6,540,941)</u>

17 Financial commitments, guarantees and contingent liabilities

In 2020 the Charity received a grant from Welsh Government during 2020 of £126,164 in respect of the development of a 3G Artificial Turf facility at Parc Ynysderw, Pontardawe. As set out in note 1.2, it is expected that the current contract with NPTCBC will expire during 2024 and the intention of the Trustees is to dissolve the Company as soon as reasonably possible upon transfer of services and exiting the contract. In these circumstances, under the terms of the grant, Celtic Leisure could be liable to repay the grant in full. However, the Trustees believe that the new contractor will be required, under the terms of the transfer, to satisfy the terms and conditions of the grant and continue to operate the 3G pitch for the benefit of the community and clubs in the area. Accordingly, the Trustees do not believe that the Charity will be liable to repay any of the grant monies and, therefore, no liability to repay was recognised at 31 March 2021 or 31 March 2022.

18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	3,572	3,572
Between two and five years	-	410
	<u>3,572</u>	<u>3,982</u>

19 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

CELTIC LEISURE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

20 Related party transactions

The Trustees of Celtic Leisure are related parties. Trustees' emoluments are disclosed in note 10 to the financial statements. 2 Trustees holding office during the year ended 31 March 2022 (2021: 2) were contributing members for the defined benefit pension scheme.

The employer's pension contribution for these members was at the rate of 12.9% (2021: 12.9%). The aggregate employer's contributions in respect of the two Trustees was £7,641.78 for the year ended 31 March 2022 (2021: £6,718). The employer's contribution for 2022 in respect of the highest paid Trustee was £4,434.35 (2021: £3,604).

Celtic Leisure receives a management fee from Neath Port Talbot Country Borough Council ("the Council") which is disclosed in note 4. Celtic Leisure also makes charges to and incurs recharges from the Council. Balances included in debtors and creditors which relate to amounts due from/to the Council are disclosed in notes 13 and 14 to the financial statements.

21 Post balance sheet events

On 25th January 2023 Neath Port Talbot County Borough Council (NPTCBC) held a cabinet meeting in which a transfer date for the provision of services currently provided by Celtic Leisure of 1st April 2024 was agreed.

That members note that officers are now working to a transfer of the service in-house to the Council by no later than the 31st March 2024 and reports will be brought back to members throughout 2023/2024 to advise members of next steps in the insourcing.

22 Cash generated from operations	2022	2021
	£	£
Surplus/(deficit) for the year	(952,988)	(723,424)
Adjustments for:		
Investment income recognised in statement of financial activities	(35)	-
Depreciation and impairment of tangible fixed assets	107,705	347,812
Difference between pension charge and cash contributions	870,000	530,000
Movements in working capital:		
(Increase) in stocks	(14,759)	(761)
(Increase) in debtors	(246,794)	(94,352)
Increase in creditors	114,811	178,712
Increase in deferred income	43,160	33,767
Cash (absorbed by)/generated from operations	(78,900)	271,754

23 Analysis of changes in net funds

The charity had no debt during the year.

CELTIC LEISURE

England & Wales - Charity number 1161131

Accounts

Registered number: 09519616

Charity number: 1161131

CELTIC LEISURE
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

**CELTIC LEISURE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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**CELTIC LEISURE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

A Davies
G C Davies
L A J Dineen
P L Fowler
J Locke
D Smith
J A Stephens
H Stockham
H Worth
I M Jones (resigned 16 April 2020)

Company registered number

09519616

Charity registered number

1161131

Registered office

Neath Leisure Centre
Dyfed Road
Neath
West Glamorgan
SA11 3AW

Company secretary

H J Morris-Sayce

Independent auditors

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Chief Executive Officer

Mr Richard Lewis

Bankers

HSBC UK
1 Centenary Square
Birmingham
B1 1HQ

CELTIC LEISURE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 April 2020 to 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

As a company limited by guarantee and a registered charity, Celtic Leisure is committed to demonstrating the benefits it provides in the County Borough of Neath Port Talbot. This statement sets out the objects, vision and values of the Charity.

Objectives

The overall aims of Celtic Leisure as set out in its Articles of Association are:

- The advancement and support of education, culture, arts and heritage;
- The provision or assistance in the provision of facilities for recreation or other leisure time occupation in the interest of social welfare, such facilities being provided to the public at large;
- The promotion and preservation of good health through community participation in healthy recreation.

Vision

That Celtic Leisure will be:

- The partner of choice for all organisations in Neath Port Talbot with a common purpose in the areas of physical literacy, culture, exercise sport and health;
- A leaner, fitter organisation that is equipped to withstand and adapt to an ever-changing economy and market; and
- An organisation that is fully engaged with its customers, communities and partners, and responsive to their needs.

Organisational Values

We are an organisation that has high standards, and we will adopt the following values and principles in dealings with our customers, colleagues and partners, we will:

- Act with integrity and show respect.
- Be honest and open
- Listen, and put people at the heart of the decisions we make.
- Will be accountable for our actions.
- Endeavour to be fair and equal, and be sensitive to the differences between people.

**CELTIC LEISURE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

Celtic Leisure ('the Company') is a non-profit making body registered as a charity. For the general public in the County Borough of Neath Port Talbot and its environs, the Company's objectives are to provide a range of services for recreation, cultural and leisure time occupation in the interests of social welfare; to advance the education of the public in leisure activities; and to promote and protect good health amongst the public by the encouragement of healthy lifestyles and participation in appropriate leisure and cultural activities.

The predecessor society and Company (see 'Structure, governance and management' below), was formed to take the transfer of the leisure centres and swimming pool operations of Neath Port Talbot County Borough Council ('the Council') with effect from 1 April 2003.

Celtic Leisure is legally independent of the Council, although its objectives have been established to reflect those of the Council, with which it works in partnership to ensure that the leisure centres, swimming pools and Gwyn Hall make a full contribution towards achieving the objectives of the community plan.

The Company relies on a management fee from the Council and income from activities charged to users of the facilities to cover its operating costs. Affordability and access to these facilities is important and is reflected in the Company's pricing policy.

c. Activities undertaken to achieve objectives

With our facilities only open for 16 weeks of the year due to restrictions placed on site openings as a result of the Covid pandemic and further limitations on numbers allowed at any one time, only 0.2 million people were attracted through our doors compared with 1.3 million people participating in activities across all our 8 sites in the prior year.

Participation throughout 2020/21

The Covid-19 pandemic has significantly affected the trading performance of the business since March 2020 with facilities having to be closed due to both national and local lockdowns. It is expected that the impact of the virus will continue to have a significant impact on the service in the short, medium and long term. A period of disruption which commenced in February 2020 has continued into 2021 and has had a major effect on operations with sites having to adapt working methodologies in order to protect staff and members alike.

At present there is a general anxiety about utilising leisure centres, and re-growing membership numbers will continue to be a challenge well into the future. With more people opting to train outdoors or embracing digital solutions to exercise it is essential that future offerings to our customers incorporate these changes.

d. Main activities undertaken to further the Company's purposes for the public benefit

Our activities summarised below are undertaken to further our charitable purposes for public benefit and can be split into three areas:

CELTIC LEISURE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Advancement of Education, Culture, Arts & Heritage

- Through the provision of a structured learn to swim programme give the opportunity for children to become confident and proficient in water
- Working in close association with schools within the area, provide the opportunity for local children to learn to swim in an encouraging environment
- Supporting a wide range of live events and films at our Gwyn Hall site to suit all tastes
- The programming of the latest blockbuster films in our 3 cinema screens
- The promotion of shows and pantomimes run by local amateur societies
- Regular on stage live music performances
- The availability of the facility for conferences and meetings
- Frequent screenings of National Theatre Live performances
- Working with local dance schools with both practices and live stage performances
- The promotion of Welsh language in the Arts through live stage performances aimed at younger children
- Recurring monthly quiz nights promoting cinematic themes
- Working with local schools in providing a venue to host children's art exhibitions
- Assisting the local college in providing working opportunities for students to achieve customer service-based qualifications
- Providing an environment for more relaxed cinema screenings to benefit individuals with learning difficulties, autism and other cognitive disorders

Provision of Recreation Facilities To Promote Healthy Living & Welfare

- Utilisation of our swimming pool facilities by local swimming and aquatic clubs for both training and competitions
- Use of our indoor gyms, sports and bowls halls by various clubs, schools, societies and individuals for recreation, training and competitions
- Providing two artificial football pitches for use by local junior and senior football teams
- Promoting the participation in Walking Football as both an indoor and outdoor sport, aiming at keeping people with lack of mobility still to be involved with football
- Use of our outdoor athletic track by clubs and individuals allowing them to be involved in running at all levels of abilities whether at a competitive level or just for pleasure
- Promotion of other sports such as archery, boxing, trampolining, gymnastics, martial arts
- Use of our facilities to undertake various shows to promote the interest of the wider non-sporting community outside of the leisure industry by hosting events such as dogs and bird shows
- The use of our facilities by various disabled groups

Promotion of Good Health in The Community

- Through the provision of an extensive programme of exercise classes, helping a cross section of people to enjoy keeping fit in an encouraging environment that promotes physical and emotional wellbeing
- Providing appropriate and changing fitness programmes for our gym members throughout the period of their membership
- In conjunction with a Welsh Government initiative offering free swimming for over 60s
- Delivering structured free-swimming classes for children during school holidays
- Running specific classes aimed at encouraging individuals to return to exercise after years, and possibly decades, of physical inactivity

CELTIC LEISURE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

- Utilising our leisure centres to promote the National Exercise Referral Scheme
- Working with local businesses as a Corporate partner to offer health reviews to company staff
- Utilising our trained gym instructors to deliver appropriate nutrition and diet advice of individuals
- Through the provision of a discounted pricing for individuals under 21 years of age helping to give easier access to gym facilities and stop inactivity
- With our presence at and sponsoring various community festivals being able to give advice to individuals on various ways in which to stay fit and healthy.

In addition, during the past year our facilities have been used widely in order to help with the community response to the pandemic in utilising our sites as both testing and vaccinating centres.

Fundraising activities

As a charity, Celtic Leisure does not engage in fundraising activities to finance its activities. However, Celtic Leisure welcomes other charitable organisations who wish to use the premises to hold their own fundraising activities, which are undertaken at their own risk.

In line with other local authorities across Wales, Neath Port Talbot Council have been awarded funding by Welsh Government to mitigate their losses of income during the Coronavirus pandemic. Internal and outsourced leisure are able to claim loss of income after the mitigation of expenditure. Celtic Leisure has agreed the principle for claims will be the result of any deficit experienced by Celtic Leisure during the year and will be eligible for reclaim under this scheme as part of the overall claim for Neath Port Talbot Council. Celtic Leisure has and will continue to submit claims to Neath Port Talbot Council for inclusion in their Hardship Fund claim on a quarterly basis to Welsh Government.

Financial review

a. Going concern

Following negotiations with Neath Port Talbot County Borough Council (NPTCBC), Celtic Leisure has agreed to surrender the contract it holds with the Council for the purpose of providing physical literacy, culture, exercise sport and health within the community. Upon surrender of the contract, the directors have agreed to commence liquidation proceedings. As a result, these financial statements are being prepared on a basis other than going concern.

Further, in October 2020 Celtic Leisure entered into an agreement with NPTCBC that ensures that it is adequately funded and able to meet all its obligations to the date of completion of the contract and in respect of the planned liquidation. Whilst no date has yet been agreed for the termination of the contract, the Trustees anticipate that this will occur sometime around Spring 2022.

b. Financial risk management objectives and policies

The Trustees of Celtic Leisure in their execution of the Company's strategy are subject to a number of risks. The key operational risks and uncertainties affecting the Company are considered to relate to competition from other operators of leisure facilities, together with the retention of suitably qualified employees. Operational risks are reviewed regularly by the Trustees, and appropriate processes are put in place to monitor and mitigate their impact.

CELTIC LEISURE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in liquidity and interest rates. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company as set out below. Given the size of the Company, the Trustees have not delegated the responsibility of monitoring financial risk management to a sub-committee. The policies set by the Trustees are implemented by the Company's financial department.

Liquidity risk

The Company actively maintains a level of bank balances that is designed to ensure the Company has sufficient available funds for its operations and planned objectives.

c. Results

The Company has faced a number of challenges over the last few years and has found itself in the position of being unable to generate sufficient income to meet its expected annual expenditure. The results, as set out on page 15, show a deficit for the year of £2,733,424 (2020: deficit £1,061,272). Subsequently, and as outlined above, the Company has agreed to surrender the contract it holds with NPTCBC and the accounts prepared on a basis other than going concern.

d. Reserves

The Company's reserves as at 31 March 2021 amounted to an overall net liability position on its balance sheet of £6,540,941 (2020: £3,807,517) of which £7,020,000 (2020: £4,480,000) relate to the pension scheme deficit with a general free reserve surplus of £396,072 (2020: £376,583). Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The Trustees consider that the ideal level of reserves is £400,000 excluding the pension deficit.

Celtic Leisure will ensure that the minimum levels of reserves are maintained by the production of annual budgets set in the context of their impact on reserves; maximisation of income streams; robust budgetary control and control over expenditure and corporate planning with forecast reserve levels. Reserves levels are monitored and reviewed periodically by the Board.

e. Key financial performance indicators

As a charity our financial governance is central to our success and ongoing sustainability. The use and development of internal Key Performance Indicators as a method of tracking and improving performance is seen as key to the overall success of the organisation. In addition to monitoring financial performance there are also a series of non-financial measurements in place to ensure that the organisation is achieving its objectives in terms of its interaction with the wider community.

Pension

On 1 April 2015 the Trust was admitted to the Local Government Superannuation Scheme (LGPS), a defined benefit scheme. The funding deficit accruing to 31 March 2015 in respect of employees relocating to Celtic Leisure was retained by The City and Council of Swansea. The Trust is, therefore, only responsible for any increase in liabilities occurring after the transfer date, with the Authority acting as guarantor for the previously accrued net deficit.

CELTIC LEISURE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

a. Constitution

Celtic Leisure is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The Company is constituted under a Memorandum of Association dated 31 March 2015 and is a registered charity number 1161131.

The principal objects of the Company are:

- The advancement and support of education, culture, arts and heritage;
- The provision or assistance in the provision of facilities for recreation or other leisure time occupation in the interest of social welfare, such facilities being provided to the public at large; and
- The promotion and preservation of good health through community participation in health recreation.

b. Methods of appointment or election of Trustees

The Trustees meet formally four times a year for regular business. Celtic Leisure seeks to have Trustees comprised as follows:

- Two employees of the Charity, elected by the members at the Annual Review Meeting;
- Up to two representatives appointed by Neath Port Talbot County Borough Council; and
- Eight persons, who are not local authority persons defined by the Local Government and Housing Action, who represent the wider community which the Charity serves and are appointed by the Trustees.

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

c. Organisational structure and decision-making policies

The board of Trustees, which can have up to 12 members, administers the Charity. The board normally meets quarterly. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and artistic performance related activity.

d. Policies adopted for the induction and training of Trustees

It is Celtic Leisure's intention to make its Trustees aware of their duties and responsibilities as Trustees of the Charity. It is also our intention that as and when those legal responsibilities change that the Trustees will be made aware of any such changes. In the future Trustees recruited to the Board will undergo an induction day and will meet key personnel during this session.

CELTIC LEISURE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

e. Related party relationships

Two of our Trustees were appointed from our staff team and receive remuneration from their work with the charity. Any connection between a Trustee or senior manager of the Charity with a supplier or company who undertake a service for the Charity must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party. The trustees encourage members of staff to take on the role of trusteeship on behalf of the Charity.

f. Risk management

The Trustees have a risk management strategy which comprises:

- a review of its risk register and the principal risks and uncertainties identified
- the establishment of policies, systems and procedures to mitigate those risks identified
- the implementation of procedures designed to minimise or manage any potential impact on the Charity should those risks materialise.

This work has identified that whilst financial sustainability is the major financial risk for the charity, during 2020/21 the predominant risk has been that of managing the impact from Covid-19. The facilities have been closed for the majority of 2020/21 and this has impacted income generation. During the year the charity has taken advantage of all available government support, with the majority of staff being furloughed during the year through the Job Retention Scheme. The charity continues to monitor the position closely and believes that it can continue to operate effectively with the support of government funding until the termination. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due.

Attention has also been focused on non-financial risks arising from slips and trips of customers and the contamination of the pools. These risks are managed by ensuring accreditation is up to date with staff being encouraged to develop and keep abreast of legislation. Testing results are kept and monitored by senior staff with operational responsibility. Regular Health & Safety meetings are held and a specialist consultant is retained. A staff training programme is also in place.

g. Trustees' indemnities

Celtic Leisure do not currently provide for Trustee indemnity.

Plans for future periods

Plans for future periods are discussed in section a. Going concern of the Financial review.

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

CELTIC LEISURE
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Engagement with employees and employment of the disabled

The policy of Celtic Leisure is to consult and discuss with employees on matters likely to affect employees' interests. Information on matters of concern to employees is given through such means as briefing meetings, notice boards etc which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's operational performance.

The policy of the Company provides full and fair consideration to disabled applicants for employment and that existing employees who become disabled will have the opportunity to retrain and continue in employment. No unnecessary limitations are placed on the type of work which disabled persons can perform and the policy ensures that in appropriate cases consideration is given to modifications to equipment or premises and to adjustments in working practices.

Remuneration of Key Management Personnel

The arrangements for setting pay and remuneration of key management personnel is linked to the general staff pay award as agreed with Union Representatives. Consideration is given to the National Joint Council Pay Award for Local Government during these negotiations, and subject to affordability are ratified by the Board of Trustees.

**CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Statement of Trustees' responsibilities

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

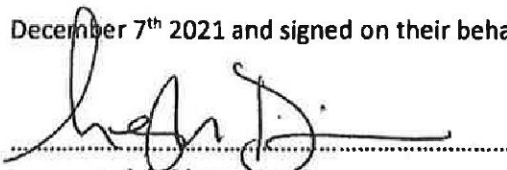
The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

The auditors, Azets Audit Services, have indicated their willingness to continue in office. The designated Trustees will propose a motion appointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on

December 7th 2021 and signed on their behalf by:


.....
Leigh Dineen

CELTIC LEISURE
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF CELTIC LEISURE

Opinion

We have audited the financial statements of Celtic Leisure (the 'charity') for the year ended 31 March 2021 which comprise 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 2021 and of its incoming resources and application of resources, 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.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other 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 opinion.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2.2 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**CELTIC LEISURE
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF CELTIC LEISURE**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company 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. In preparing the financial statements, the trustees are responsible for assessing the charity'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 144 of the Charities Act 2011 and report in accordance with the Act 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 Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

**CELTIC LEISURE
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF CELTIC LEISURE**

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity 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 entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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.

**CELTIC LEISURE
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF CELTIC LEISURE**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services

.....14-12-2021

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

CELTIC LEISURE
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Charitable activities	4	3,442,443	1,954,934	5,397,377	6,392,787
Investments	5	-	-	-	1,839
Total income		3,442,443	1,954,934	5,397,377	6,394,626
Expenditure on:					
Charitable activities	6	3,952,954	2,167,847	6,120,801	7,205,898
Total expenditure		3,952,954	2,167,847	6,120,801	7,205,898
Net outgoing resources		(510,511)	(212,913)	(723,424)	(811,272)
Other recognised losses:					
Actuarial losses on defined benefit pension schemes	21	(2,010,000)	-	(2,010,000)	(250,000)
Net movement in funds		(2,520,511)	(212,913)	(2,733,424)	(1,061,272)
Reconciliation of funds:					
Total funds brought forward	16	(4,103,417)	295,900	(3,807,517)	(2,746,245)
Total funds carried forward	16	(6,623,928)	82,987	(6,540,941)	(3,807,517)

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 38 form part of these financial statements.

**CELTIC LEISURE
BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	107,705	605,520
Current assets			
Stocks	12	25,862	25,101
Debtors	13	383,304	288,952
Cash at bank and in hand	18	886,665	464,908
		<u>1,295,831</u>	<u>778,961</u>
Creditors: amounts falling due within one year	14	<u>(924,477)</u>	<u>(711,998)</u>
Net current assets		<u>371,354</u>	<u>66,963</u>
Total assets less current liabilities		<u>479,059</u>	672,483
Defined benefit pension scheme liability	21	<u>(7,020,000)</u>	<u>(4,480,000)</u>
Net liabilities including pension scheme liabilities		<u>(6,540,941)</u>	<u>(3,807,517)</u>
Charity funds			
Restricted funds	15	82,987	295,900
Unrestricted funds:			
General fund	15	396,072	376,583
Pension reserve	15	<u>(7,020,000)</u>	<u>(4,480,000)</u>
	15	<u>(6,623,928)</u>	<u>(4,103,417)</u>
Total funds		<u>(6,540,941)</u>	<u>(3,807,517)</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.


**CELTIC LEISURE
BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021**

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Leigh Dineen


Harold Worth

Date: 7.12.21

The notes on pages 20 to 38 form part of these financial statements.

CELTIC LEISURE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
		£	£
Cash flows from operating activities			
Net cash generated from/(used in) operating activities	17	<u>271,757</u>	<u>(50,281)</u>
Cash flows from investing activities			
Dividends, interests and rents from investments	5	-	1,839
Proceeds from the sale of tangible fixed assets		150,000	-
Purchase of tangible fixed assets	11	-	(363,618)
Net cash used in investing activities		<u>150,000</u>	<u>(361,779)</u>
Change in cash and cash equivalents in the year		421,757	(412,060)
Cash and cash equivalents at the beginning of the year	18	464,908	876,968
Cash and cash equivalents at the end of the year	18	<u>886,665</u>	<u>464,908</u>

The notes on pages 20 to 38 form part of these financial statements

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The company is a charitable company and has no share capital. The members of the Company are the Trustees named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company. The registered office is noted within the reference and administrative details within the trustees report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

On 7 December 2020, Neath Port Talbot County Borough Council (NPTCBC) published an invitation to tender for the contract for the provision/management of leisure services within Neath Port Talbot County Borough Council.

These services are currently provided by Celtic Leisure and Celtic Leisure has not submitted in response to this invitation to tender.

As a result, it is expected Celtic Leisure will exit its current contract with NPTCBC upon the appointment of a successor which is expected to be around the Spring of 2022.

It is the intention of the Trustees to liquidate Celtic Leisure as soon as reasonably possible on exiting the contract with NPTCBC. As a result, the financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

2.3 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Income from grants is deferred only when the terms and conditions of the grant permit the income to be deferred to future periods.

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

Certain income is received in advance of the provision of the relevant service and as such is deferred until the service commences.

The management fee is an unrestricted fund which is available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company. The income is invoiced and recognised in the period to which it relates.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs. All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

Depreciation is provided on the following bases:

Leasehold improvements	- Over the life of the lease
Plant and machinery	- 20.0% p.a.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.8 Debtors

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

2.9 Cash and cash equivalents

Cash and cash equivalents includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.13 Pensions

Defined contribution

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

Defined benefit

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

The Trust operates a defined benefit pension scheme. The scheme, the City and County of Swansea Pension Fund, is a multi-employer defined benefit scheme. This is part of the Local Government Pension Scheme (the "LGPS").

On the 1 April 2015 the Trust was admitted to the Local Government Superannuation Scheme (LGPS), a defined benefit scheme. The funding deficit accruing to 31 March 2015 in respect of employees relocating to Celtic Leisure was retained by the City and Council of Swansea. The Trust is, therefore, only responsible for any increase in liabilities occurring after the transfer date, with the Authority acting as guarantor for the previously accrued net deficit.

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings Scheme. Details of the benefits earned over the period covered by this disclosure are set out in "The Local Government Pensions Scheme Regulations 2016" and "The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014".

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets.

Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. An actuarial valuation of the Fund was carried out at 31 March 2019 and as part of that valuation a new Rates and Adjustment Certificate was produced for the three-year period from 1 April 2017.

The Fund Administering Authority, City and County of Swansea, is responsible for the governance of the fund.

2.14 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

2.15 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Critical accounting estimates and areas of judgment (continued)

Defined benefit pension scheme

As set out in notes, the charity operates a defined benefit pension scheme for all qualifying employees. The accounting cost of these benefits and the present value of the pension liabilities involved judgements about uncertain events including such factors as the life expectancy of members, the salary progression of current employees, price inflation and the discount rate used to calculate the net present value of the future pension payments. Estimates are used for all of these factors in determining the pension costs and liabilities incorporated in the financial statements. The assumptions reflect historical experience and judgement regarding future expectations and external actuarial specialists are also used to assist the exercise.

Estimation of tangible fixed asset useful lives

The useful economic life used to depreciate tangible fixed assets relates to the expected future performance of the assets acquired and management's estimate of the period over which economic benefits will be derived from the assets.

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Leisure and cultural activities	466,418	-	466,418
Management fees	1,436,025	-	1,436,025
Grants received	1,540,000	1,954,934	3,494,934
Total 2021	3,442,443	1,954,934	5,397,377
	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Leisure and cultural activities	4,452,259	-	4,452,259
Management fees	1,592,883	-	1,592,883
Grants received		347,645	347,645
Total 2020	6,045,142	347,645	6,392,787

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Interest receivable	-	-
	Unrestricted funds 2020 £	Total funds 2020 £
Interest receivable	1,839	1,839

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Leisure and cultural activities	3,952,954	2,167,847	6,120,801
	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Leisure and cultural activities	7,154,153	51,745	7,205,898

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Governance costs 2021 £	Total funds 2021 £
Leisure and cultural activities	6,102,112	18,689	6,120,801

	Activities undertaken directly 2020 £	Governance costs 2020 £	Total funds 2020 £
Leisure and cultural activities	7,190,814	15,084	7,205,898

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	100,000	80,000
Staff costs	4,278,681	4,529,744
Depreciation	347,812	279,230
Premises costs	860,585	1,099,992
Transport costs	10,692	15,049
Supplies and services costs	336,582	916,466
Support services costs	186,449	270,333
	6,120,801	7,190,814

8. Auditors' remuneration

The auditors' remuneration amounts to an audit fee of £15,000 (2020 - £17,700).

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Staff costs

	2021	2020
	£	£
Wages and salaries	3,351,055	3,278,639
Social security costs	201,001	194,480
Contribution to defined contribution pension schemes	36,625	36,625
Operating costs of defined benefit pension schemes	690,000	1,020,000
	<u>4,278,681</u>	<u>4,529,744</u>

The average number of persons employed by the company during the year was as follows:

	2021	2020
	No.	No.
Administration	23	24
Leisure	248	264
	<u>271</u>	<u>288</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
	No.	No.
In the band £80,001 - £90,000	1	1

Key management compensation

Key management compensation includes members of senior management. The compensation paid or payable to key management for employee service totalled £255,105 (2020: £275,355).

10. Trustees' remuneration and expenses

During the period two trustees, received remuneration from their employment with the charity but not for their services as a Trustee.

The Memorandum and Articles of Association of the charity provides the charity with the legal authority to make such payments.

The employees are a staff representative on the Trustee board.

No Trustees were reimbursed for expenses during the current or prior period.

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Total £
Cost			
At 1 April 2020	142,549	1,094,909	1,237,458
Additions	-	-	-
Disposals	-	(643,349)	(643,349)
At 31 March 2021	<u>142,549</u>	<u>451,560</u>	<u>594,109</u>
Depreciation			
At 1 April 2020	87,016	544,922	631,938
Charge for the year	39,084	308,728	347,812
Disposals	-	(493,346)	(493,346)
At 31 March 2021	<u>126,100</u>	<u>360,304</u>	<u>486,404</u>
Net book value			
At 31 March 2021	<u>16,449</u>	<u>91,256</u>	<u>107,705</u>
At 31 March 2020	<u>55,533</u>	<u>549,987</u>	<u>605,520</u>

12. Stocks

	2021 £	2021 £
Finished goods and goods for resale	<u>25,862</u>	<u>25,101</u>

13. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	58,279	30,405
Prepayments and accrued income	325,025	258,547
	<u>383,304</u>	<u>288,952</u>

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	80,073	145,146
Other taxation and social security	148,822	103,393
Other creditors	13,676	43,415
Accruals and deferred income	681,906	420,044
	924,477	711,998

Trade creditors at 31 March 2021 include an aggregate amount of £44,475 (2020: £58,353) due to Neath Port Talbot County Borough Council in respect of recharges from the Council.

Contained in the accruals and deferred balance above is deferred income in relation to memberships and ticket sale income which relates to the 2021/22 financial year:

	2021	2020
	£	£
Balance brought forward	67,878	-
Income received in the year	500,187	4,520,137
Released to income	(466,418)	(4,452,259)
Balance carried forward	101,647	67,878

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Statement of funds

Current year

	Balance at 1 April 2020	Income Expenditure		Gains/ (Losses)	Balance at 31 March 2021
	£	£	£	£	£
Unrestricted funds:					
General Fund	376,583	3,442,443	(3,422,954)	-	396,072
Pension reserve	(4,480,000)	-	(530,000)	(2,010,000)	(7,020,000)
Total Unrestricted funds	(4,103,417)	3,442,443	(3,952,954)	(2,010,000)	(6,623,928)
Restricted funds:					
Arts Council of Wales	-	186,535	(186,535)	-	-
3G pitches (note 20)	295,900	-	(212,913)	-	82,987
Sports Resilience Fund	-	38,000	(38,000)	-	-
Welsh Government Over 60's grant	-	49,972	(49,972)	-	-
HMRC Coronavirus Job Retention Scheme	-	1,680,427	(1,680,427)	-	-
Total Restricted funds	295,900	1,954,934	(2,167,847)	-	82,987
Total funds	(3,807,517)	5,397,377	(6,120,801)	(2,010,000)	(6,540,941)

Arts Council of Wales: grant was received to support the Gwyn Hall Theatre during the COVID 19 pandemic.

3G pitches: grants were received from Welsh Government and Sports Council Wales in respect of providing 3G Pitches at Pontardawe and Neath Sports Centre, see note 20 for further details.

Sports Resilience Fund: supported floodlight upgrades at Pontardawe 3G pitch (£22,000), concierge tablets for 6 sites (£6,000) and headsets for class instructors (£10,000).

Welsh Government Over 60s grant: funding received to support activities for members of the public over 60.

HMRC Coronavirus Job Retention Scheme received from Welsh Government being provided to give support to business 'during the Covid 19 pandemic.

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Statement of funds (continued)

Prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
General Fund	643,755	6,046,981	(6,314,153)	-	376,583
Pension reserve	(3,390,000)	-	(840,000)	(250,000)	(4,480,000)
	<u>(2,746,245)</u>	<u>6,046,981</u>	<u>(7,154,153)</u>	<u>(250,000)</u>	<u>(4,103,417)</u>
Restricted funds					
3G Pitches (note 20)	-	347,645	(51,745)	-	295,900
Total of funds	<u>(2,746,245)</u>	<u>6,394,626</u>	<u>(7,205,898)</u>	<u>(250,000)</u>	<u>(3,807,517)</u>

16. Analysis of net assets between funds

Current period

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	24,718	82,987	107,705
Current assets	1,295,831	-	1,295,831
Creditors due within one year	(924,477)	-	(924,477)
Defined benefit pension scheme	(7,020,000)	-	(7,020,000)
Total	<u>(6,623,928)</u>	<u>82,987</u>	<u>(6,540,941)</u>

Prior period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	309,620	295,900	605,520
Current assets	778,961	-	778,961
Creditors due within one year	(711,998)	-	(711,998)
Provisions for liabilities and charges	(4,480,000)	-	(4,480,000)
Total	<u>(4,103,417)</u>	<u>295,900</u>	<u>(3,807,517)</u>

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net expenditure for the period (as per Statement of Financial Activities)	(723,424)	(811,272)
Adjustments for:		
Depreciation charges	347,812	279,230
Dividends, interests and rents from investments	-	(1,839)
(Increase)/decrease in stocks	(761)	12,612
(Increase) in debtors	(94,352)	(102,635)
Increase/(decrease) in creditors	212,482	(266,377)
Pension cost less contributions	530,000	840,000
Net cash (used in)/provided by operating activities	<u>271,757</u>	<u>(50,281)</u>

18. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	4,250	4,306
Notice deposits (less than 3 months)	882,415	460,602
Total cash and cash equivalents	<u>886,665</u>	<u>464,908</u>

19. Analysis of changes in net debt

	At 1 April	Cash flows	At 31 March
	2020		2021
	£	£	£
Cash and cash equivalents	464,908	421,757	886,665
	<u>464,908</u>	<u>421,757</u>	<u>886,665</u>
Analysis of changes in net debt – prior period	At 1 April		At 31 March
	2019	Cash flows	2020
	£	£	£
Cash and cash equivalents	876,968	(412,060)	464,908
	<u>876,968</u>	<u>(412,060)</u>	<u>464,908</u>

CELTIC LEISURE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Contingent liabilities

In 2020 the Charity received a grant from Welsh Government during 2020 of £126,164 in respect of the development of a 3G Artificial Turf facility at Parc Ynysderw, Pontardawe. As set out in note 2.2, it is expected that the current contract with NPTCBC will expire during 2021 and the intention of the Trustees is to liquidate the Company as soon as reasonably possible upon exiting the contract. In these circumstances, under the terms of the grant, Celtic Leisure could be liable to repay the grant in full. However, the Trustees believe that the new contractor will be required, under the terms of the transfer, to satisfy the terms and conditions of the grant and continue to operate the 3G pitch for the benefit of the community and clubs in the area. Accordingly, the Trustees do not believe that the Charity will be liable to repay any of the grant monies and, therefore, no liability to repay was recognised at 31 March 2020 or 31 March 2021.

21. Pension commitments

The Company participates in a defined benefit pension scheme.

Celtic Leisure contributes to the City and County of Swansea Pension Scheme (which is a multi-employer defined benefit scheme).

The valuation of the fund and the pension costs are assessed with the advice of a qualified independent actuary, using the projected unit method. The most recent actuarial valuation of the City and County of Swansea Pension Fund (the "Fund") was carried out at 31 March 2019.

In accordance with the requirements of FRS 102, a qualified independent actuary updated the results of the valuation, based on information supplied by the scheme administrators, in order to ascertain the valuation of the scheme at 31 March 2021.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2021	2020
	%	%
Discount rate at 31 March	2.10	2.30
Future salary increases	4.10	3.30
Future pension increases	2.60	1.80
Rate of inflation - RPI	2.60	1.80
Rate of inflation - CPI	2.60	1.80

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21. Pension commitments (continued)

Longevity of current pensioners at age 65 is 22.3 (2020: 22.2) years for men and 24.3 (2020: 24.2) years for women. Longevity of future pensioners currently aged 45 at age 65 is 23.3 (2020: 23.2) years for men and 25.8 (2020: 25.7) years for women.

	At 31 March 2021 £	At 31 March 2020 £
Equities	14,247,360	10,968,160
Debt instruments	2,111,400	1,538,900
Property	716,040	531,620
Cash and other liquid assets	330,480	433,690
Other	954,720	517,630
Total fair value of assets	18,360,000	13,990,000

The actual return on scheme assets was £4,250,000 (2020 - £1,230,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	690,000	750,000
Past service cost	-	270,000
Interest on obligation	420,000	460,000
Expected return on scheme assets	(320,000)	(380,000)
Total amount recognised in the Statement of Financial Activities	790,000	1,100,000

Movements in the present value of the defined benefit obligation were as follows:

	2021 £
Opening defined benefit obligation	18,470,000
Current service cost	690,000
Interest cost	420,000
Contributions by scheme participants	120,000
Actuarial gains	5,940,000
Benefits paid	(260,000)
Closing defined benefit obligation	25,380,000

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21. Pension commitments (continued)

Movements in the fair value of the Company's share of scheme assets were as follows:

	2021
	£
Opening fair value of scheme assets	13,990,000
Expected return on assets	320,000
Actuarial losses	3,930,000
Contributions by employer	260,000
Contributions by scheme participants	120,000
Benefits paid	(260,000)
Closing fair value of scheme assets	<u>18,360,000</u>

The Company also operates a Defined Contributions Pension Scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £36,598 (2020: £36,625).

22. Operating lease commitments

At 31 March 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	3,572	11,892
Later than 1 year and not later than 5 years	410	8,845
	<u>3,982</u>	<u>20,737</u>

23. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

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24. Related party transactions

The Trustees of Celtic Leisure are related parties. Trustees' emoluments are disclosed in note 10 to the financial statements. 2 Trustees holding office during the year ended 31 March 2021 (2020: 3) were contributing members for the defined benefit pension scheme.

Celtic Leisure receives a management fee from Neath Port Talbot Country Borough Council ("the Council") which is disclosed in note 4. Celtic Leisure also makes charges to and incurs recharges from the Council. Balances included in debtors and creditors which relate to amounts due from/to the Council are disclosed in notes 13 and 14 to the financial statements.

During the year the Charity entered into an indemnity agreement with NPT CBC. The consideration for the indemnity was the sale of assets to NPT CBC for a value of £150,000.

25. Post balance sheet events

On 7 December 2020, Neath Port Talbot County Borough Council (NPTCBC) published an invitation to tender for the contract for the provision/management of leisure services within Neath Port Talbot County Borough Council. These services are currently provided by the charity. Celtic Leisure have not submitted a response to this invitation to tender. As a result, it is expected the Company will exit its current contract with NPTCBC upon the appointment of a successor, which is expected to be in Spring 2022.

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26. Comparative statement of financial activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2020 £
Income from:			
Charitable activities	6,045,142	347,645	6,392,787
Investments	1,839	-	1,839
Total income	<u>6,046,981</u>	<u>347,645</u>	<u>6,394,626</u>
Expenditure on:			
Charitable activities	7,154,153	51,745	7,205,898
Total expenditure	<u>7,154,153</u>	<u>51,745</u>	<u>7,205,898</u>
Net outgoing resources	(1,107,172)	295,900	(811,272)
Other recognised gains/(losses):			
Actuarial losses on defined benefit pension schemes	(250,000)	-	(250,000)
Net movement in funds	<u>(1,357,172)</u>	<u>295,900</u>	<u>(1,061,272)</u>
Reconciliation of funds:			
Total funds brought forward	(2,746,245)	-	(2,746,245)
Net movement in funds	(1,357,172)	295,900	(1,061,272)
Total funds carried forward	<u>(4,103,417)</u>	<u>295,900</u>	<u>(3,807,517)</u>

