



Gyrfa Cymru
Careers Wales

REGISTERED NUMBER: 07442837 (England and Wales)

Career Choices Dewis Gyrfa Ltd

Strategic Report, Directors Report and Financial Statements

For The Year Ended 31 March 2020



CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2020

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FOR THE YEAR ENDED 31 MARCH 2020**

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CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2020

COMPANY INFORMATION

DIRECTORS:

Mr I Prys-Jones
Mrs E Richards
Mr R A Wright
Mr R C Francis
Miss S Jones
Dr D Evans-Williams
Mr D A Dowling
Mrs L A Teichner
Prof S Maguire
Miss E Harris
Dr T Begum
Mr D Hagendyk
Mr R Thomas
Mrs N J Lawrence

SECRETARY:

Mr W Piper

REGISTERED OFFICE:

53 Charles Street
Cardiff
CF10 2GD

REGISTERED NUMBER:

07442837 (England and Wales)

AUDITORS:

Auditor General for Wales

STRATEGIC REPORT

The Directors present their strategic report of the company for the year ended 31 March 2020.

STATUTORY BACKGROUND

Career Choices Dewis Gyrfa Ltd (CCDG) is a wholly owned subsidiary of the Welsh Government which was formed on 1 April 2013. Trading as *Gyrfa Cymru Careers Wales*, CCDG provide the all age, independent and impartial careers information, advice and guidance service for Wales. CCDG's focus for this financial year was to continue to implement the company's vision "Changing Lives" which incorporates an integrated digital presence (careerswales.gov.wales) and telephone service which links in with the Welsh Government's vision of creating a truly Digital Nation into our service delivery model.

CCDG deliver a remit set by the Minister for Economy, Transport and North Wales and support the Welsh Government's strategic objectives as identified in the Programme for Government and related Welsh Government policies. CCDG's work helps to develop the nation's skills base and to support the effectiveness of expenditure on education and training, thereby contributing to the economic and social well-being of Wales.

PRIMARY OBJECTIVES

Career decisions are among the most important people make throughout their lives and careers information, advice and guidance can help to:

- Improve knowledge and awareness of learning opportunities and the labour market;
- Improve self-awareness, raise individual aspirations and support people to make effective decisions about their careers;
- Increase access to, and completion of, learning and training;
- Motivate people to manage their careers, improve application and interview skills and be resilient in adapting their plans when circumstances change;
- Address inequality by focusing on the needs of groups who are under-represented in employment, learning or training and by challenging stereotyping; and
- Improve the efficiency and effectiveness of the labour market, for example by improving the match between supply of, and demand for, skills.

CORE FUNCTIONS

CCDG's core function is to provide individuals with access to careers information, advice and guidance and related support through one to one guidance interviews, groupworks, web access and a bilingual telephone service/helpline. We support customers to become more effective at planning and managing their careers, recognising that career management no longer consists of a one-off occupational choice, but rather a series of lifelong career transitions. Through improving career management skills and competencies, customers are able to make these transitions more smoothly, enjoy a higher level of career satisfaction and play a more active part in the economy.

CCDG's core function is defined in the remit letter from the Welsh Government which details CCDG's objectives. In 2019-20 the remit letter focused on the following areas:

- Continue to drive the priorities established in the "Changing Lives" vision including the new offer for young people in education. Supporting young people aged 11-18 in school, colleges or work based learning, to develop their understanding of careers management competencies and employability skills; be aware of and able to access Careers Wales resources; by building their understanding of the labour market and labour market information (LMI); and be aware of all post-16 education, employment and training opportunities and how to access them.

- Ensuring that young adults in education or training are able to: make informed decisions about their future and next steps; apply career management competencies and employability skills; sustain engagement with education, employment or training; and make realistic decisions about future career and learning options.

Education



- Strategic Support to the Youth Engagement and Progression Framework. This framework aims to reduce the number of young people not in education, employment or training (NEET). CCDG identify those most at risk of becoming NEET or who are already NEET and provide the support they need to get them back on track.
- Services to Adults – CCDG provide careers assessment, information, advice and guidance through our Working Wales programme.

Telephone calls to our helpline

30,339



2018-2019

32,717



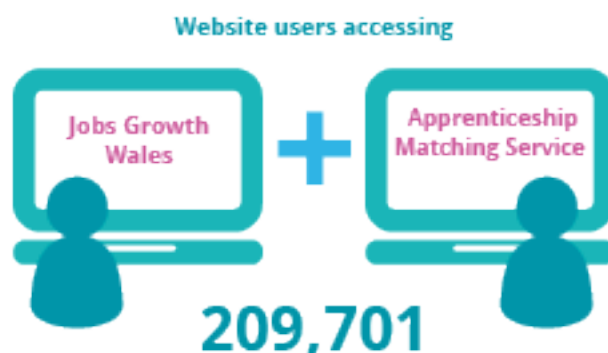
2019-2020

- Digital Services – CCDG continued to progress digital transformation setting clear milestones for the continued delivery of a new digital platform and Working Wales microsite and its associated infrastructure.
- Further Education Institutions – CCDG continued to offer a digital first solution for post-16 learners.
- Engaging business – CCDG continued to facilitate and support a range of work activities.

CCDG also receive additional funding from the Welsh Government for a number of strategic projects.

Strategic Projects

1. Working Wales – The Working Wales Service was launched by the minister for Economy, Transport and North Wales in May 2019. Through this service Careers Wales provides careers assessment, information, advice, guidance, and a signposting service for adults. The new service provides an all- Wales entry point for employability support for individuals aged 16 and over.
2. Apprenticeship Matching Service – CCDG continued to provide a free on-line recruitment process to help employers find suitable apprentices and aspiring apprentices to find opportunities in a business that is right for them. All Welsh Government funded apprenticeship programmes are accessed through careerswales.com.
3. Jobs Growth Wales – This project, hosted on careerswales.com, supports unemployed 18-24 year olds living in Wales to gain work experience for up to six months in a job which pays at least the minimum wage. The vacancies for Job Growth Wales can be accessed through careerswales.com.



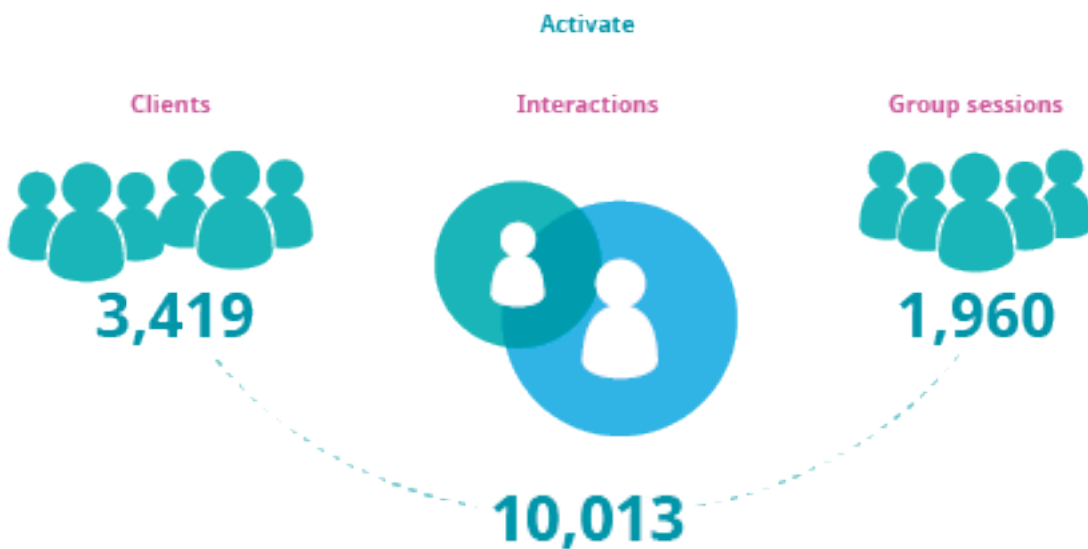
4. ReAct – The company continued to provide redundancy and support services to individuals who have been made redundant or are under the threat of redundancy. Support is available for eligible applicants to increase their skills and remove barriers to learning or returning to work. All applicants have their training needs assessed by Careers Wales who will advise on suitable training courses and training venues.



European Social Funded Projects

CCDG received funding for six European projects (Activate) which support young people aged 11-19 who are disengaging from education and at risk of becoming NEET. The projects aim to reduce and prevent early school and college leaving and provide further options to young adults to enter into education and training. The projects will:

- Ensure that young people most at risk are identified and supported so that they succeed in education, employment or training and make successful transitions from education and within the labour market. This will reduce the likelihood of future or continuing poverty amongst young people.
- Achieve improved health and well-being for young people.
- Instil a work ethic and higher aspirations for young people.



COMPANY PERFORMANCE 2019-20

Company performance is assessed both internally and externally in relation to business targets, quality standards and financial health.

It was agreed by Welsh Government that CCDG's 2019-20 Business Plan would continue with a set of performance indicators against which Welsh Government would monitor the impact of the organisation. The following are the KPI's for 2019-20:

1. A minimum of 75% of a sample of school-age pupils report an increased understanding of Labour Market Information (LMI) as a result of participating in Careers Wales activities.
2. The number of young people entering Tier 3 as their first destination on leaving school will be below 3% of the cohort.
3. 90% of 16-17year olds supported by Working Wales will be referred for further support.
4. We will increase the number of outreach facilities by 20% during the first year of operation of the Working Wales service.
5. 70% of Year 11 pupils sampled will report an increase in their motivation, confidence and resilience as a result of participating in Careers Wales activities.
6. A minimum of 75% of a sample of school-age pupils report an increased understanding of all their pathways as a result of participating in Careers Wales activities.
7. In a survey of a sample of school pupils, 70% give a customer satisfaction rating of good or better for experiences they access which are designed to prepare them for the World of Work.
8. We will establish a baseline figure for the proportion of apprenticeships that are sourced by our Apprenticeship Finder service where the Welsh language is an essential or desirable requirement.
9. 70% of a sample of school pupils give a customer satisfaction of good or better for our employer engagement events that they attend to help prepare them for the world of work.
10. Closer alignment of working between Careers Wales and Business Wales, including:
 - a) Digital alignment of our respective platforms.
 - b) Alignment of business engagement activity.
 - c) The joint sharing of marketing materials to promote EBE.
 - d) Joint publicising of relevant events via social media.

Achievements

KPI 1: A minimum of 75% of a sample of school-age pupils report an increased understanding of Labour Market Information (LMI) as a result of participating in Careers Wales activities.

CCDG met the requirements of KPI1. In a sample of Year 10 pupils attending an activity on 'Future Work in Wales' delivered by Careers Wales, 81% of respondents to an evaluation questionnaire reported the LMI session had helped them to understand more about the labour market. This exceeded the minimum target of 75%.

KPI 2: The number of young people entering Tier 3 as their first destination on leaving school will be below 3% of the cohort.

CCDG met the requirements of KPI2.

The number of the 2019 cohort entering Tier 3 as their first destination on leaving school was 589. This represented 1.86% of the total 2019 Year 11 cohort.

KPI 3: 90% of 16-17year olds supported by Working Wales will be referred for further support.

CCDG met the requirements of KPI3.

In 2019-20 5,867 unemployed 16 and 17year olds were supported by Working Wales. 5,630 of them (96%) were referred for further support.

KPI 4: We will increase the number of outreach facilities by 20% during the first year of operation of the Working Wales service.

CCDG met the requirements of KPI4.

During 2019-20 we added an additional 71 outreach centres to the existing 52 delivery locations used to support customers. We therefore increased the number of delivery centres from 52 to 123, a 136% increase during the year.

KPI 5: 70% of Year 11 pupils sampled will report an increase in their motivation, confidence and resilience as a result of participating in Careers Wales activities.

CCDG met the requirements of KPI5.

Career Check is our annual survey of the career interests and aspirations of school-age pupils and how well-prepared they feel they are to plan their careers, including how motivated, confident and resilient they feel. This year a follow up version of Career Check was delivered with pupils towards the end of Year 11 to establish whether the services provided had helped them improve their confidence, motivation and resilience.

In the follow up questionnaire pupils were asked whether the service they had received had improved their motivation and confidence:

'The service I have received from Careers Wales has improved my confidence and motivation (I am happy with my choices and I understand what I need to do to achieve my career goals).'

70 % of Year 11 pupils sampled reported an increase in their motivation and confidence.

In order to measure whether there is an increase in pupils' resilience the sample were also asked:

'If your plans for after Year 11 don't quite work out, how do you feel about being able to seek out support to help you get back on track?'

83 % of Year 11 pupils sampled responded positively about seeking support to get back on track (resilience).

KPI 6: A minimum of 75% of a sample of school-age pupils report an increased understanding of all their pathways as a result of participating in Careers Wales activities

CCDG achieved the criteria for KPI 6.

In a sample of Year 11 pupils attending a group activity with a focus on Opportunity Awareness – Parity of Esteem delivered by Careers Wales, 87% of respondents to an evaluation questionnaire reported the session had helped them to understand more about their options after Year 11.

In addition, Careers Wales offers schools high visibility events to help prepare young people for the world of work. Pupils who participated in the activities were asked to complete an evaluation questionnaire, 96% responded positively to the question:

"To what extent has this event improved your knowledge of opportunities available locally and throughout Wales?"

KPI 7: In a survey of a sample of school pupils, 70% give a customer satisfaction rating of good or better for experiences they access which are designed to prepare them for the World of Work.

CCDG achieved the criteria for KPI 7.

The offer of high impact events is available for schools across Wales. The purpose of high impact events is to provide access for pupils to employers to enable them to become more aware of careers within a variety of industries through experimental learning activities. These in the main take the form of events which involve the whole school, including employer talks, activities, careers fairs.

All pupils who participated on the high impact activities were asked to complete an event survey. The survey has a specific question to evaluate the satisfaction rate of each event.

84% give a customer satisfaction rating of good or better for experiences they access which are designed to prepare them for the world of work.

KPI 8: We will establish a baseline figure for the proportion of apprenticeships that are sourced by our Apprenticeship Finder service where the Welsh language is an essential or desirable requirement.

CCDG achieved the criteria for KPI 8.

During 2019-20 Careers Wales operated an Apprenticeship Finder service which involved two members of staff searching for and recording apprenticeship vacancies which were not part of the Welsh Government's 'Apprenticeship Matching Service' (AMS). As part of the service, Careers Wales undertook to identify whether apprenticeships required the ability to communicate in Welsh by specifically recording against each vacancy whether Welsh was either essential or desirable or whether there was no mention of any Welsh Language requirement. The exercise ran from July 2019 until January 2020 when the Apprenticeship Finder service ceased.

The exercise established that out of 293 non-AMS apprenticeship vacancies recorded between July 2019 and January 2020, 230 of these (78.5%) made no mention of any Welsh Language requirement; 31 (10.6%) stated that the ability to communicate in Welsh was desirable and 4 (1.4%) stated it was essential. 22 (7.5%) stated that applications were welcome in Welsh but did not give an indication of the level of Welsh required for the position. 4 (1.4%) were recorded as 'Not Required', one was recorded as 'Able to pronounce Welsh and use some phrases' and one was recorded as 'Ability to communicate in Welsh'.

KPI 9: 70% of a sample of school pupils give a customer satisfaction of good or better for our employer engagement events that they attend to help prepare them for the world of work.

CCDG achieved the criteria for KPI 9.

Careers Wales offers a comprehensive Curriculum Enrichment and World of Work programme to all schools. All pupils who participated in the curriculum enrichment and WOW events were asked to complete an event survey. The measure of customer satisfaction is being used as an indicator of how satisfied customers are with the employer engagement events that they attended to help them prepare them for the world of work.

Out of a total of 9,074 responses 7,236 (80%) reported the event as good or excellent.

KPI 10: Closer alignment of working between Careers Wales and Business Wales, including:

- a) Digital alignment of our respective platforms
- b) Alignment of business engagement activity.
- c) The joint sharing of marketing materials to promote EBE.
- d) Joint publicising of relevant events via social media.

CCDG achieved the criteria for KPI 10.

Careers Wales and Business Wales have held several meetings during 2019-20 to develop joint working related to employer engagement in schools in Wales. In addition to these meetings, a workshop was held in September 2019 to compare the respective activities of the two organisations and to prepare for the end of ESF funding and address the question of how employer engagement could be facilitated after this period.

Careers Wales has also helped set up an employer engagement Task and Finish group to look at this topic which involves all the key players, including Careers Wales, Business Wales, the curriculum team from the Welsh Government and representatives from other Welsh Government bodies, including Big Ideas Wales. As part of that exercise, Careers Wales has compiled a spreadsheet of all employers engagement programmes in Wales which will be used as the basis of a mapping exercise and a further series of workshops to see where there is synergy between various programmes.

In terms of marketing, the Education Business Exchange (EBE) has been marketed to employers via the Business Wales newsletter on at least two occasions. The Minister for the Economy and Transport has also sent a letter to all employers on the Business Wales database promoting the use of EBE.

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Careers Wales has developed an online training module for employers interested in working in schools which has been shared with Business Wales, promoted in their newsletter and shared with employers on their database.

Business Wales has also promoted the EBE via its social media channels, including Twitter.

FINANCIAL PERFORMANCE FOR THE YEAR

The results for the financial year are shown on page 25 onwards.

CCDG's Financial Statements currently show that the company has negative reserves of £32.8m. The primary reason for these negative reserves is the net pension deficit of £38.9m. The deficit is an estimate of the expected shortfall of assets over liabilities in the CCDG Local Government Pension Schemes funds.

CCDG performance is assessed both internally and externally in particular through its Remit Letter and Framework Document that are annually agreed with the Welsh Government. Performance against the Remit Letter is monitored by the Welsh Government and CCDG provides quarterly reports to Welsh Government to assist in this monitoring process.

The Framework Document allows CCDG to carry-over from one financial year to the next any drawn but unspent cash balances of up to 3% of the agreed WG income funding. WG have allowed CCDG at the year end to carry forward the cash balance over the 3% level in order to fund future website developments and other projects.

Following a visit from HMRC VAT inspectors in 2018-19, the decision was made to classify all income received from the Welsh Government as grant income. The table below shows the position for the 2019-20 period:

Item	£m
Agreed WG Core & Working Wales income funding	28.1
Allowable carry over - 3%	0.8
Year end Cash and cash equivalents	1.8
Excess Cash balance carry over agreed by WG	1.0

The principal source of income for CCDG is the Welsh Government and during the year the total income from Welsh Government was £28.26m, which consists of the £28.12m as above (which is used to calculate the 3% carry forward) and additional project income of £134k. Where we incurred capital expenditure of £412k, this has been deferred into the next financial year.

FUTURE DEVELOPMENTS

During this financial year CCDG has started its final year of the three year new strategic vision called "Changing Lives". We have continued to develop and deliver quality services valued by customers and partners, upskilled our professional staff and made efficiency savings.

The company will now be moving into a transitional year for 2020-21 where it will evaluate the impact and success of its three year strategic vision and prepare a new five-year vision to coincide with the next Term of WG Government, 2021-26.

The company closed their centres with the outbreak of the Covid19 pandemic but continued to offer a service to their customers by digital means. Careers Wales will therefore continue in 2020-21 to provide the people of Wales with an essential careers service through telephone and digital channels and follow WG guidance on returning to work in a school and office environment.

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The CCDG Business Plan for 2020-21 expects the Welsh Government income to be £28.25m. As shown in the table below, this includes funding for specified projects to the value of £9.35m.

Funding Source	£m
Welsh Government – Core	18.9
Welsh Government – Working Wales	9.2
Welsh Government – projects	0.15
Sub-total Welsh Government	28.25
European Funding – ESF	1.8
Other contract Income	0.3
Estimated total income 2020-21	30.35

PRINCIPAL RISKS AND UNCERTANTIES

Details of Risk Management are contained in the Risk Management section of the Annual Corporate Governance Statement on pages 20-21.

The principal risks that CCDG face are:

- Management of cash flow,
- Pandemic and business continuity,
- Producing a clear and agreed vision for the next 5 years from 2021.

These risks are expanded below:

Risk area	Main Risk(s)
Operational and Strategic risks	<ul style="list-style-type: none"> • Failure to deliver the remit letter due to the pandemic. • Failure to have a clear vision for Careers Wales causing confusion over purpose, direction and delivery.
Financial risks	<ul style="list-style-type: none"> • Cash flow management due to reduction in available cash. • Impact of the pandemic on WG funding.

ON BEHALF OF THE BOARD:



.....
Mr I Prys-Jones - Director

Date: ...30th October 2020.....

DIRECTORS REPORT

The Directors present their report with the Financial Statements of the company for the year ended 31 March 2020. CCDG has adopted the International Financial Reporting Standards (IFRS).

The Welsh Ministers are the sole member of CCDG. The company is limited by guarantee with all Directors agreeing to contribute the sum of £1 in the event of the company being wound up.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2020.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in note 16 to the Financial Statements.

DIRECTORS

The Directors shown below have held office during the period from 1 April 2019 to the 31 March 2020:

Mr I Prys-Jones
Mrs E Richards
Mr R A Wright
Mr R C Francis
Miss S Jones
Dr D Evans-Williams (Chair)
Prof S Maguire
Mr D A Dowling
Mrs L A Teichner
Miss E Harris
Dr T Begum
Mr D Hagendyk
Mr R Thomas
Mrs N J Lawrence

Changes in Directors holding office are as follows:

Mrs L A Teichner – resigned 12 July 2019
Mr R C Francis – resigned 15 July 2019
Dr T Begum – appointed 1 February 2020
Mr D Hagendyk – appointed 7 February 2020
Mr R Thomas – appointed 1 February 2020

All the Directors, other than Mrs N J Lawrence, are non-executive Directors and are unpaid. As well as being a Director of CCDG, Mrs N J Lawrence is also an employee of CCDG. The post of Chair is remunerated at £345 per day for attendance at meetings or other agreed activities relating to the work of Careers Wales for up to 80 days per year. The post of Chairs of the committees are also remunerated at the daily rate of £256 per committee.

GOING CONCERN AND EVENTS AFTER THE REPORTING PERIOD

In adopting the going concern basis for preparing the Financial Statements, the Directors have considered the business activities as well as the company's principal risks and uncertainties as set out in the Corporate Risk Register.

Following the transfer of ownership to the Welsh Government, on 1 April 2013, CCDG became a public body, funded directly by the Welsh Government. Through the CCDG remit letter, the Board of Directors has received confirmation that the Welsh Government will continue to provide both revenue and capital support at a sufficient level to enable CCDG to continue as a going concern until at least 31 March 2021. After making enquiries and having reviewed the company's forecasts, the Directors have concluded that there are no material uncertainties which would create any doubts to CCDG's ability to continue in business over the next 12 months. Therefore, the Board will continue to adopt the going concern basis in preparing the annual report and financial statements.

NON-CURRENT ASSETS

Details of non-current assets are shown in notes 7 to 9 to the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main financial risks for CCDG relate to cash flow management and budgeting and these are maintained at the highest risk level on our risk register. We keep a close monitoring brief on both budgets and cashflow throughout the financial year due to uncertainties about funding in future years. The Welsh Government Core and Working Wales Budget for 2019-20 was £28.12m, and they have confirmed the same level of funding for 2020-21. There are no concerns about our going concern status up to March 2021. However, we will not know about funding post March 2021 until December 2020.

With regard to cash flow management, there is no significant credit risk in the next financial year. At year end we maintained a healthy cash balance on short term deposit of £1.83m therefore credit, liquidity and cashflow are not considered to be a material risk during the next financial year. We monitor the cash position very closely to ensure we carry forward sufficient cash reserves at the start of the 2021-22 financial year due to uncertainties of funding.

STAFF

Policy in respect of disabled persons

CCDG has an Equal Opportunities Policy which demonstrates our active commitment to equal opportunities in respect of recruitment and selection, training and development, performance reviews and promotion and retirement. CCDG promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. People with disabilities will have full and fair consideration for all vacancies. CCDG are committed to interviewing those people with disabilities who fulfil the minimum criteria for posts and will endeavour to retain employees in the workforce if they become disabled during employment. CCDG will actively retrain and adjust their environment where possible to allow disabled employees to maximise their potential.

Consultation with Employees

CCDG remain committed to employee involvement and have a recognition agreement with Unison. Management and Unison engaged proactively in Partnership training promoted by Wales TUC and Welsh Government. Partnership working has been implemented and embraced by both sides and has resulted in an improvement in industrial relations and productive joint working. Employees are kept well informed of the performance and strategy of the company through personal briefings, regular meetings, email and updates by the Chief Executive through our newsletter LINC that is sent to all staff.

Employees are able to interact with one another, post information about clubs and groups in their area and can gain access to information about corporate events through the use of the CCDG intranet.

Policy on the payment of Creditors

CCDG is committed to the prompt settlement of invoices and other claims for payment. In the case of goods and services where the supply has been satisfactorily completed, the company's objective is to pay within 30 days of receipt of the invoice.

ENVIRONMENTAL REPORT

CCDG recognises that its wide range of activities and services have both a positive and negative impact on the environment and wish to manage and minimise these wherever possible. Our environmental strategy is underpinned by Welsh Government legislation and policies. To help us achieve this aim we have implemented the independently audited Green Dragon Environmental Standard. Our overarching principles are detailed within our environmental policy and are implemented and monitored through the use of an environment management system.

How we manage the process

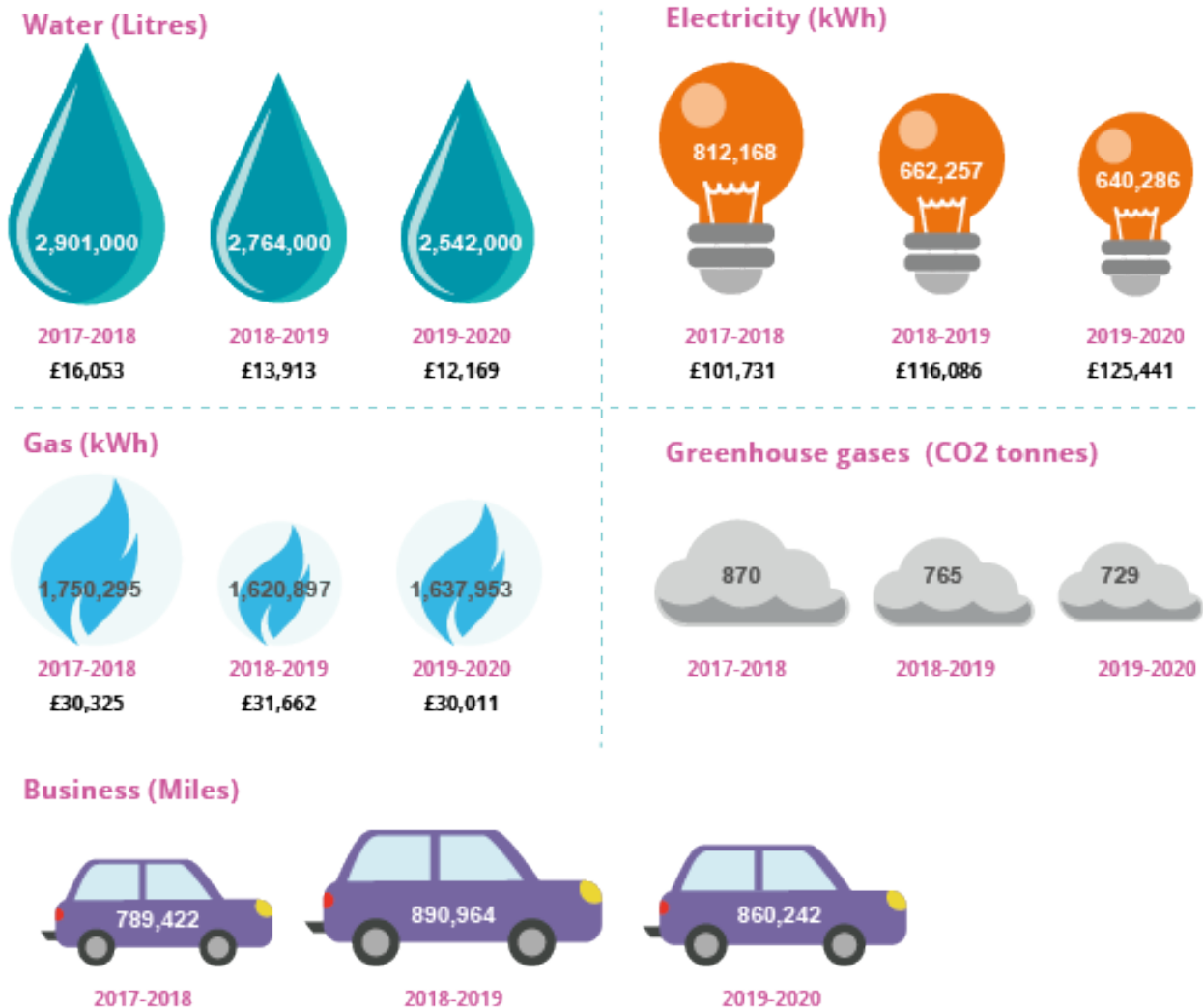
CCDG's aim is to seek continued improvement in the process by which we manage our environmental impact. We have established two committees which has oversight of the monitoring and reporting requirements within our governance structure. The Green Team is responsible for overseeing the auditing and production of the monitoring data and they report directly to the Senior Management Team. The Well Being of Future

Generations Committee has responsibility for setting the strategic direction for the environment and biodiversity.

Environmental Performance

We have had another successful year in meeting our environmental targets. The corporate environmental strategy has been reviewed and we have set further ambitious targets to reduce co2 emissions and increase biodiversity in the next financial year. This year we were awarded level 4 in the Green Dragon Environment Awards. We have set an objective to reach the highest level – grade 5 by March 2022. An important area, which also underpins part of our Well Being of Future Generations strategy, is to increase biodiversity within our estates’ portfolio. For example, this year we created a wild meadow at our Cross Hands premises. We have also formulated a biodiversity plan for each office.

The environment data in the table below has been collected from the 26 offices that are fully under our control and where we receive invoices directly from the energy supplier, 19 of these offices have gas installed. We have included data from the Abertillery office that closed part way through the year.



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	2017-2018	2018-2019	2019-2020
Water (Litres)	2,901,000	2,764,000	2,542,000
Business Miles	789,422	890,964	860,242
Electricity kWh	812,168	662,257	640,286
Gas kWh	1,750,295	1,620,897	1,637,953
Greenhouse gases CO2 tonnes	870	765	729
Financial costs	£	£	£
Gas	30,325	31,662	30,011
Electricity	101,731	116,086	125,441
Water	16,053	13,913	12,169

The 4.7% reduction in CO2 emissions has exceeded our expectations as in March 2019 we were forecasting an increase in CO2 emissions due to the recruitment of additional staff. To provide greater clarity on comparative emissions year on year we have added a further table based on CO2 emissions per total staff employed in the year (including starters and leavers). In future reports we will provide both sets of data to provide a true picture of comparatives based on actual and per head usage.

Usage per staff numbers	2017-2018	2018-2019	2019-2020
Staff numbers based on total headcount in year	631	623	658
Water (Litres)	4,597	4,436	3,863
Business Miles	1,251	1,430	1,307
Electricity kWh	1,287	1,063	973
Gas kWh	2,773	2,601	2,489
Greenhouse gases CO2 tonnes	1.38	1.23	1.10

The above figures indicate on a per head basis we achieved a decrease in all key areas. There was a 12% reduction in water and an 8% reduction in business travel and electricity consumption together with a 4% reduction in gas usage. The decrease is due to a range of measures that we have introduced across the estate. We have continued with our established policy of investing in owned properties. The lighting in seven of our offices has now been updated to LED which has resulted in reduced consumption of approximately 18,000 kWh of the total 21,971 kWh saved during the year. We have also installed water saving measures reducing consumption by 222,000 litres per annum.

Our key objective was to reduce business mileage in this financial year. All staff now have the ability to work remotely, we have installed skype and Microsoft teams on all our computers and this has increased the usage of video conferencing and created an opportunity for staff to work on projects simultaneously by setting up group documents There has also been a good take up of the cycle to work scheme and we will continue to promote the availability of this scheme to staff.

ANNUAL REPORT CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

As the Chief Executive (Accounting Officer) I am personally responsible for the overall organisation, management and staffing of CCDG.

The Governance Statement brings together in one place all disclosures about matters relating to an organisation's governance, risk and control. As Accounting Officer I am personally responsible for the Governance Statement which outlines how I have discharged my responsibility to manage and control the resources of CCDG during the course of the year.

CORPORATE GOVERNANCE

Corporate Governance is the system by which organisations are directed and controlled. The Board of CCDG is responsible for the governance of CCDG and compliance with the corporate governance code. The Board's role is to satisfy itself that an appropriate governance structure is in place and to ensure through myself, as Chief Executive, that the organisation operates within the policy framework set by the Welsh Government.

The Board comprises a Chair, Dr D Evans-Williams, and up to 13 other Directors who are appointed by the Welsh Government. The Chair is a remunerated position and the Chief Executive is also a Director. The Board has met four times this year.

Each Director and the members of the Senior Management Team complete a Related Party Declaration form to ensure that potential conflicts of interest are identified. This form was last completed to March 2020. The Directors are reminded to declare any conflicts of interest prior to Board and Committee meetings. Any conflicts are then declared in the minutes and the Director does not take part in that agenda item.

The Board appointed three Committees with their own Terms of Reference to discharge its responsibilities and to obtain the assurance required that demonstrate good governance practices are in place. The Committees are:-



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The Directors' attendance at the Board and Committees is shown in the tables below:

MEMBERSHIP AND ATTENDANCE RECORD 2019-20

Meetings of the Board of Directors

	13/06/19	29/08/19	28/11/19	05/03/20	Attendance
Dr D Evans-Williams (Chair)	✓	✓	✓	✓	4/4 100%
Mr R A Wright	✓	✓	✓	✓	4/4 100%
Mrs E Richards	✓	✗	✓	✓	3/4 75%
Mr I Prys-Jones	✓	✓	✓	✓	4/4 100%
Miss E Harris	✓	✓	✓	✓	4/4 100%
Miss S Jones	✗	✓	✓	✓	3/4 75%
Prof S Maguire	✗	✓	✗	✗	1/4 25%
Mr D A Dowling	✓	✓	✓	✓	4/4 100%
Dr T Begum	-	-	-	✗	0/1 0%
Mr D Hagendyk	-	-	-	✓	1/1 100%
Mr R Thomas	-	-	-	✓	1/1 100%
Chief Executive	✓	✓	✓	✓	4/4 100%

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2020

All Committee meeting minutes are provided to the Board. The Chief Executive is an Executive member of each Committee.

Finance, Audit & Risk Committee

	04/06/19	12/09/19	07/11/19	04/02/20	19/3/20 (additional meeting)	Attendance
Mr I Prys-Jones (Chair)	✓	✓	✓	✓	✓	5/5 100%
Mrs E Richards	✓	✓	✗	✓	✓	4/5 80%
Mr R A Wright	✓	✓	✓	✓	✓	5/5 100%
Chief Executive	✓	✓	✓	✓	✓	5/5 100%
Head of Finance & Estates	✓	✓	✓	✓	✓	5/5 100%
WAO (External Auditors)	✓	✓	✓	✓	-	4/5 80%
TIAA (Internal Auditors)	✓	✓	✓	✓	-	4/5 80%

People Matters Committee

	07/08/19	06/11/19	05/02/20	Attendance
Miss E Harris (Chair)	✓	✓	✓	3/3 100%
Mrs E Richards	✓	✓	✓	3/3 100%
Chief Executive	✓	✓	✓	3/3 100%
Head of People Development	✓	✓	✓	3/3 100%

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2020

Performance & Impact Committee

	16/05/19	14/08/19	13/11/19	12/02/20	Attendance
Mr D A Dowling (Chair)	✓	✗	✓	✓	3/4 75%
Miss S Jones	✓	✓	✗	✗	2/4 50%
Prof S Maguire	✗	✓	✓	✓	3/4 75%
Chief Executive	✓	✗	✓	✓	3/4 75%
Director of Client Services	✗	✗	✗	✓	1/4 25%
Head of Quality & Planning	✓	✓	✓	✓	4/4 100%

Finance, Audit and Risk Committee

The Committee consists of three Directors and met five times in the financial year. The Terms of Reference are:

- i. To ensure that the company has a sound system of financial control, and effective processes for the identification, assessment and management of risk using risk register;
- ii. To recommend the appointment of bankers, internal auditors, external auditors and other financial advisers, as required, following due process;
- iii. To establish a sound procedure for procurement, to ensure efficiency and value for money;
- iv. To ensure, in accordance with legislation, that the company has effective policies for dealing with suspected irregularity, fraud or bribery;
- v. To keep under review the financial health of the company. To include monitoring and reviewing the Business Plan and expenditure against budget for the current year;
- vi. To develop and recommend a viable business plan, and a budget for the company each year;
- vii. To consider and make recommendations on financial statements, and in particular the annual accounts of the company;
- viii. Consider matters referred to Committee by Board; and
- ix. Report to Board.

People Matters Committee

The Committee consists of three Directors and met three times in the financial year. The Terms of Reference are:

- i. The Committee will receive and approve any initial draft and subsequent redrafts of the HR Strategy and Implementation Plan(s);
- ii. The Committee will ensure that there is an appropriate pay structure and, subject to affordability, determine the pay levels of the Chief Executive;
- iii. The Committee will provide robust scrutiny in order to ensure that the company complies with employment legislation and regulations;
- iv. The Committee will be the lead committee for Health and Safety and Diversity matters;
- v. The Committee will consider such matters as may be referred to it by the Board;
- vi. The Committee will report to the Board on all matters relating to the employment and welfare of the staff of CCDG, and give advice on appropriate matters;
- vii. The Committee will also promote and support:
 - the development of appropriate employment policies, including those for appointment, terms and conditions, discipline, grievance, reward and recognition of employees;
 - the ongoing development of the company's culture and values;
 - employee engagement and involvement; and
 - effective internal communication within the organisation.

Performance and Impact Committee

The Committee consists of four Directors and met four times in the financial year. The Terms of Reference are:

- i. Have an overview of service development, delivery and support functions;
- ii. Monitor, scrutinise and advise on year performance relating to quality and quantity and progress against business plan;
- iii. To challenge and review the impact of the company;
- iv. To scrutinize and monitor the use of feedback from customers and stakeholders in informing the development of the service (including ICT) and engagement strategies;
- v. To promote and support value for money, looking at which services to invest resources in to ensure a good return on investment;
- vi. To support and review the way the company delivers the services through IT/ Digital/ Marketing channels;
- vii. To consider such matters as may be referred to the Committee by the Board; and
- viii. To report to the Board.

The Senior Management Team

The new SMT structure has been embedded during the year. The Executive structure within the SMT has been reviewed and agreed that there will be a reduction from three to two Directors.

The team meet regularly, weekly by video conference and monthly face-to-face to discuss and agree corporate and operational matters. A CCDG performance report is produced quarterly and presented to Welsh Government and Board to monitor progress against the business plan.

Sickness absence data

Over the last twelve months the Company lost 4.6% of productive working days to sickness absence (4.2% in the previous reporting period). Of this 2.02% is accounted for by absences of less than 20 days. The remainder is long term absence and there have been several notable very long term ill-health cases, resulting in ill-health retirement or resignation.

We have used the following best practice initiatives to manage sickness absence:

- Return to work interviews after every absence, paperwork reviewed and followed up by HR for quality of completion.
- Use of the Bradford factor to highlight those employees with high levels of short term absence so that efforts are targeted.
- Identifying individuals with absences exceeding 19 continuous days and supporting them back to work at an early stage by offering phased returns (part-time working for a short rehabilitation period).
- Use of triggers relating to numbers and frequency of short term absence which trigger actions such as informal and formal counselling meetings and potentially to warnings.
- Use of occupational health referrals, where high and rising patterns are seen and to manage ill-health retirements.
- Early occupational health referrals for cases of mental ill health.
- Work with the recognised trade union on absence initiatives.
- Managers receive absence statistics each month to discuss with their teams.
- Use of the Company newsletter to promote health initiatives.
- Use of an external service for employees to report sick leave and monitor that return to work interviews are completed. This provides very robust sickness data.
- Proactive health and wellbeing strategies that have led to achieving the Corporate Health Standard Bronze Award.

Whistleblowing

CCDG has, since 2013, had a whistleblowing policy and procedures that were consulted on and agreed with the recognised trade union. The policy was introduced to all employees via the Company newsletter and is available to any employee, bilingually, on the Company intranet. The policy advises employees on what to do and who to report to, both internally and externally, if they believe that there is wrongdoing that it is in the public interest to disclose. The policy also covers employee rights and directs them to sources of information on the relevant reporting bodies. There have been no whistleblowing incidents during this financial year.

Risk Management

Responsibility for the management of the risks relating to the operations of CCDG lies with the Board of Directors. CCDG has undertaken a comprehensive assessment of the risks it faces. The principle risks are contained in the CCDG Risk Register which is reviewed on a regular basis by the Finance, Audit and Risk Committee and the Senior Management Team.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the organisation's aims and objectives and to manage them efficiently, effectively and economically. CCDG's Risk Register identifies potential risks arising from the operation of the company. These risks are prioritised within a Risk Matrix and provided with a risk profile according to the impact and likelihood of the risk occurring. These risk ratings are reviewed at each meeting of the Finance, Audit and Risk Committee and reported to each Board meeting. The Risk Register includes a list of the preventative measures for each of the risks identified, as well as the contingency measures and actions to reduce the consequences of an incident to a lower risk level and to facilitate recovery in the event of any crisis arising. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives - it can therefore only provide reasonable and not absolute assurance of effectiveness.

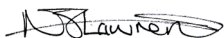
As Chief Executive I have responsibility for reviewing the effectiveness of the system of internal control. This review is informed by the work of the appointed internal auditors and the managers within CCDG who have responsibility for the development and maintenance of the internal control framework, together with comments and recommendations made by the external auditors in their management letter and internal auditors in their reports. The internal auditors submit regular reports and provide an independent annual opinion on the adequacy and effectiveness of CCDG's system of internal control, together with recommendations for improvement. The internal auditors operate to standards defined by the Public Sector Internal Audit Standards. They attend Finance, Audit and Risk Committee meetings and present their reports to the Committee and progress on the planned work programme. The annual internal audit opinion stated that Careers Wales had reasonable and effective risk management, control and governance processes in place during the year. Internal audit identified no significant control weaknesses and therefore nothing to suggest that the organisation was not maintaining a low risk status. The following areas were audited within the year; payroll, governance and risk management, attendance and wellbeing strategy, health and safety management, anti-fraud arrangements, ICT network security and key financial controls. All areas of the audit reviews were given either substantial or reasonable assurance by the internal auditors.

The Internal Audit Strategy is set by the Finance, Audit and Risk Committee and is reviewed by the Board. More generally, CCDG is committed to a process of continuous development and improvement, developing systems in response to any relevant reviews and developments in best practice in this area. Appropriate action plans are in place to address any weaknesses identified and to ensure continuous improvement. Managers implement the recommendations of the internal auditor and the recommendations from the external audit management letter. The Finance, Audit and Risk Committee will continue to monitor this activity.

I am satisfied that for the 2019-20 financial year a sound governance framework and system of internal controls were in place. They supported the achievement of CCDG's policies, aims and objectives; facilitated effective exercise of CCDG's functions and safeguarded public funds and assets for which the Accounting Officer is personally responsible. These matters of governance and control are in accordance with the responsibilities that had been assigned to me, in the Framework Document issued to CCDG by the Welsh Government.

Covid 19 has caused the company to reflect on the way it currently operates. All of our offices were closed and staff have been working from home. This has necessitated changes to our internal control processes. We have taken a digital approach to provide a solution to the new way of working. The Board and the committees have met since April as planned through video conferencing. We have been fortunate that key staff have continued to work throughout the pandemic which has resulted in no effect on the decision making processes. Normal delivery would consist of a blended approach of face to face interviews and telephone interviews but due to the pandemic we no longer undertake face to face interviews but we have introduced video conference interviews.

Our internal controls have been maintained throughout the period as we continue to follow Welsh Government framework guidance and our own financial regulations. There has not been a negative impact on our controls. Our internal audits have been completed and we are on target to meet the schedule set out for this year. The Audit and Risk committee has taken a very keen interest in our risk control mechanisms and these have been updated in terms of business continuity risks and to meet our new delivery models. The main impact has been on our KPI's set within our remit letter as we are not likely to meet our objectives for this year set in February but we are in discussions with Welsh Government to address these issues. Our workload has increased significantly due to the number of redundancies throughout the Welsh economy. Therefore, I am able to report that the pandemic has not resulted in any issues regarding internal controls or governance issues.



Nikki Lawrence
CCDG Chief Executive and Accounting Officer

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the Directors 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 company and of the profit or loss of the company for that period. In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently; and
- Make judgements and accounting estimates that are reasonable and prudent; and
- State that the Financial Statements comply with IFRS; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The Auditor General for Wales is appointed by the Welsh Government as the Company's external auditors.

ON BEHALF OF THE BOARD:



Mr I Prys-Jones - Director

Date: ...30th October 2020.....

Independent Auditor's Report to The Member of Career Choices Dewis Gyrfa Ltd

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Careers Choices Dewis Gyrfa Ltd for the year ended 31 March 2020 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its deficit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the company in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – effects of Covid-19 on the valuation of pension fund property assets

I draw attention to Note 16 to the financial statements which describes material valuation uncertainty clauses in the valuation reports on certain pension fund assets arising from circumstances caused by the Covid-19 pandemic. My opinion is not modified in respect of this matter.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report on other requirements

Opinion on other matter[s] prescribed by the Companies Act 2006

In my opinion, based on the work undertaken in the course of my audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, I have not identified material misstatements in the strategic report or the directors' report.

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of directors' remuneration specified by law are not made;
- I have not received all the information and explanations I require for my audit; or
- the directors' were not entitled to prepare the financial statements in accordance with the small companies regime

Report

I have no observations to make on these financial statements.

Responsibilities

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities set out on page 22, the directors 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 directors 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 directors are responsible for assessing the 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 deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My 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 my 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 the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Responsibilities for regularity

The directors are responsible for ensuring the regularity of financial transactions.

I am responsible for expressing an opinion on whether the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.



Adrian Crompton
Auditor General for Wales

24 Cathedral Road
Cardiff
CF11 9LJ

6 November 2020

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2020

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £'000	2019 £'000
CONTINUING OPERATIONS			
Revenue	2	30,249	27,015
Administrative expenses		(32,406)	(30,569)
Loss arising on property related items	1	<u>(54)</u>	<u>(32)</u>
OPERATING (LOSS)		(2,211)	(3,586)
Finance costs	4	(5,895)	(5,816)
Finance income	4	<u>4,967</u>	<u>5,038</u>
(LOSS) BEFORE TAX		(3,139)	(4,364)
Tax expense	6	<u>(3)</u>	<u>(3)</u>
(LOSS) FOR THE YEAR		<u><u>(3,142)</u></u>	<u><u>(4,367)</u></u>
(Loss) attributable to: Owners of the company		<u><u>(3,142)</u></u>	<u><u>(4,367)</u></u>

The notes from page 31 to page 64 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2020

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

		2020 £'000	2019 £'000
	Notes		
(LOSS) FOR THE YEAR		(3,142)	(4,367)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Actuarial Gain /(Loss) on pension scheme	16	3,691	(4,519)
		<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<hr/> 3,691	<hr/> (4,519)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<hr/> 549	<hr/> (8,886)
Total comprehensive income attributable to: Owners of the company		<hr/> <hr/> 549	<hr/> <hr/> (8,886)

The notes from page 31 to page 64 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2020

**STATEMENT OF FINANCIAL POSITION
31 MARCH 2020**

	Notes	2020 £'000	2019 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,433	2,575
Right of Use Asset	8	2,229	-
Intangible assets	9	607	1,064
		<u>5,269</u>	<u>3,639</u>
CURRENT ASSETS			
Trade and other receivables	10	2,744	3,833
Cash and cash equivalents	11	1,834	477
		<u>4,578</u>	<u>4,310</u>
TOTAL ASSETS		<u>9,847</u>	<u>7,949</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Pension liability	16	38,937	39,423
Trade and other payables	13	3	10
Lease Liabilities	8	1,594	-
		<u>40,534</u>	<u>39,433</u>
CURRENT LIABILITIES			
Trade and other payables	13	1,519	1,839
Lease Liabilities	8	568	-
Tax payable	6	3	3
		<u>2,090</u>	<u>1,842</u>
TOTAL LIABILITIES		<u>42,624</u>	<u>41,275</u>
TOTAL ASSETS LESS LIABILITIES		<u>(32,777)</u>	<u>(33,326)</u>
EQUITY			
Revaluation reserve	12	241	241
Retained earnings	12	(33,018)	(33,567)
TOTAL EQUITY		<u>(32,777)</u>	<u>(33,326)</u>

For the year ended 31 March 2020, the company was entitled to exemption from the requirements of Part 16 of the Companies Act 2006 under section 482 of this Act (non-profit making companies subject to public sector audit).

The Financial Statements were approved by the Board of Directors on 30th October 2020 and were signed on its behalf by:



Mr I Prys-Jones - Director
Registered company number: 07442837

The notes from page 31 to page 64 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2020

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Retained Earnings £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2018	(24,681)	241	(24,440)
Changes in Equity			
Loss for the year	(4,367)	-	(4,367)
Actuarial (Loss)	<u>(4,519)</u>	<u>-</u>	<u>(4,519)</u>
Balance at 31 March 2019	<u>(33,567)</u>	<u>241</u>	<u>(33,326)</u>
Changes in Equity			
Loss for the year	(3,142)	-	(3,142)
Actuarial Gain	<u>3,691</u>	<u>-</u>	<u>3,691</u>
Balance at 31 March 2020	<u>(33,018)</u>	<u>241</u>	<u>(32,777)</u>

The notes from page 31 to page 64 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2020

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Cash generated from operations		2,764	(551)
Interest paid	4	(5)	(5)
Tax paid	6	<u>(3)</u>	<u>(3)</u>
Net cash from operating activities		<u>2,756</u>	<u>(559)</u>
Cash flows from investing activities			
Purchase of intangible assets	9	(727)	(1,766)
Purchase of property, plant and equipment	7	(51)	(52)
Interest received	4	<u>16</u>	<u>15</u>
Net cash from investing activities		<u>(762)</u>	<u>(1,803)</u>
Cash flows from financing activities			
Payment of interest on leases		(32)	-
Payment of principle on leases		<u>(605)</u>	<u>-</u>
Net cash from financing activities		<u>(637)</u>	<u>-</u>
Increase / (Decrease) in cash and cash equivalents		1,357	(2,362)
Cash and cash equivalents at beginning of year	11	<u>477</u>	<u>2,839</u>
Cash and cash equivalents at end of year	11	<u><u>1,834</u></u>	<u><u>477</u></u>

The notes from page 31 to page 64 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2020

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

RECONCILIATION OF (LOSS) BEFORE CORPORATION TAX TO CASH GENERATED FROM OPERATIONS

	Notes	2020 £'000	2019 £'000
(Loss) before corporation tax and interest		(3,153)	(4,374)
Depreciation and Property Impairment	7	193	211
Right of Use Asset Depreciation	8	571	-
Amortisation	9	1,186	984
Interest on pension scheme liabilities	4	5,890	5,811
Expected return on pension scheme assets	4	(4,951)	(5,023)
		<u>(264)</u>	<u>(2,391)</u>
(Increase)/Decrease in trade and other receivables	10	1,089	(370)
Increase/(Decrease) in provisions		-	(156)
Increase/(Decrease) in trade and other payables	13	(327)	(1,238)
Difference between pension charge and cash contributions		<u>2,266</u>	<u>3,604</u>
Cash generated from operations		<u>2,764</u>	<u>(551)</u>

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. ACCOUNTING POLICIES

Basis of preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain assets. The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out in the IFRS16 – Leases note. This new accounting policy applied from 01/04/2019.

The Directors have considered the impact of accounting standards which have been issued but are not yet effective and which have not been adopted early by the company. The Directors consider that none will have a material impact on the financial statements.

Expenditure

Expenditure (covering administrative/staff costs) are based on the accruals basis and are shown gross of VAT.

Revenue recognition

Welsh Government funding is recognised according to IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance requirements – the grant is matched in the relevant period with the expense that they are intended to compensate with and any unspent grant is deferred or returned to the Welsh Government. Grants relating to capital assets (tangible or intangible) will be recognised in the Statement of Profit and Loss over the useful life of the asset. Until the expense is recognised the grant will be treated as deferred grant income. European Social Funding grants are treated differently, we recognise this income on a month by month basis to compensate the related costs.

We have undertaken a review of non-grant income for the purposes of “IFRS15 – Revenue from Contracts with Customers” and we only raise invoices and recognise revenue when we are satisfied that we have met the performance obligations within the contract. Invoices will be raised, either monthly or quarterly, throughout the contract lifetime once obligations have been met.

Trade and Other Payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and Other Receivables

Trade receivables represent the cost of service provision provided which has been invoiced to customers and remain outstanding. Accrued income consists mainly of European Social funded projects. Trade receivables for performance obligations satisfied over time are recognized gradually, as the performance obligation is satisfied and in full once the invoice is due.

Receivables are initially recognized at fair value, and subsequently carried at amortised cost less expected loss allowance. Account balances are written off either partially or in full if judged that the likelihood of recovery is remote. Expected loss allowance and impairments are recognized in the income statement under operating expenses.

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

1. ACCOUNTING POLICIES – continued

Provisions

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation. A provision will be made if the following criteria are met :

- a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event),
- payment is probable ('more likely than not'), and
- the amount can be estimated reliably.

Dilapidations

The dilapidations provision is based on the future expected repair costs required to restore the CCDG's leased buildings to their fair condition at the end of their respective lease terms. We will create a provision in the accounts when the following conditions have been met:

- The Board has agreed that an office will close and a break clause will be invoked, and the landlord has been served the notice to invoke the break clause.
- One year prior to the date when the lease comes to its natural end and the Board have agreed the lease will not be renewed.

Contingent Liability

A contingent liability will be recorded in the accounts if either of the following conditions are met:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly in the control of the entity; or
- b) a present obligation that arises from past events but is not recognised because:
 - i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ii) the amount of the obligation cannot be measured with sufficient reliability.

We will make a disclosure in the accounts when there is a possible obligation or a present obligation that may but probably will not, require an outflow of resources.

Cash and Cash equivalent

In the statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at the bank.

Reserves

When required the company could have two reserves. Firstly, Retained Earnings, which is the cumulative profits and losses of the company and secondly the Revaluation Reserve which contains the gains made by the company arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The balance on the Revaluation Reserve is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- or disposed of and the gains are realised.

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

1. ACCOUNTING POLICIES – continued**Property, plant and equipment**

Individual items over £2,500 which have a useful life of more than one period are classified as fixed assets. CCDG does not group assets for capitalisation.

Freehold property has been split into two components, buildings and land. In the case of land and buildings, associated legal and professional fees will also be capitalised. Only the buildings element has been depreciated

IAS16 requires that assets should be split into component parts where the cost is significant in relation to the total cost of the asset. Where the component parts of a building exceed materiality, these will become separate entities within the PPE note and will be depreciated over the estimated useful life of the component. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold Property	Straight line over 50 years
Leasehold Property	Lesser of 5 years or remaining lease term
Fixtures and fittings	5 years
Computer equipment	3 years

IFRS16 Leases

Following the implementation of “IFRS16 – Leases” on 1 April 2019 our accounting policy relating to leases has changed, previously under IAS17. At adoption of the new standard to determine the lease values we used the simplified modified approach with the cumulative effect of initial application recognised as of 1 April 2019 with the corresponding effects recorded in equity (retained earnings). Therefore, the data presented for 2019 and 2020 is not comparable. As required by the standard, this election has been consistently applied to all leases in which the Company is a lessee and sublessor.

The lease term is defined as the non-cancellable periods of the lease. Where there is an option to extend or terminate the lease we have only included these periods in the lease term if it is reasonably certain that the lease will be extended or terminated.

The following leases are exempt from IFRS16 recognition requirements:

- i) leases with a lease term of 12 months or less and containing no purchase options - this election is made by class of underlying asset; and
- ii) leases where the underlying asset has a low value when new - this election can be made on a lease-by-lease basis. We have set the low value threshold at £5k.

For all leases previously classified as operating leases at 31 March 2019, and which are not exempt, the Company has recognised a lease liability measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate, as determined by the Welsh Government at 1 April 2019 of 1.26399%. The right-of-use asset value is equal to the lease liability, plus the amount of prepaid or accrued lease payments relating to those leases recognised in the Statement of Financial Position as of 31 March 2019.

Each lease payment is allocated between the liability and finance cost. Subsequently the right of use assets are measured at cost less accumulated depreciation and accumulated impairment losses and leases will be adjusted if there are any lease modifications..Subleases of office space will be treated as an operating lease.

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

1. ACCOUNTING POLICIES – continued

The Company elected the following practical expedients:

- relied on its assessment of whether leases are onerous applying IAS37 immediately before 1 April 2019 as an alternative to performing an impairment analysis. This has not resulted in a need to recognise an impairment allowance. The right-of-use assets as at 1 April 2019 were therefore not adjusted due to impairment;
- not to apply the new lessee accounting model to leases for which the lease term ends within 12 months after the date of initial application. Instead, it has accounted for those leases as short-term leases.

An explanation of the difference between operating lease commitments disclosed as at 31 March 2019 when applying IAS17 to the right of use asset recognised as at 1 April 2019 is presented in the table below:

	As of 01/04/19 £'000
Operating lease commitments as at 31/03/19 under IAS17	1,796
Leases not included in last years' notes which are reclassified under IFRS16	193
Exclude short-term leases	(8)
	<hr/>
Total value of operating leases which IFRS16 applies as of 31/03/19	1,981
The effect of discounting using the incremental borrowing rate on 01/04/19	(77)
Right of use asset value on 01/04/19	<hr/> 1,904 <hr/>
Lease Liability as at 01/04/19	
Opening Right of use asset value	1,904
Adjusted for	
Lease prepayments recognised as of 31/03/19	(114)
Accrued lease payments as of 31/03/19	(1)
Lease Liability as at 01/04/2019	<hr/> 1,789 <hr/>
Lease Liability split as at 01/04/19	
Short Term	539
Long Term	1,250

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

1. ACCOUNTING POLICIES – continued

The following line items were affected by the adjustments and reclassifications made with respect to the amounts recognised at the date of initial application – 1 April 2019: IAS17 31 March 2019 IFRS16 adjustments IFRS16 1 April 2019

	IAS 17	IFRS 16 Adjustments	IFRS 16
	£'000	£'000	£'000
Right-of-use Assets 01/04/19	-	1,904	1,904
Total Non-Current Assets	3,639	1,904	5,543
Current Assets	4,310	(115)	4,195
TOTAL ASSETS	7,949	1,789	9,738
Lease Liabilities more than 1 year	-	1,250	1,250
Pension Liabilities	39,423	-	39,423
Trade and Other Payables	10	-	10
Non Current Liabilities	39,433	1,250	40,683
Lease Liabilities less than 1 year	-	523	523
Trade and Other Payables	1,839	16	1,855
Tax Payable	3	-	3
Current Liabilities	1,842	539	2,381
TOTAL LIABILITIES	41,275	1,789	43,064
Equity			
Revaluation Reserve	241	-	241
Retained Earnings	(33,567)	-	(33,567)
Adjustment of Adoption of IFRS16	-	-	-
	<u>(33,326)</u>	<u>-</u>	<u>(33,326)</u>

The right of use assets are depreciated over the lease term on a straight line basis. Payments associated with all short term leases and leases of low value assets are recognised as an expense in the profit and loss.

The Company leases various properties and other small equipment (e.g. computers, mobile phones). Leases are negotiated on an individual basis and contain a wide range of different terms and conditions (including termination and renewal rights). We do not aggregate lease values, each lease is taken independently and following our review only leased properties met the criteria to be classified as a lease activity under IFRS 16 Leases.

The main lease features are summarised below:

Properties are rented for a period of 1 to 10 years. The contracts contain an option to renew the lease. The lease payments are usually fixed with an option of a break clause for the longer leases halfway through the lease term. The longer leases are subject to rent reviews every 5 years.

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020****1. ACCOUNTING POLICIES – continued****Valuations**

Land and Buildings are valued at fair value, on the basis of open market value for existing use, and are subject to independent professional revaluation every five years in accordance with the RICS valuation standards. The latest revaluation took place in March 2018 by Hiron, Morgans & Yapp, RICS registered valuers. The valuers assumed that the properties are free from structural or design defects, rot, infestation and that they comply with all necessary statutory requirements. The valuers have also assumed that the properties are free from mortgages and charges. No environmental matters were considered to have a significant bearing on value. In each financial year we undertake an assessment of all assets to determine if there are any impairments required. A review of the land and buildings by Hiron & Yapp for impairment purposes identified a change in the value of some of the freehold properties resulting in a charge in the Statement of Profit and Loss to the value of £54k (2019: £32k).

Intangible Assets

Software Licenses with a finite useful life will be amortised over that life on a straight line basis. Internet web development will be amortised over two years, from the date the development went live on the website. In the first year, a full year of amortised costs are included in the Statement of Profit and Loss.

The amortisation costs and impairment charge of intangible assets are included in administrative expenses within the Statement of Profit and Loss. We have decommissioned sections of our old website resulting in disposals of website development costs of £1.9 million. This did not have an effect on the profit and loss as the website costs were fully amortised in prior year accounts.

Taxation

Current taxes are based on the results shown in the Financial Statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Employee benefit costs

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are separately stated in the Note on Net Finance Income and included in Finance Costs and Finance Income respectively in the Statement of Profit or Loss. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss and other comprehensive income. Defined benefit schemes are funded, with the assets of the scheme held separately from those of the member organisations, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities.

The actuarial valuations are obtained triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

1. ACCOUNTING POLICIES – continued**Use of estimates and judgements**

The preparation of the Financial Statements requires the company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about significant areas of estimation and critical judgement in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following note:

Note 16 - The measurement of defined benefit contributions depends on the selection of certain assumptions which include the discount rate, salary growth, rate of increase in deferred pensions and expected return on scheme assets.

Other significant areas of estimates and critical judgements are:-

- Property, plant and equipment revaluations and leasehold valuations are based on professional advice.
- Accrual estimates at the year-end have been based on work completed or goods received but not invoiced.

Going concern

The Welsh Government Core and Working Wales funding will be £28.1m in the next financial year for CCDG.

2. REVENUE

	2020	2019
	£'000	£'000
Welsh Government – Core	18,944	18,944
Welsh Government – Working Wales	9,180	5,153
Welsh Government – Other	134	792
ESF projects – Activate	1,818	1,875
Other contracts	431	405
Deferred income	(412)	(154)
Released Deferred Income	154	-
	<hr/>	<hr/>
	30,249	27,015
	<hr/>	<hr/>

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

3. EMPLOYEES AND DIRECTORSStaff costs

	2020 £'000	2019 £'000
Wages and salaries	16,849	15,362
Social security costs	1,539	1,432
Other pension costs	7,626	5,785
	<u>26,014</u>	<u>22,579</u>

Staff numbers

	2020	2019
Management and Administration	86	72
Service delivery	549	500
	<u>635</u>	<u>572</u>

Senior employees' costs

	2020		2019	
	Directors £'000	Senior Management £'000	Directors £'000	Senior Management £'000
Short Term Employee benefits	126	169	120	216
Post Employment benefits	23	16	21	19
	<u>149</u>	<u>185</u>	<u>141</u>	<u>235</u>

Mrs N J Lawrence was appointed as permanent Chief Executive on 28/08/2019. She was previously acting as interim Chief Executive from 01/06/2018.

Included in the Senior Management figures are costs for the Director of Business Development who was paid via an external agency. Also included in these costs are honorarium payments to several staff to reflect them partly acting up in the roles of either the Director of Business Development or Director of Corporate Services for some period of each of the financial years.

The number of Directors to whom retirement benefits were accruing was as follows:

	2020	2019
Final Salary scheme	<u>1</u>	<u>2</u>

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

4. NET FINANCE INCOME

	2020 £'000	2019 £'000
Finance income:		
Deposit account interest	16	15
Expected return on pension scheme assets	<u>4,951</u>	<u>5,023</u>
	<u>4,967</u>	<u>5,038</u>
Finance costs:		
Bank interest	(5)	(5)
Interest on pension scheme liabilities	<u>(5,890)</u>	<u>(5,811)</u>
	<u>(5,895)</u>	<u>(5,816)</u>
Net finance income	<u>(928)</u>	<u>(778)</u>

5. (LOSS) BEFORE TAX

The (loss) before tax is stated after charging:

	2020 £'000	2019 £'000
Other operating leases	64	689
Depreciation	139	179
Amortisation and Impairment	1,240	1,016
Auditors' remuneration - External	89	90
Internal	18	14
	<u>1,550</u>	<u>1,988</u>

The above figures are inclusive of VAT where applicable

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

6. CORPORATION TAX

Analysis of tax expense

	2020			2019		
	Amount £'000	Rate	Tax £'000	Amount £'000	Rate	Tax £'000
Income on which no tax due	30,249	0%	-	27,015	0%	-
Non-core profits	-	0%	-	-	0%	-
Interest	16	19%	<u>3</u>	15	19%	<u>3</u>
			<u>3</u>			<u>3</u>

CCDG pays corporation tax on interest receivable and profit on non-core activities at the UK corporation tax rate of 19%.

Tax effects relating to effects of other comprehensive income

	2020		
	Gross £'000	Tax £'000	Net £'000
Actuarial gain on pension scheme	<u>3,691</u>	<u>-</u>	<u>3,691</u>
	2019		
	Gross £'000	Tax £'000	Net £'000
Actuarial (loss) on pension scheme	<u>(4,519)</u>	<u>-</u>	<u>(4,519)</u>

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

7. PROPERTY, PLANT AND EQUIPMENT

2019-20	Leasehold Improvements	Land and Buildings	Fixtures and Fittings	Computer Equipment	Totals
	£'000	£'000	£'000	£'000	£'000
COST OR VALUATION					
At 1 April 2019	406	2,438	73	279	3,196
Additions: during the year	-	-	34	17	51
Disposals: during the year	-	-	-	-	-
Impairment during the year	-	(54)	-	-	(54)
At 31 March 2020	<u>406</u>	<u>2,384</u>	<u>107</u>	<u>296</u>	<u>3,193</u>
DEPRECIATION					
At 1 April 2019	351	38	41	191	621
Charge for year	44	34	16	45	139
Disposals: during the year	-	-	-	-	-
Revaluation/Impairment: during the year	-	-	-	-	-
At 31 March 2020	<u>395</u>	<u>72</u>	<u>57</u>	<u>236</u>	<u>760</u>
NET BOOK VALUE					
At 31 March 2020	<u>11</u>	<u>2,312</u>	<u>50</u>	<u>60</u>	<u>2,433</u>
At 31 March 2019	<u>55</u>	<u>2,400</u>	<u>32</u>	<u>88</u>	<u>2,575</u>

Notes relating to PPE:-

There were no assets held for sale at the year end.

The gross book value of fully depreciated assets still in use is £2,537.

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

7. PROPERTY, PLANT AND EQUIPMENT - continued

2018-19	Leasehold Improvements	Land and Buildings	Fixtures and Fittings	Computer Equipment	Totals
	£'000	£'000	£'000	£'000	£'000
COST OR VALUATION					
At 1 April 2018	453	2,470	62	238	3,223
Additions: during the year	-	-	11	41	52
Disposals: during the year	(47)	-	-	-	(47)
Impairment during the year	-	(32)	-	-	(32)
Revaluation during the year	-	-	-	-	-
At 31 March 2019	<u>406</u>	<u>2,438</u>	<u>73</u>	<u>279</u>	<u>3,196</u>
	-				
DEPRECIATION					
At 1 April 2018	307	-	28	154	489
Charge for year	91	38	13	37	179
Disposals: during the year	(47)	-	-	-	(47)
Revaluation/Impairment during the year	-	-	-	-	-
At 31 March 2019	<u>351</u>	<u>38</u>	<u>41</u>	<u>191</u>	<u>621</u>
NET BOOK VALUE					
At 31 March 2019	<u>55</u>	<u>2,400</u>	<u>32</u>	<u>88</u>	<u>2,575</u>
At 31 March 2018	<u>146</u>	<u>2,470</u>	<u>34</u>	<u>84</u>	<u>2,734</u>

Notes relating to PPE:-

There were no assets held for sale at the year end.

The gross book value of fully depreciated assets still in use is £2,547.

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

8. IFRS16 LEASES

In the right of use calculation, we have included leases which we are intending to extend during the next financial year where we are reasonably certain that we will exercise this option. We have assessed the break clause options within the leases and we have only included a lease term where we are reasonably certain we will not be exercising the break clause option. In the current reporting period, the Company decided not to renew the lease at Abertillery due to this office being surplus to requirements. The value outstanding and short term length of the lease remaining as of April 1st 2019 fell below the requirements to be classified under IFRS16 and is not included in the table below.

The statement of financial position shows the separate line item for the right-of-use assets, which comprises the following:

	2020 £'000	2019 £'000
Right of Use Asset	2,229	-
	Buildings	
Balance at 31/03/19	-	-
Opening right of use asset 01/04/19	1,904	-
Additions – new lease contract	896	-
Depreciation of the lease contract	(571)	-
Balance at 31/03/20	2,229	-

Lease Liability

	2020 £'000	2019 £'000
Short Term	568	539
Long Term	1,594	1,250
	2,162	1,789

The following amounts are recognised in profit or loss:

	2020 £'000	2019 £'000
Depreciation charge	571	-
Total Depreciation	571	-
Interest expense on lease liabilities (included in finance cost)	32	-
Expenses related to short term leases	55	-
Expenses related to low value assets	2	-
Operating lease expenses (IAS 17)	-	618
Total expenses related to leases	660	618

The following amounts are recognised in the cash flow statement:

Cash outflow for leases (IFRS16) – financing leases	2020 £'000
Payment of interest on leases	32
Payment of principal on leases	605

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

9. INTANGIBLE ASSETS

	Software Licences £'000	Website Development £'000	Total £'000
COST			
At 1 April 2019	1,191	3,398	4,589
Additions	10	718	728
Disposals	-	(1,898)	(1,898)
At 31 March 2020	<u>1,201</u>	<u>2,218</u>	<u>3,419</u>
AMORTISATION			
At 1 April 2019	799	2,726	3,525
Charge for the year	153	1,032	1,185
Disposals	-	(1,898)	(1,898)
At 31 March 2020	<u>952</u>	<u>1,860</u>	<u>2,812</u>
NET BOOK VALUE			
At 31 March 2020	<u>249</u>	<u>358</u>	<u>607</u>
At 31 March 2019	<u>392</u>	<u>672</u>	<u>1,064</u>

10. TRADE AND OTHER RECEIVABLES

	2020 £'000	2019 £'000
Current:		
Trade receivables	153	2,147
Other receivables	2,098	1,177
Prepayments	493	509
	<u>2,744</u>	<u>3,833</u>

11. CASH AND CASH EQUIVALENTS

	2020 £'000	2019 £'000
Cash in hand	3	3
Bank accounts	1,765	474
Cash in Transit	66	-
	<u>1,834</u>	<u>477</u>

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

12. RESERVES

	Retained earnings £'000	Revaluation reserve £'000	Totals £'000
As at 1 April 2018	(24,681)	241	(24,440)
(Loss) for the year	(4,367)	-	(4,367)
Pension Actuarial Loss	<u>(4,519)</u>	<u>-</u>	<u>(4,519)</u>
As at 31 March 2019	(33,567)	241	(33,326)
(Loss) for the year	(3,142)	-	(3,142)
Pension Actuarial Gain	<u>3,691</u>	<u>-</u>	<u>3,691</u>
As at 31 March 2020	<u><u>(33,018)</u></u>	<u><u>241</u></u>	<u><u>(32,777)</u></u>

13. TRADE AND OTHER PAYABLES

	2020 £'000	2019 £'000
Current liabilities:		
Trade payables	58	135
Creditors in Transit	66	-
Social security and other taxes	-	358
Other payables	13	333
Holiday Pay Accrual	356	235
Accruals and deferred income	1,006	750
VAT	14	22
Computer Licenses	6	6
	<u>1,519</u>	<u>1,839</u>
Non-current liabilities:		
Computer Licenses	<u>3</u>	<u>10</u>
	<u>3</u>	<u>10</u>
Aggregate amounts	<u><u>1,522</u></u>	<u><u>1,849</u></u>

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

14. LEASING AGREEMENTS

The company as lessee

Minimum lease payments under operating leases fall due as follows:

	Operating lease	
	2020	2019
	£'000	£'000
Net obligations repayable		
Within one year	2	493
Between one and five years	-	925
In more than five years	-	378
	<u>2</u>	<u>1,796</u>

Total operating lease rental costs incurred in 2019-20 were £64k (2019: £689k).

The company as lessor

Minimum lease payments under non-cancellable operating leases:

	Lessors	
	2020	2019
	£'000	£'000
Net obligations payable		
Within one year	-	4
Between one and five years	-	-
In more than five years	-	-
	<u>-</u>	<u>4</u>

The first floor at 53 Charles Street Cardiff CF10 2GD had been let until 31 January 2020 at an annual rent of £9k per annum.

15. PROVISIONS

	2020	2019
	£'000	£'000
Opening Balance	-	156
Amounts Arising in year	-	-
Amounts utilised in year	-	(81)
Unused amounts reversed	-	(75)
Closing Balance	<u>-</u>	<u>-</u>

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS

CCDG contributes to the Local Government Pension Scheme (LGPS) a defined benefit pension scheme being part of the following Pension Funds in Wales:

Fund

Rhondda Cynon Taf Pension Fund (MG) *
Powys County Council Pension Fund
Cardiff and Vale of Glamorgan Pension Fund
Rhondda Cynon Taf Pension Fund (CWA) *
Dyfed Pension Fund
Clwyd Pension Fund
Greater Gwent (Torfaen) Pension Fund
Gwynedd Pension Fund

* These are separate pension schemes within the same Pension Fund.

The date of the most recent full actuarial valuation of the above funds was carried out on the 31 March 2019 by the following Actuaries. The qualified Actuaries are not employees of CCDG.

Fund

Actuary

Rhondda Cynon Taf Pension Fund (MG)	Aon Hewitt
Powys County Council Pension Fund	Aon Hewitt
Cardiff and Vale of Glamorgan Pension Fund	Aon Hewitt
Rhondda Cynon Taf Pension Fund (CWA)	Aon Hewitt
Dyfed Pension Fund	Mercer
Clwyd Pension Fund	Mercer
Greater Gwent (Torfaen) Pension Fund	Hymans Robertson
Gwynedd Pension Fund	Hymans Robertson

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

As stated above, CCDG is an admitted member of eight pension schemes in Wales. The Local Government Pension Scheme (Administration) Regulations 2008 (as amended) provide the statutory framework. Each of the Schemes, that CCDG is an admitted member, is a defined benefit final salary scheme under which the benefits are specified in the governing legislation (the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended)). The required levels of employee contributions are also specified in the Regulations. Updated Regulations (The Local Government Pension Scheme Regulations 2013) covering a new LGPS replaced the existing Scheme with effect from 01 April 2014 and will provide for members to accrue pension on a career average revalued earnings basis rather than final salary.

Members' accrued benefits are guaranteed by statute and the level of member contributions are fixed in the Regulations at a level which covers only part of the cost of accruing benefits. CCDG is responsible for paying the balance of the cost of delivering the benefits to members. Each LGPS Fund has a Funding Strategy Statement (FSS) that focuses on the pace at which these liabilities are funded and, insofar as is practical, the measures to ensure that employers or pools of employers pay for their own liabilities.

The FSS is prepared by the Administering Authority in collaboration with the Fund Actuary and after consultation with the Fund's employers and investment advisors. A separate strategy is produced by each of the LGPS's.

The FSS is produced in accordance with Regulation 58 of the Local Government Pension Scheme (Administration) Regulations 2013 (as amended) and the guidance issued in September 2016 by the Chartered Institute of Public Finance and Accountancy (CIPFA) Pensions Panel.

Funding is the making of advance provision to meet the cost of accruing benefit promises. Decisions taken regarding the approach to funding will therefore determine the rate or pace at which this advance provision is made. Although the Regulations specify the fundamental principles on which funding contributions should be assessed, implementation of the funding strategy is the responsibility of the Administering Authority, acting on the professional advice provided by the actuary. The purpose of the FSS is:

1. to establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward;
2. to support the regulatory requirement to maintain as nearly constant employer contribution rates as possible; and
3. to take a prudent longer-term view of funding those liabilities.

The intention is for each of the Fund's FSS to be both cohesive and comprehensive for their Fund, recognising that there will be conflicting objectives which need to be balanced and reconciled. While the position of individual employers must be reflected in the statement, it must remain a single strategy for each Administering Authority to implement and maintain.

CAREER CHOICES DEWIS GYRFA LTD

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

For the purpose of these accounts, all of the funds are disclosed separately below but have been aggregated in their impact on the Financial Statements.

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

	Present Value of funded obligations	Fair Value of plan assets	Sub - total	Present Value of unfunded obligations	Unrecognised Assets Adjustment	Surplus / (Deficit)	Net Asset / (Net Liability)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rhondda Cynon Taf Pension Fund (MG)	(40,542)	40,500	(42)	-	-	(42)	(42)
Powys County Council Pension Fund	(10,040)	7,510	(2,530)	-	-	(2,530)	(2,530)
Cardiff and Vale of Glamorgan Pension Fund	(26,100)	28,700	2,600	(50)	-	2,550	2,550
Rhondda Cynon Taf Pension Fund (CWA)	(1,975)	2,439	464	-	(117)	347	347
Dyfed Pension Fund	(61,721)	44,321	(17,400)	(231)	-	(17,631)	(17,631)
Clwyd Pension Fund	(25,728)	17,891	(7,837)	-	-	(7,837)	(7,837)
Greater Gwent (Torfaen) Pension Fund	(34,579)	24,566	(10,013)	-	-	(10,013)	(10,013)
Gwynedd Pension Fund	(26,880)	23,132	(3,748)	(33)	-	(3,781)	(3,781)
	(227,565)	189,059	(38,506)	(314)	(117)	(38,937)	(38,937)

Duration Information as at the end of the accounting period

The duration of the employers' liabilities is the average period between the calculation date and the date at which benefit payments fall due.

LGPS Fund	MG	Powys	C&V	CWA	Dyfed	Clwyd	Gwynedd	Torfaen
Years	20.1	18.3	22.0	23.8	19.0	18.0	24.0	23.0

Note that the above figures are for funded obligations only and do not include the unfunded pensioner liabilities.

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued**The aggregated impact on the Financial Statements is as follows**

The amounts recognised in the statement of financial position are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Present value of funded obligations	(227,565)	(241,569)
Fair value of plan assets	<u>189,059</u>	<u>202,794</u>
	(38,506)	(38,775)
Present value of unfunded obligations	(314)	(345)
Unrecognised Assets	<u>(117)</u>	<u>(303)</u>
Deficit	<u>(38,937)</u>	<u>(39,423)</u>
Net liability	<u>(38,937)</u>	<u>(39,423)</u>

The unrecognised assets represent the adjustment required in respect of the asset ceiling as per paragraph 64 of IAS19.

In two separate Employment Tribunal cases involving members of the Judiciary and Firefighters pensions schemes, it has been ruled that there has been age discrimination arising from pension scheme transition arrangements to new pension schemes. This McCloud ruling potentially has implications for all public sector schemes which were reformed around the same time including the LGPS. As a result, the Fund actuaries have revised the level of defined benefit obligations for the schemes. However, the final form of this settlement has yet to be decided and is very sensitive to the individual organisations' age profile and salary increase assumptions.

The Covid-19 pandemic has impacted global financial and property markets. As a result of the volatility in market conditions, all year end valuation reports provided by the Pension Funds include a statement that there is a material valuation uncertainty related to the property fund values managed on behalf of those Funds. The relevant valuation details are shown in the table below:

Pension Fund Scheme	Pension Fund Property Value at 31 March 2020 (£'000)	Attributable to CCDG (£'000)	Attributable to CCDG (%)
Greater Gwent (Torfaen) Pension Fund	72,000	619	0.86%
Cardiff & Vale Pension Fund	106,746	1,494	1.40%
Dyfed Pension Fund	296,354	5,631	1.90%
Powys Pension Fund	61,000	732	1.20%
Clwyd Pension Fund	127,500	1,300	1.02%
Gwynedd Pension Fund	191,000	2,134	1.12%
RCT Pension Fund - (MG)	209,000	2,550	1.22%
RCT Pension Fund - (CWA)		146	0.07%
Total	1,063,600	14,606	

CAREER CHOICES DEWIS GYRFA LTD

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Current service cost	6,419	5,085
Past service cost (including Curtailments)	244	2,637
Interest cost	5,890	5,811
Expected return	(4,951)	(5,023)
	<u>7,602</u>	<u>8,510</u>
Actual return on plan assets	<u>(11,692)</u>	<u>12,839</u>

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

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Opening defined benefit obligation	241,914	218,982
Current service cost	6,419	5,085
Past service cost (including Curtailments)	244	2,637
Contributions by scheme participants	1,038	952
Interest cost	5,890	5,811
Actuarial (gain)/loss	(22,969)	13,005
Benefits paid	(4,657)	(4,558)
	<u>227,879</u>	<u>241,914</u>

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

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Opening fair value of scheme assets	202,794	188,469
Contributions by employer	4,483	4,165
Contributions by scheme participants	1,038	952
Assets administration expenses	(86)	(46)
Expected return	4,951	5,023
Actuarial (loss)/gain	(19,464)	8,789
Benefits paid	(4,657)	(4,558)
	<u>189,059</u>	<u>202,794</u>

CAREER CHOICES DEWIS GYRFA LTD

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the statement of comprehensive income are as follows:

	Defined benefit pension plans	
	2020 £'000	2019 £'000
Actuarial gain / (loss)	<u>3,691</u>	<u>(4,519)</u>
	<u>3,691</u>	<u>(4,519)</u>
Cumulative amount of Actuarial (loss)	<u>(24,650)</u>	<u>(28,341)</u>

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS – continued

The following provides details of each of the companies' actuaries assumptions and asset allocations:

Rhondda Cynon Taf Pension Fund (MG)

	31-03-20	31-03-19
Principal Financial Assumptions	(%)	(%)
Discount rate	2.3	2.4
CPI Inflation	2.0	2.2
Rate of increase to deferred pensions	2.0	2.2
Rate of increase to pensions in payment	2.0	2.2
Rate of general increase in salaries	3.25	3.45

Mortality assumptions

Based on recent actual mortality experience of members within the Fund and allow for expected Future mortality improvements.

	31-03-20	31-03-19
Males		
Future lifetime from age 65 (aged 65 at accounting date)	21.7	22.2
Future lifetime from age 65 (aged 45 at accounting date)	22.7	23.9
Females		
Future lifetime from age 65 (aged 65 at accounting date)	24.0	24.1
Future lifetime from age 65 (aged 45 at accounting date)	25.5	25.9

	31-03-20	31-03-19
	(%)	(%)
Asset allocation		
Equities	68.1	64.5
Property	7.5	6.9
Gov Bonds	11.4	13.5
Corporate Bonds	11.8	11.6
Cash	1.2	3.5
Total	<u>100</u>	<u>100</u>

Expected contribution for accounting period ending 31 March 2021 - £896k

Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2020 and the projected service cost for the year ending 31 March 2021 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS – continued**Funded LGPS benefits**

Discount rate assumption	+0.1% p.a.	-0.1% p.a.
Adjustment to discount rate		
Present value of total obligation (£M's)	39.731	41.353
% change in present value of total obligation	-2.0%	2.0%
Projected service cost (£M's)	0.883	0.940
Approximate % change in projected service cost	-3.1%	3.2%
Rate of general increase in salaries		
Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	40.664	40.420
% change in present value of total obligation	0.3%	-0.3%
Projected service cost (£M's)	0.911	0.911
Approximate % change in projected service cost	0.0%	0.0%

Rate of increase to pensions in payment and deferred pensions assumption

	+0.1% p.a.	-0.1% p.a.
Adjustment to pension increase rate		
Present value of total obligation (£M's)	41.231	39.853
% change in present value of total obligation	1.7%	-1.7%
Projected service cost (£M's)	0.940	0.883
Approximate % change in projected service cost	3.2%	-3.1%

Post retirement mortality assumption

	-1 year	+1 year
Adjustment to mortality age rating assumption *		
Present value of total obligation (£M's)	41.839	39.245
% change in present value of total obligation	3.2%	-3.2%
Projected service cost (£M's)	0.946	0.877
Approximate % change in projected service cost	3.8%	-3.7%

*A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

Powys County Council Pension Fund

	31-03-20	31-03-19
Principal Financial Assumptions	(%)	(%)
Discount rate	2.3	2.4
CPI Inflation	2.0	2.2
Rate of increase to deferred pensions	2.0	2.2
Rate of increase to pensions in payment	2.0	2.2
Rate of general increase in salaries	3.5	3.7

CAREER CHOICES DEWIS GYRFA LTD

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS – continued

Mortality assumptions

Based on recent actual mortality experience of members within the Fund and allow for expected Future mortality improvements.

	31-03-20	31-03-19
Males		
Future lifetime from age 65 (aged 65 at accounting date)	21.8	22.4
Future lifetime from age 65 (aged 45 at accounting date)	23.2	23.7
Females		
Future lifetime from age 65 (aged 65 at accounting date)	25.0	24.8
Future lifetime from age 65 (aged 45 at accounting date)	26.4	26.2

	31-03-20 (%)	31-03-19 (%)
Asset allocation		
Equities	43.7	52.5
Property	9.5	9.7
Gov Bonds	16.3	14.7
Corporate Bonds	6.5	6.0
Cash	3.2	2.1
Other	20.8	15.0
Total	<u>100</u>	<u>100</u>

Expected contribution for accounting period ending 31 March 2021 - £120k

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS – continued**Sensitivity analysis**

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2020 and the projected service cost for the year ending 31 March 2021 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

Funded LGPS benefits

Discount rate assumption	+0.1% p.a.	-0.1% p.a.
Adjustment to discount rate		
Present value of total obligation (£M's)	9.86	10.23
% change in present value of total obligation	-1.8%	1.8%
Projected service cost (£M's)	0.19	0.19
Approximate % change in projected service cost	-2.6%	2.6%

Rate of general increase in salaries

	+0.1% p.a.	-0.1% p.a.
Adjustment to salary increase rate		
Present value of total obligation (£M's)	10.05	10.03
% change in present value of total obligation	0.1%	-0.1%
Projected service cost (£M's)	0.19	0.19
Approximate % change in projected service cost	0.0%	0.0%

Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption

	+0.1% p.a.	-0.1% p.a.
Adjustment to pension increase rate		
Present value of total obligation (£M's)	10.21	9.87
% change in present value of total obligation	1.7%	-1.7%
Projected service cost (£M's)	0.19	0.19
Approximate % change in projected service cost	2.6%	-2.6%

Post retirement mortality assumption

	-1 year	+1 year
Adjustment to mortality age rating assumption *		
Present value of total obligation (£M's)	10.36	9.72
% change in present value of total obligation	3.2%	-3.2%
Projected service cost (£M's)	0.20	0.18
Approximate % change in projected service cost	3.8%	-3.7%

*A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

CAREER CHOICES DEWIS GYRFA LTD

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS – continued

Cardiff and Vale of Glamorgan Pension Fund

	31-03-20 (%)	31-03-19 (%)
Principal Financial Assumptions		
Discount rate	2.3	2.4
CPI Inflation	1.9	2.2
Rate of increase to deferred pensions	1.9	2.2
Rate of increase to pensions in payment	1.9	2.2
Rate of general increase in salaries	2.9	3.2

Mortality assumptions

Based on recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

	31-03-20	31-03-19
Males		
Future lifetime from age 65 (aged 65 at accounting date)	22.2	22.4
Future lifetime from age 65 (aged 45 at accounting date)	23.2	23.0
Females		
Future lifetime from age 65 (aged 65 at accounting date)	24.6	24.8
Future lifetime from age 65 (aged 45 at accounting date)	26.0	25.9

	31-03-20 (%)	31-03-19 (%)
Asset allocation		
Equities	66.3	63.7
Property	6.9	7.7
Gov Bonds	9.5	10.7
Corporate Bonds	15.8	11.0
Cash	1.4	1.5
Other	0.1	5.4
Total	<u>100</u>	<u>100</u>

Expected contribution for accounting period ending 31 March 2021 - £450k

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued**Sensitivity analysis**

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2020 and the projected service cost for the year ending 31 March 2021 is set out below. In each case, only the assumption mentioned is altered. We have not included sensitivity of unfunded benefits on materiality grounds.

Funded LGPS benefits

Discount rate assumption	+0.1% p.a.	-0.1% p.a.
Adjustment to discount rate		
Present value of total obligation (£M's)	25.53	26.68
% change in present value of total obligation	-2.2%	2.2%
Projected service cost (£M's)	0.80	0.86
Approximate % change in projected service cost	-3.5%	3.6%
Rate of general increase in salaries		
Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	26.17	26.03
% change in present value of total obligation	0.3%	-0.3%
Projected service cost (£M's)	0.83	0.83
Approximate % change in projected service cost	0.0%	0.0%
Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption		
Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	26.62	25.59
% change in present value of total obligation	2.0%	-1.9%
Projected service cost (£M's)	0.86	0.80
Approximate % change in projected service cost	3.6%	-3.5%
Post retirement mortality assumption		
Adjustment to mortality age rating assumption *	-1 year	+1 year
Present value of total obligation (£M's)	26.94	25.27
% change in present value of total obligation	3.2%	-3.2%
Projected service cost (£M's)	0.86	0.80
Approximate % change in projected service cost	3.8%	-3.8%

* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

CAREER CHOICES DEWIS GYRFA LTD

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

Rhondda Cynon Taf Pension Fund (CWA)

Principal Financial Assumptions	31-03-20 (%)	31-03-19 (%)
Discount rate	2.3	2.5
CPI Inflation	1.9	2.1
Rate of increase to deferred pensions	1.9	2.1
Rate of increase to pensions in payment	1.9	2.1
Rate of general increase in salaries	3.15	3.35

Mortality assumptions

Based on recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

	31-03-20	31-03-19
Males		
Future lifetime from age 65 (aged 65 at accounting date)	21.7	22.2
Future lifetime from age 65 (aged 45 at accounting date)	22.7	23.9
Females		
Future lifetime from age 65 (aged 65 at accounting date)	24.0	24.1
Future lifetime from age 65 (aged 45 at accounting date)	25.5	25.9

	31-03-20 (%)	31-03-19 (%)
Asset allocation		
Equities	68.1	64.5
Property	7.5	6.9
Gov Bonds	11.4	13.5
Corporate Bonds	11.8	11.6
Cash	1.2	3.5
Other	-	-
Total	<u>100</u>	<u>100</u>

Expected contribution for accounting period ending 31 March 2021 - £10k

Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2020 and the projected service cost for the year ending 31 March 2021 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued**Funded LGPS benefits**

Discount rate assumption	+0.1% p.a.	-0.1% p.a.
Adjustment to discount rate		
Present value of total obligation (£M's)	1.928	2.022
% change in present value of total obligation	-2.4%	2.4%
Projected service cost (£M's)	0.033	0.035
Approximate % change in projected service cost	-3.3%	3.4%

Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	1.977	1.973
% change in present value of total obligation	0.1%	-0.1%
Projected service cost (£M's)	0.034	0.034
Approximate % change in projected service cost	0.0%	0.0%

Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption

Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	2.020	1.932
% change in present value of total obligation	2.3%	-2.2%
Projected service cost (£M's)	0.035	0.033
Approximate % change in projected service cost	3.4%	-3.3%

Post retirement mortality assumption

Adjustment to mortality age rating assumption *	-1 year	+1 year
Present value of total obligation (£M's)	2.038	1.914
% change in present value of total obligation	3.2%	-3.1%
Projected service cost (£M's)	0.035	0.033
Approximate % change in projected service cost	3.8%	-3.7%

*A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

Dyfed Pension Fund

Financial assumptions	Beginning of period (%)	End of period (%)
Rate of CPI inflation	2.2	2.1
Rate of increase in salaries	3.7	3.6
Rate of increase in pensions	2.3	2.2
Discount rate	2.5	2.4

Mortality assumptions

Non-Retired members	97% males	100% males
	90% females	91% females
Retired members	97% males	94% males
	90% females	92% females

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

Life expectancy of a male (female)		
Future pensioner aged 65 in 20 years' time	25.2 (28.1) years	24.5 (27.1) years
Current pensioner aged 65	23.0 (25.7) years	23.0 (24.9) years

Expected contribution for accounting period ending 31 March 2021 - £671k

Sensitivity analysis

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
	£'000	+ 0.1% p.a. discount rate £'000	+ 0.1% p.a. inflation £'000	+ 0.1% p.a. pay growth £'000	1-year increase in life expectancy £'000	+/- 1% change in 2019/20 investment returns £'000	
						+1%	-1%
Liabilities	61,952	60,789	63,137	62,150	63,599	61,952	61,952
Assets	(44,321)	(44,321)	(44,321)	(44,321)	(44,321)	(44,764)	(43,878)
Deficit/(Surplus)	17,631	16,468	18,816	17,829	19,278	17,188	18,074
Projected Service Cost for next year	1,539	1,499	1,580	1,539	1,584	1,539	1,539
Projected Net Interest Cost for next year	415	403	444	420	455	404	426

Clwyd Pension Fund

Financial assumptions	Beginning of period (%)	End of period (%)
Rate of CPI inflation	2.2	2.1
Rate of increase in salaries	3.45*	3.35*
Rate of increase in pensions	2.3	2.2
Discount rate	2.5	2.4

* An adjustment has been made for short term pay restraint in line with the latest actuarial valuation

Mortality assumptions

<u>Non-Retired</u> members	99% males	106% males
	86% females	93% females
Retired members	99% males	100% males
	90% females	92% females
Life expectancy of a male (female)		
Future pensioner aged 65 in 20 years' time	25.9 (28.4) years	24.1 (26.9) years
Current pensioner aged 65	23.2 (25.7) years	22.5 (24.9) years

Expected contribution for accounting period ending 31 March 2021 - £222k.

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

Sensitivity analysis

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
	£'000	+ 0.1% p.a. discount rate £'000	+ 0.1% p.a. inflation £'000	+ 0.1% p.a. pay growth £'000	<u>1-year</u> increase in life expectancy £'000	+/- 1% change in 2019/20 investment returns	£'000
						+1%	-1%
Liabilities	25,728	25,278	26,186	25,793	26,419	25,728	25,728
Assets	(17,891)	(17,891)	(17,891)	(17,891)	(17,891)	(18,069)	(17,713)
Deficit/(Surplus)	7,837	7,387	8,295	7,902	8,528	7,659	8,015
Projected Service Cost for next year	444	433	457	444	458	444	444
Projected Net Interest Cost for next year	185	182	196	187	202	181	190

Greater Gwent (Torfaen) Pension Fund

Financial assumptions	31-03-20	31-03-19
	% p.a.	% p.a.
Pension increase rate	1.8	2.5
Salary increase rate	2.1	2.9
Discount rate	2.3	2.4

Mortality

Average future life expectancy at age 65	Males	Females
Current pensioners	20.6 years	22.9 years
Future pensioners	21.6 years	24.6 years

Expected contribution for accounting period ending 31 March 2021 - £515k

Sensitivity analysis

Changes in assumptions at 31-03-20	Approx. % increase to Employer Liability	Approx. monetary amount (£'000)
0.5% decrease in Real Discount Rate	11%	3,771
0.5% increase in the Salary Increase Rate	2%	574
0.5% increase in the Pension Increase Rate	9%	3,153

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

Gwynedd Pension Fund

Financial assumptions	31-03-20	31-03-19
	% p.a.	% p.a.
Pension increase rate	1.8	2.5
Salary increase rate	2.1	2.5
Discount rate	2.3	2.4

Mortality

Average future life expectancy at age 65	Males	Females
Current pensioners	21.3 years	23.4 years
Future pensioners	22.2 years	25.1 years

Expected contribution for accounting period ending 31 March 2021 - £401k

Sensitivity analysis

	Approx. % increase to Employer Liability	Approx. monetary amount (£'000)
Changes in assumptions at 31-03-20		
0.5% decrease in Real Discount Rate	11%	3,085
0.5% increase in the Salary Increase Rate	2%	433
0.5% increase in the Pension Increase Rate	10%	2,619

Amounts for the current and previous period are as follows:

	2020	2019
	£'000	£'000
Aggregate defined benefit pension plans		
Defined benefit obligation	(227,879)	(241,914)
Fair value of scheme assets	189,059	202,794
Unrecognised Asset	(117)	(303)
Deficit	<u>(38,937)</u>	<u>(39,423)</u>

17. EVENTS AFTER THE REPORTING PERIOD

The Financial Statements were authorised for issue by the Board of Directors on 30th October 2020. The Welsh Government have the power to amend the Financial Statements after issue.

18. SHARE CAPITAL

The company is limited by guarantee with all Directors agreeing to contribute the sum of £1 in the event of the company being wound up.

31 MARCH 2020

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

19. GOING CONCERN

The Financial Statements currently show that the company has negative reserves of £32.8m. The primary reason for the negative reserves is the pension deficit of £38.9m. This deficit is an estimate of the expected shortfall of assets over liabilities in the pension funds. It is not expected that significant additional pension contributions will be required in the short term and therefore it is the view of the Directors that the company continues to be a going concern.

20. CAPITAL COMMITMENTS

Purchase invoices and orders to the value of £122 k (2019: £351k) have been raised for capital expenditure relating to the development of the new company website.

21. CONTINGENT LIABILITY

CCDG currently has 23 leases with a dilapidation clause which have a lease term ending more than one year from the balance sheet date. Due to the prohibitive costs of obtaining a reasonable estimate for dilapidations, a provision in the financial statements will only be made when the criteria detailed in the accounting policy are met.

22. RELATED PARTY

CCDG is a wholly owned subsidiary of the Welsh Government, and therefore the Welsh Government is regarded as a related party. During the year, CCDG received income from the Welsh Government of £28.26m (2019: £24.89m) and made payments of £121k (2019: £343k) to Welsh Government. Of the income of £28.26m, £412k (2019: £154k) was deferred to 2020-21 in accordance with IAS20. At the year end, CCDG was owed £797k (2019: £2.292m) by the Welsh Government.

CCDG also had a related party relationship with Odgers Berndtson as during both financial years they provided key management personnel services to CCDG. CCDG paid £63k (2019: £121k) in respect of the Director for Business Development role.

During the year CCDG entered into transactions with organisations in which the following Directors and Senior Management employees have declared an interest.

Director	Body	Invoices Raised by CCDG	Nature of link
Mr I. Prys-Jones	North Wales Economic Ambition Board	£55,173	Consultant

Director	Body	Invoices Received by CCDG	Nature of link
Mr D. Hagendyk	Learning & Work Institute	£816	Senior Manager

Director	Body	Invoices Received by CCDG	Nature of link
Mrs E. Richards	Chwarae Teg	£168	Employee

Of the amount stated above in respect of the North Wales Economic Ambition Board, £13,461 excluding VAT was owed to CCDG at the year end.