

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

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### 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

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# CELTIC LEISURE

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# CELTIC LEISURE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2023

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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**

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### **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

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### **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

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### **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

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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

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#### **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**

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### **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***

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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

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### 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

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### **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**

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

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

## **CELTIC LEISURE**

### **BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2023**

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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 on .....24.1.24.

  
.....  
Leigh Dineen  
Trustee

**Company registration number 09519616**

# CELTIC LEISURE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

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

# CELTIC LEISURE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 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>
<b>Analysis by fund</b>		
Unrestricted funds	6,974,134	5,278,237
Restricted funds	-	689,198
	<u></u>	<u></u>

### 4 Investments

	Total Unrestricted funds	
	2023 £	2022 £
Interest receivable	-	35
	<u></u>	<u></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>
<b>Analysis by fund</b>		
Unrestricted funds	7,604,134	6,148,273
Restricted funds	-	772,185
	<u></u>	<u></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	341	269

#### 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
	5,101,597	4,712,294

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

### 10 Stocks

	2023 £	2022 £
Finished goods and goods for resale	32,766	40,621

### 11 Debtors

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

# 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)	(4,760,000)	(4,120,000)

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	(360,000)	3,770,000

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	15,980,000

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:

	<b>2023</b>
	<b>£</b>
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
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At 31 March 2023	21,210,000
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The fair value of plan assets at the reporting period end was as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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
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## 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

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#### 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
	<b>Cash generated from/(absorbed by) operations</b>	<b>24,976</b>	<b>(78,900)</b>
22	<b>Analysis of changes in net funds</b>		
	The charity had no debt during the year.		