



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 2021



CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2021

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	Page
Company Information	1
Strategic Report	2-7
Directors' Report	8-11
Annual Corporate Governance Statement	12-18
Statement of Directors' Responsibilities	19
Report of the Independent Auditors	20-22
Statement of Profit or Loss	23
Statement of Profit or Loss and Other Comprehensive Income	24
Statement of Financial Position	25
Statement of Changes in Equity	26
Statement of Cash Flows	27
Notes to the Statement of Cash Flows	28
Notes to the Financial Statements	29-62

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2021

COMPANY INFORMATION

DIRECTORS:

Mr I Prys-Jones
Mrs E K Richards
Mr R A Wright
Dr D E Evans-Williams
Prof S M Maguire
Miss E Harris
Dr T Begum
Mr D P Hagendyk
Mr R D Thomas
Dr S T Dancey
Ms E J Cassin
Mrs N J Lawrence

SECRETARY:

Mr W Piper

REGISTERED OFFICE:

Unit 4 Churchill House
17 Churchill Way
Cardiff
CF10 2HH

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 2021.

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 a transition year from the company's vision "Changing Lives", which incorporates an integrated digital presence (careerswales.gov.wales) and telephone service that links in with the Welsh Government's vision of creating a truly Digital Nation into our service delivery model, and to look to develop the strategic vision for the next five years 2021-2026.

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. During this financial year due to the Covid pandemic Careers Wales has needed to respond in an agile and flexible way to support our customers. The Careers Centres have been closed alongside schools for the majority of the year and our services have therefore throughout this year mainly been digital.

CCDG's core function is defined in the remit letter from the Welsh Government which details CCDG's objectives. In 2020-21 the remit letter focused on the following areas:

- gather and use information on individuals' career interests and goals, and utilise this information to ensure young people are provided with targeted, relevant and timely information, advice and guidance, through channels which are relevant and appropriate to their individual needs;
- support individuals to identify learning pathways which meet their needs and aspirations and are not defined by artificial boundaries between academic and vocational routes;
 - target support and services to specific groups of customers who have particular needs, for example, those at highest risk of becoming NEET (Not in Education, Employment or Training) or those who are struggling to make successful transitions between learning activities or between learning and work; and

· highlight information on learning and career opportunities linked to priority and growth sectors, growth in bilingual linguistic needs, making connections to both national strategic developments and regional economic plans. Placing a spotlight on emerging opportunities and future demand, as articulated in Regional Employment and Skills Plans and based on local knowledge.

Education

Young people in
education took part in



Yearly face-to-face
interviews



2020-2021

Telephone calls
to our helpline

32,717



2019-2020

27,187

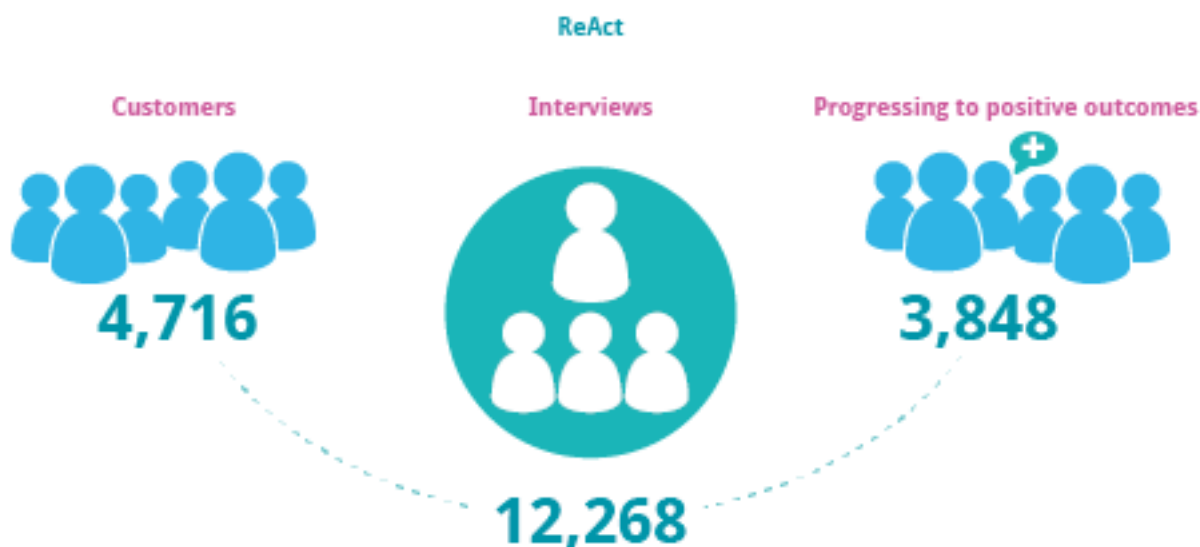


2020-2021

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

Strategic Projects

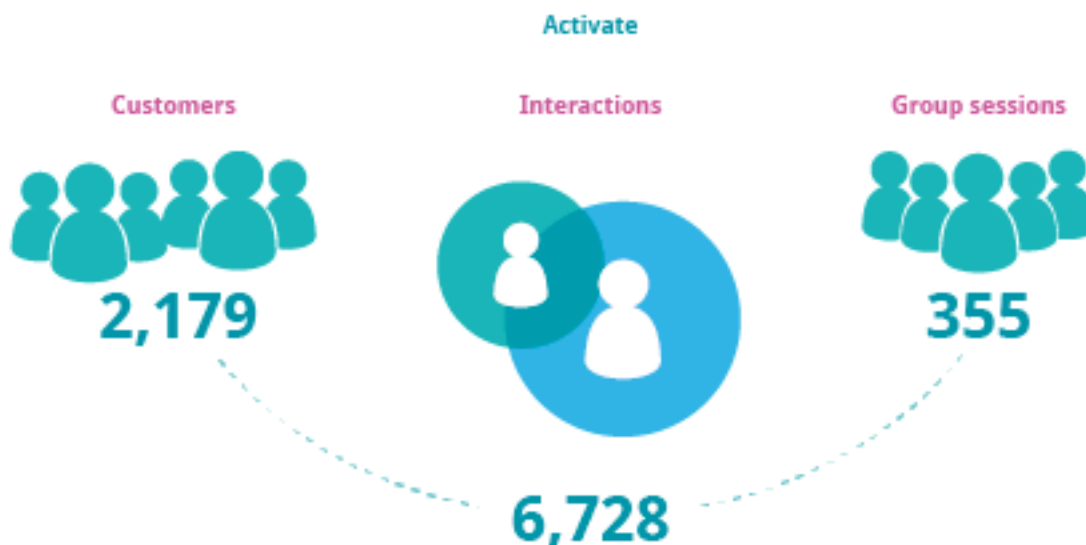
1. Working Wales – The Working Wales Service was launched by the minister for Economy, Transport and North Wales in May 2019. Through this service Careers Wales provides careers assessment, information, advice, guidance, and a signposting service for adults. The new service provides an all- Wales entry point for employability support for individuals aged 16 and over. During this financial year the impact of the coronavirus pandemic has had a significant negative impact on the number of customers coming forward for support. The service has mainly been a digital one throughout the year due to Careers Centres and outreach locations in the main remaining closed.
2. 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 maintain engagement in education and provide further options to young adults to progress into further 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 2020-21

Company performance is assessed both internally and externally in relation to business targets, quality standards and financial health. The company performance has been hindered over the year by the pandemic, particularly the face to face work, however the company has continued to offer a service to customers by delivering through digital channels.

The remit letter from Welsh Government requested Careers Wales to include measurable performance indicators which they could utilise to monitor the impact of the company. The Plan had a broad range and long list of performance measures.

Some of the main performance targets are noted below:

Target 1: 80% of young people report an improvement in their Career Management Competencies.

Between November 2020 and March 2021 all young people in education who received a guidance interview were sent an online survey. 1,995 young people responded to the survey. This measure has been taken from the responses to the statement, "I am better prepared to make decisions about my options."

88.7% Strongly Agreed and Agreed with the statement.

Target 2: 85% of young people satisfied with the service they receive.

In the same survey, 97.6% of young people in education 'Strongly Agreed' or 'Agreed' with the statement "I was satisfied with the service I received from Careers Wales".

Target 3: Less than 3% of Year 11 school leavers will be NEET on leaving statutory education as measured in the annual Destination Survey of school-leavers.

1.7% (527) of Year 11 leavers were known Not to be In Education, Employment or Training (NEET) in the annual Destination Survey of school-leavers.

Target 4: Less than 3% of year 11 leavers will be unknown on leaving statutory education as measured in the annual Destination Survey of school-leavers.

0.9% (263) of Year 11 leavers were Unknown in the annual Destination Survey of school-leavers.

Target 5: 85% of customers to state they were satisfied with the service they received (Working Wales)

All Working Wales customers who receive a guidance interview are sent an online survey. 1,944 customers responded to the survey. One of the questions asks to what extent they agreed with the statement, "I was satisfied with the service I received from Careers Wales." 98.4% Strongly Agreed or Agreed with the statement.

FINANCIAL PERFORMANCE FOR THE YEAR

The results for the financial year are shown on page 23 onwards.

CCDG's Financial Statements currently show that the company has negative reserves of £42.3m. The primary reason for these negative reserves is the net pension deficit of £47.2m. The deficit is an estimate of the expected shortfall of assets over liabilities in the CCDG membership of 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.

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 original budget position for the 2020-21 year:

Item	£m
Agreed WG Core & Working Wales income funding	28.0
Allowable carry over - 3%	0.8
Year end Cash and cash equivalents	0.8

The principal source of income for CCDG is the Welsh Government and during the year the total funding received from Welsh Government was £27.24m. This figure includes additional funding of £821k not listed in the table above. Due to the impact of the Covid pandemic on various areas of expenditure within the company £1.57m of the WG agreed Core and Working Wales funding of £28m was not drawn down. Where we incurred capital expenditure, income of £1.278m (2020: £412k) has been deferred into the next financial year.

FUTURE DEVELOPMENTS

During this financial year CCDG has operated in a transitional year for 2020-21 as the end of the three year strategic vision called "Changing Lives". Careers Wales has used the year to evaluate the impact and success of its three year strategic vision and has developed a new vision for the next five years called "Brighter Futures 2021-26".

We have continued to develop and deliver quality services valued by customers and partners, upskilled our professional staff and made efficiency savings.

The company continues to operate in a pandemic situation but has started to open the careers centres while also continuing to offer a service to customers by digital means as well as face to face where possible and in line with Welsh Government guidelines. Careers Wales will therefore continue in 2021-22 to provide the people of Wales with an essential careers service through telephone and digital channels and follow WG guidance on the safe returning to work in a school and office environment.

The CCDG Business Plan for 2021-22 expects the Welsh Government income to be £29.12m. As shown in the table overleaf, this includes funding for specified projects to the value of £10.32m.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2021

Funding Source	£m
Welsh Government – Core	18.80
Welsh Government – Working Wales	10.28
Welsh Government – projects	0.04
Sub-total Welsh Government	29.12
European Funding – ESF	1.80
Other contract Income	0.29
Estimated total income 2021-22	31.21

PRINCIPAL RISKS AND UNCERTANTIES

Details of Risk Management are contained in the Risk Management section of the Annual Corporate Governance Statement on pages 17-18.

The principal risks that CCDG face are:

- Pandemic and business continuity
- Management of cash flow,

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.
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:



Dr D Evans-Williams - Chair

Date: 13th September 2021

DIRECTORS REPORT

The Directors present their report with the Financial Statements of the company for the year ended 31 March 2021. 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 2021.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in note 17 to the Financial Statements.

DIRECTORS

The Directors shown below have held office during the period from 1 April 2020 to the 31 March 2021:

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

Changes in Directors holding office during the year are as follows:

Mr D A Dowling - resigned 3 July 2020
Miss S Jones - resigned 26 August 2020
Ms E Cassin – appointed 1 September 2020
Dr S Dancey – appointed 1 September 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 and funding 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 2022. 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 2020-21 was £27.98m, and they have confirmed an increased level of funding for 2021-22 of £29.12m. There are no concerns about our going concern status up to 31st March 2022. However, we will not know about funding post March 2022 until December 2021.

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 £0.8m 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 2022-23 financial year due to uncertainties of future funding.

STAFF

Dignity and Respect Policy

CCDG has a Dignity and Respect Policy in which fairness and inclusion of all employees are fundamental principles for the company. We value the diversity of our employees and respect individual differences within an inclusive working environment. All employees are entitled to a workplace free from bullying, harassment or victimisation. Employees are entitled to be treated with dignity, respect and courtesy, to experience no form of discrimination and to be valued for their skills and abilities. We want to continue to attract and retain a workforce that reflects diverse communities, and we are committed to eliminating discrimination and complying with our statutory duties. CCDG will not tolerate any form of unfair, discriminatory behaviour in any aspect of an individual's working life and will strive to create a culture where everyone can thrive and reach their full 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 have oversight of the monitoring and reporting requirements within our governance structure. The Well Being of Future Generations Committee has responsibility for setting the strategic direction for the environment and biodiversity. The Green Team is

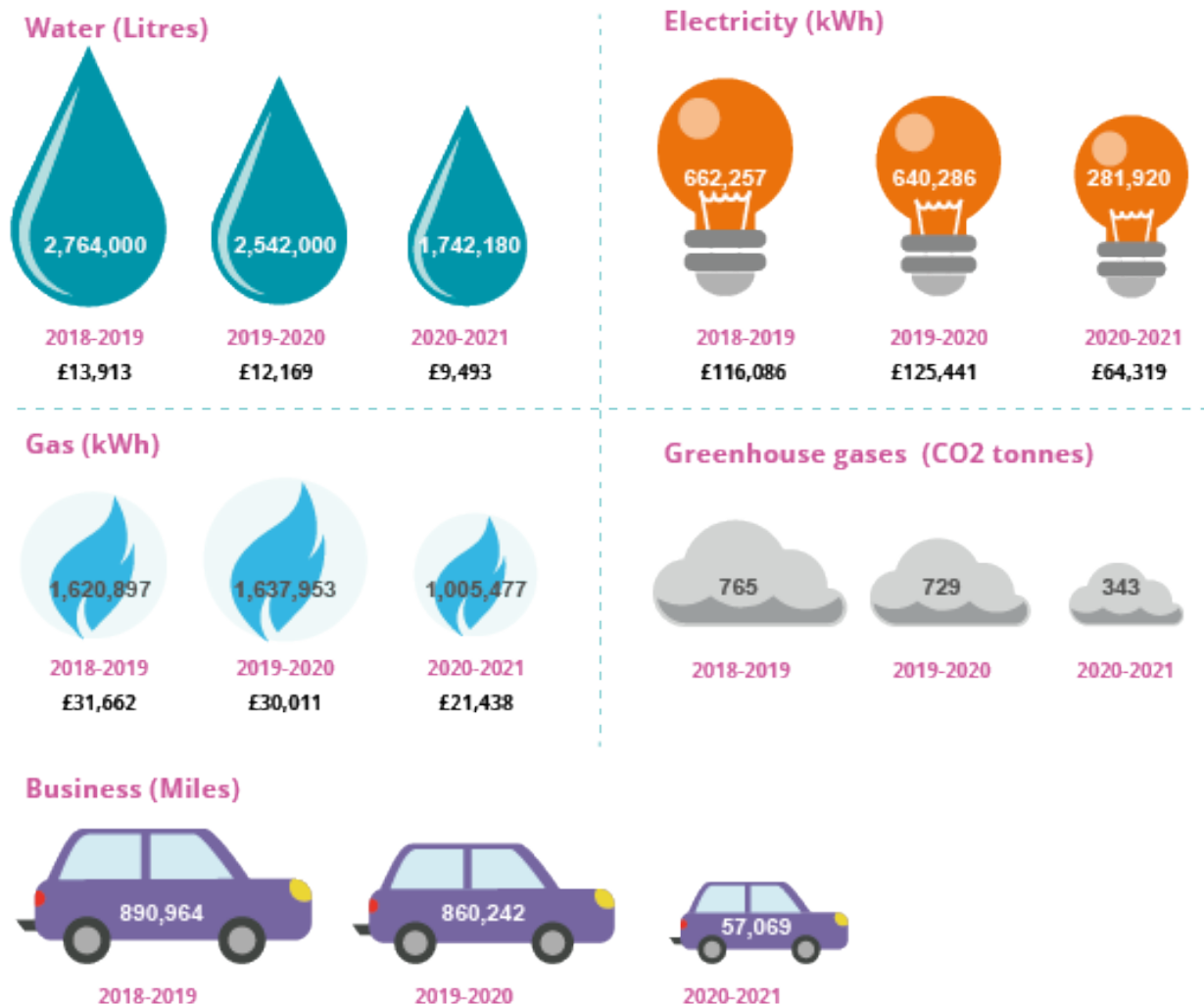
responsible for overseeing the auditing and production of the monitoring data and for ensuring the strategic decisions for the year are implemented.

Environmental Performance

Due to the pandemic we closed all our offices in March 2020 and the majority of staff have worked from home during the financial year. We are following WG guidance as to when it is safe for staff to return to work in both the school and office environment. Due to home working it is difficult to form any conclusions when comparing last year's environmental figures to this year. The figures do not take into account the energy consumed by staff working from home. Therefore, the numbers stated do not reflect the true effect on the companies' emissions.

We were successful in the Green Dragon audit achieving level 4 status, this means that our environmental performance has been embedded across our estate of properties. We continue with our commitment to achieve the highly esteemed level 5 status. In the next financial year, we will develop a plan to allow us to progress with this goal. We are also undertaking a review of our current working practices and our premises strategy in order to learn lessons from the lockdown period.

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 also have gas installed.



CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2021

	2018-2019	2019-2020	2020-2021
Water (Litres)	2,764,000	2,542,000	1,742,180
Business Miles	890,964	860,242	57,069
Electricity kWh	662,257	640,286	281,920
Gas kWh	1,620,897	1,637,953	1,005,477
Greenhouse gases CO2 tonnes	765	729	343
Financial costs	£	£	£
Gas	31,662	30,011	21,438
Electricity	116,086	125,441	64,319
Water	13,913	12,169	9,493

The above figures represent the usage in energy across our offices, the majority of which were closed throughout the financial reporting period. One caveat is that some of the electricity readings are based on estimates so therefore this number could be lower than that reported above. Gas readings are based on actuals at year end.

Usage per head – staff numbers	2018-2019	2019-2020	2020-2021
Staff numbers based on total headcount in year	623	658	640
Water (Litres)	4,436	3,863	2,722
Business Miles	1,430	1,307	89
Electricity kWh	1,063	973	441
Gas kWh	2,601	2,489	1,571
Greenhouse gases CO2 tonnes	1.23	1.10	0.54

The improvements in performance listed above are purely due to circumstances within the financial year and will increase in next year's comparators when we re-open the offices. Our targets for 2021-22 have been guided by Welsh Government policies. In March 2021 Senedd Cymru approved a net zero target for 2050. Net zero means balancing the greenhouse gas emissions with the amount of gases being removed from the atmosphere. The current Welsh Government target is for a 37% reduction by 2025. There are only limited changes we can make as a company to help meet this target, however we are committed to setting out a clear roadmap that will reduce our emissions as far as possible. We will encourage an open dialogue on the subject, by asking for new ideas, and put policies in place that promote sustainability including procurement strategies.

We will also focus on biodiversity demonstrating our commitment to ensuring community conservation and compliance with Welsh Government initiatives, namely the Environment (Wales) Act 2016 Part 1 - Section 6 The Biodiversity and Resilience of Ecosystems Duty, and also the Well-being of Future Generations (Wales) Act 2015, which recognises the importance of nature and its biodiversity. Improving biodiversity within our offices will enhance staff well-being through improved mental and physical health. We are also working towards the Welsh Government target of 70% of our waste being recycled by 2025.

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 during this year.

Each Director, Co-opted Member 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 2021. The Directors and Co-opted Members 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 or Co-opted Member 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:-



CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2021

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

MEMBERSHIP AND ATTENDANCE RECORD 2020-21

Meetings of the Board of Directors and Co-Opted Members

	10/06/20	19/08/20	25/11/20	03/03/21	Attendance
Dr D Evans-Williams (Chair)	✓	✓	✓	✓	4/4 100%
Mr R A Wright	✓	✓	✓	✓	4/4 100%
Mrs E Richards	✓	✓	✓	✓	4/4 100%
Mr I Prys-Jones	✓	✓	✓	x	3/4 75%
Miss E Harris	✓	✓	x	✓	3/4 75%
Prof S Maguire	✓	✓	✓	✓	4/4 100%
Mr D A Dowling	x				0/4 0%
Dr T Begum	✓	✓	x	✓	3/4 75%
Mr D Hagendyk	✓	✓	x	✓	3/4 75%
Mr R Thomas	✓	✓	x	✓	3/4 75%
Ms E Cassin		✓	✓	✓	3/3 100%
Dr S Dancey		✓	✓	✓	3/3 100%
Chief Executive	✓	✓	✓	✓	4/4 100%
Ms C Knowles*			x		0/1 0%
Ms S Price*				✓	1/1 100%
Mr A Smith*			✓	✓	2/2 100%

*Co-opted Member

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2021

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

Finance, Audit & Risk Committee

	04/06/20	04/08/20	30/10/20	09/02/21	22/03/21	Attendance
Mr I Prys-Jones (Chair)	✓	✓	✓	✓	✓	5/5 100%
Mr R A Wright	✓	✓	✓	✓	✓	5/5 100%
Mr R Thomas	✓	✓	✓	✓	✓	5/5 100%
Chief Executive	✓	✓	✓	✓	✓	5/5 100%
Mr A Smith*			✓	✓	✓	3/3 100%

Director of Resources and Transformation				✓	✓	2/2 100%
Head of Finance & Estates	✓	✓	✓	✓	✓	5/5 100%
Audit Wales (External Auditors)	✓		✓	✓		3/3 100%
TIAA (Internal Auditors)	✓		✓	✓		3/3 100%

People Matters and Remuneration Committee

	13/05/20	12/08/20	11/11/20	02/02/21	Attendance
Miss E Harris (Chair)	✓	✓	✓	✓	4/4 100%
Mrs E Richards	✓	✓	✓	✓	4/4 100%
Ms E Cassin			✓	✓	2/2 100%
Dr T Begum	✓	x	✓	✓	3/4 75%
Chief Executive	✓	✓	✓	✓	4/4 100%
Ms C Knowles*			x		0/1 0%

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2021

Director of Resources and Transformation				✓	1/1 100%
Head of People Development	✓	✓	✓	✓	4/4 100%

Performance & Impact Committee

	07/05/20	14/09/20	18/11/20	27/01/21	Attendance
Mr D A Dowling (Chair)	✓				1/1 100%
Prof S Maguire (Chair)	✓	✓	✓	✓	4/4 100%
Dr S Dancey			x	x	0/2 0%
Mr D Hagendyk	✓	✓	x	✓	3/4 75%
Chief Executive	✓	✓	x	✓	3/4 75%
Ms S Price*			✓	✓	2/2 100%

Director of Delivery & Development	✓	✓	✓	✓	4/4 100%
Head of Quality & Planning	✓	✓	✓	✓	4/4 100%

*Co-opted Member

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 and Remuneration Committee

The Committee consists of four Directors and met four 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 three 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 Executive structure has been embedded during the year. The Executive structure within the SMT was reviewed and agreed that there will be a reduction from three to two Directors.

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

Sickness absence data

Over the last twelve months the Company lost 3.37% of productive working days to sickness absence (4.6% in the previous reporting period). Of this 0.68% 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.

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 principal 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 company'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, TIAA, 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. This opinion is based solely on the matters that came to their attention during the course of the internal audit reviews and is not an opinion on all elements of risk management, control and governance processes. The following areas were audited within the year; payroll, legislative compliance – Welsh Language Act, Health and Safety Management and key financial controls. All areas of the audit reviews were given substantial assurance except one which had limited assurance by the internal auditors. Significant progress has already been made in implementing the recommendations contained within the limited assurance report.

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 auditors 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 2020-21 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 2020 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 could in the main not undertake face to face interviews within the year 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 2020 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.

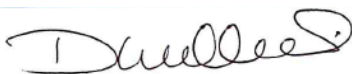
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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:



Dr D Evans-Williams - Chair

Date: 13th September 2021

Independent auditor's report to the member of Career Choices Dewis Gyrfa Ltd
Opinion on financial statements

I have audited the financial statements of Career Choices Dewis Gyrfa Ltd for the year ended 31 March 2021 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 accounting standards in conformity with the requirements of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its deficit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. 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 opinions.

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters 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 my audit have not been received from branches not visited by my team;
- 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.

Responsibilities

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities set out on page 19, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to Career Choices Dewis Gyrfa Ltd's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2021

- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud.
- Obtaining an understanding of Career Choices Dewis Gyrfa Ltd's framework of authority as well as other legal and regulatory frameworks that Career Choices Dewis Gyrfa Ltd operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Career Choices Dewis Gyrfa Ltd.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Finance, Audit and Risk Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the directors;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Career Choices Dewis Gyrfa Ltd's controls, and the nature, timing and extent of the audit procedures performed.

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.

Report

I have no observations to make on these financial statements.



Adrian Crompton
Auditor General for Wales
20 September 2021

24 Cathedral Road
Cardiff
CF11 9LJ

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2021

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2021**

		2021 £'000	2020 £'000
	Notes		
CONTINUING OPERATIONS			
Revenue	2	28,560	30,249
Administrative expenses		(32,212)	(32,406)
Loss arising on property related items	1	<u>(50)</u>	<u>(54)</u>
OPERATING (LOSS)		(3,702)	(2,211)
Finance costs	4	(5,322)	(5,895)
Finance income	4	<u>4,414</u>	<u>4,967</u>
(LOSS) BEFORE TAX		(4,610)	(3,139)
Tax expense	6	<u>(-)</u>	<u>(3)</u>
(LOSS) FOR THE YEAR		<u><u>(4,610)</u></u>	<u><u>(3,142)</u></u>
(Loss) attributable to: Owners of the company		<u><u>(4,610)</u></u>	<u><u>(3,142)</u></u>

The notes from page 29 to page 62 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2021

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

		2021 £'000	2020 £'000
	Notes		
(LOSS) FOR THE YEAR		(4,610)	(3,142)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Actuarial (Loss) / Gain on pension scheme	16	(4,909)	3,691
		<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<hr/> (4,909) <hr/>	<hr/> 3,691 <hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<hr/> (9,519) <hr/>	<hr/> 549 <hr/>
Total comprehensive income attributable to: Owners of the company		<hr/> (9,519) <hr/>	<hr/> 549 <hr/>

The notes from page 29 to page 62 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

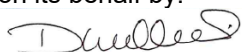
YEAR ENDED 31 MARCH 2021

**STATEMENT OF FINANCIAL POSITION
31 MARCH 2021**

	Notes	2021 £'000	2020 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,502	2,433
Right of Use Asset	8	2,492	2,229
Intangible assets	9	1,176	607
		<u>6,170</u>	<u>5,269</u>
CURRENT ASSETS			
Trade and other receivables	10	2,727	2,744
Cash and cash equivalents	11	829	1,834
		<u>3,556</u>	<u>4,578</u>
TOTAL ASSETS		<u>9,726</u>	<u>9,847</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Pension liability	16	47,226	38,937
Trade and other payables	13	-	3
Lease Liabilities	8	1,918	1,594
		<u>49,144</u>	<u>40,534</u>
CURRENT LIABILITIES			
Trade and other payables	13	2,393	1,519
Lease Liabilities	8	485	568
Tax payable	6	-	3
		<u>2,878</u>	<u>2,090</u>
TOTAL LIABILITIES		<u>52,022</u>	<u>42,624</u>
TOTAL ASSETS LESS LIABILITIES		<u>(42,296)</u>	<u>(32,777)</u>
EQUITY			
Revaluation reserve	12	241	241
Retained earnings	12	(42,537)	(33,018)
TOTAL EQUITY		<u>(42,296)</u>	<u>(32,777)</u>

For the year ended 31 March 2021, 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 8th September 2021 and were signed on its behalf by:



Dr D Evans-Williams - Chair

Registered company number: 07442837

The notes from page 29 to page 62 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2021

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Retained Earnings £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2019	(33,567)	241	(33,326)
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>
Changes in Equity			
Loss for the year	(4,610)	-	(4,610)
Actuarial (Loss)	<u>(4,909)</u>	<u>-</u>	<u>(4,909)</u>
Balance at 31 March 2021	<u>(42,537)</u>	<u>241</u>	<u>(42,296)</u>

The notes from page 29 to page 62 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2021

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations		1,558	2,764
Interest paid	4	(5)	(5)
Tax paid	6	<u>(-)</u>	<u>(3)</u>
Net cash from operating activities		<u>1,553</u>	<u>2,756</u>
Cash flows from investing activities			
Purchase of intangible assets	9	(1,718)	(727)
Purchase of property, plant and equipment	7	(226)	(51)
Interest received	4	<u>2</u>	<u>16</u>
Net cash from investing activities		<u>(1,942)</u>	<u>(762)</u>
Cash flows from financing activities			
Payment of interest on leases		(31)	(32)
Payment of principal on leases		<u>(585)</u>	<u>(605)</u>
Net cash from financing activities		<u>(616)</u>	<u>(637)</u>
Increase / (Decrease) in cash and cash equivalents		(1,005)	1,357
Cash and cash equivalents at beginning of year	11	<u>1,834</u>	<u>477</u>
Cash and cash equivalents at end of year	11	<u>829</u>	<u>1,834</u>

The notes from page 29 to page 62 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2021

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

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

	Notes	2021 £'000	2020 £'000
(Loss) before corporation tax and interest		(4,607)	(3,153)
Depreciation and Property Impairment	7	157	193
Right of Use Asset Depreciation	8	591	571
Amortisation	9	1,147	1,186
Loss on Disposal of Assets		2	-
Interest on pension scheme liabilities	4	5,317	5,890
Expected return on pension scheme assets	4	(4,412)	(4,951)
		<u>(1,805)</u>	<u>(264)</u>
 (Increase)/Decrease in trade and other receivables	10	17	1,089
Increase/(Decrease) in provisions		-	-
Increase/(Decrease) in trade and other payables	13	871	(327)
Difference between pension charge and cash contributions		<u>2,475</u>	<u>2,266</u>
 Cash generated from operations		<u><u>1,558</u></u>	<u><u>2,764</u></u>

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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,

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 as 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 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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

The lease term is defined as the non-cancellable periods of the lease. 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 £5,000.

The Company has recognised a lease liability measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as at 1st April 2020 of 1.26399%, and 0.91% for all leases dated after 01 January 2021. The right-of-use asset value is equal to the lease liability. An impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired.

Lease assets are capitalised at the commencement date of the lease. Each lease payment is allocated between the lease 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.

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. In calculating the right of use asset, we have not included costs which are expected to be incurred at the end of the lease such as dismantling the asset or putting the site back to normal. These will be treated as per our provision rules when the criteria is met or as an accrual when we have certainty of the liability arising. We have expensed the direct costs relating to new leases (e.g. legal fees) and these have not been included in the ROU calculation.

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021****1. ACCOUNTING POLICIES – continued**

The Company leases various properties and other small equipment, for example, computers and 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 that 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.

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 Hirons, 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 Hirons & 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 £50k (2020: £54k).

Intangible Assets

All intangible assets are measured at gross cost and amortisation starts when the brought in use date is identified. Software Licenses with a finite useful life will be amortised over that life on a straight line basis. Software development will be amortised over a five year period. Internet web development will be amortised over two years. According to IAS38 the best estimate of a website's life should be short. Therefore, for web development related expenditure, 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 continued to decommission sections of our old website resulting in disposals of website development costs of £564k (2020: £1.9m). This had a marginal effect on the profit and loss as most of 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.

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES – continued

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.

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.

For IFRS16 purposes to calculate the incremental borrowing rate we will use the HM Treasury discount rate promulgated in PES papers. When estimating the lease term, where we have an option to extend the lease, management will use its judgement to determine whether or not an option would be reasonably certain to be exercised before including in the lease liabilities.

Going concern

The total Welsh Government funding will be £29.1m in the next financial year for CCDG. The primary reason for the negative reserves is the pension deficit of £47.2m. 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.

2. REVENUE

	2021	2020
	£'000	£'000
Welsh Government – Core	17,583	18,944
Welsh Government – Working Wales	9,562	9,180
Welsh Government – Other	90	134
ESF projects – Activate	1,858	1,818
Other contracts	369	431
Deferred income	(1,278)	(412)
Released Deferred Income	376	154
	<u>28,560</u>	<u>30,249</u>

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

3. EMPLOYEES AND DIRECTORSStaff costs

	2021	2020
	£'000	£'000
Wages and salaries	17,893	16,849
Social security costs	1,621	1,539
Other pension costs	6,803	7,626
	<u>26,317</u>	<u>26,014</u>

Staff numbers

	2021	2020
Management and Administration	88	86
Service delivery	552	549
	<u>640</u>	<u>635</u>

Senior employees' costs

	2021		2020	
	Directors	Senior Management	Directors	Senior Management
	£'000	£'000	£'000	£'000
Short Term Employee benefits	139	118	126	169
Post Employment benefits	18	22	23	16
	<u>157</u>	<u>140</u>	<u>149</u>	<u>185</u>

Included in the Senior Management costs above are honorarium payments to several staff to reflect them partly acting up in the roles of either Director of Business Development or Director of Resources and Transformation during the financial year.

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

	2021	2020
Final Salary scheme	<u>1</u>	<u>1</u>

31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

4. NET FINANCE INCOME

	2021 £'000	2020 £'000
Finance income:		
Deposit account interest	2	16
Expected return on pension scheme assets	<u>4,412</u>	<u>4,951</u>
	<u>4,414</u>	<u>4,967</u>
Finance costs:		
Bank interest	(5)	(5)
Interest on pension scheme liabilities	<u>(5,317)</u>	<u>(5,890)</u>
	<u>(5,322)</u>	<u>(5,895)</u>
Net finance income	<u>(908)</u>	<u>(928)</u>

5. (LOSS) BEFORE TAX

The (loss) before tax is stated after charging:

	2021 £'000	2020 £'000
Other operating leases	(7)	64
Depreciation	107	139
Amortisation and Impairment	1,197	1,240
Auditors' remuneration - External	89	89
Internal	<u>10</u>	<u>18</u>
	<u>1,396</u>	<u>1,550</u>

The above figures are inclusive of VAT where applicable.

31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

6. CORPORATION TAX**Analysis of tax expense**

	2021			2020		
	Amount £'000	Rate	Tax £'000	Amount £'000	Rate	Tax £'000
Income on which no tax due	28,560	0%	-	30,249	0%	-
Non-core profits	-	0%	-	-	0%	-
Interest	2	19%	<u>-</u>	16	19%	<u>3</u>
			<u>-</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

	Gross £'000	2021 Tax £'000	Net £'000
Actuarial (loss) on pension scheme	<u>(4,909)</u>	<u>-</u>	<u>(4,909)</u>

	Gross £'000	2020 Tax £'000	Net £'000
Actuarial gain on pension scheme	<u>3,691</u>	<u>-</u>	<u>3,691</u>

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

7. PROPERTY, PLANT AND EQUIPMENT

2020-21	Leasehold Improvements	Land and Buildings	Fixtures and Fittings	Computer Equipment	Totals
	£'000	£'000	£'000	£'000	£'000
COST OR VALUATION					
At 1 April 2020	406	2,384	107	296	3,193
Additions: during the year	127	-	93	6	226
Disposals: during the year	(61)	-	(7)	-	(68)
Impairment during the year	-	(50)	-	-	(50)
At 31 March 2021	<u>472</u>	<u>2,334</u>	<u>193</u>	<u>302</u>	<u>3,301</u>
DEPRECIATION					
At 1 April 2020	395	72	57	236	760
Charge for year	11	36	18	42	107
Disposals: during the year	(61)	-	(7)	-	(68)
Revaluation/Impairment: during the year	-	-	-	-	-
At 31 March 2021	<u>345</u>	<u>108</u>	<u>68</u>	<u>278</u>	<u>799</u>
NET BOOK VALUE					
At 31 March 2021	<u>127</u>	<u>2,226</u>	<u>125</u>	<u>24</u>	<u>2,502</u>
At 31 March 2020	<u>11</u>	<u>2,312</u>	<u>50</u>	<u>60</u>	<u>2,433</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 £2,476

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

7. PROPERTY, PLANT AND EQUIPMENT - continued

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)
Revaluation during the year	-	-	-	-	-
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 2021

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

8. IFRS16 LEASES

In the right of use calculation, we only include leases which we are intending to extend during the next financial year where we are reasonably certain that we will exercise this option and we have started the lease renewal process. The leases at Cwmbran and Llanelli end in June 2021 – we have not included costs of the new leases in the figures below because we have not started discussions with the landlord over the term and rental values. These will be included in next year's accounts. We did not identify any internal or external triggers that would require an impairment review of right use of assets this year.

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

	2021 £'000	2020 £'000
Right of Use Asset	2,492	2,229
	Buildings	
Opening right of use asset	2,229	1,904
Additions – new lease contract	854	896
Depreciation of the lease contract	(591)	(571)
Closing Balance	2,492	2,229

Lease Liability

	2021 £'000	2020 £'000
Short Term	485	568
Long Term	1,918	1,594
	2,403	2,162

The following amounts are recognised in profit or loss:

	2021 £'000	2020 £'000
Depreciation charge	591	571
Total Depreciation	591	571
Interest expense on lease liabilities (included in finance cost)	31	32
Expenses related to short term leases	(8)	55
Expenses related to low value assets	1	2
Operating lease expenses (IAS 17)	-	-
Total expenses related to leases	615	660

The following amounts are recognised in the cash flow statement:

Cash outflow for leases (IFRS16) – financing leases	2021 £'000
Payment of interest on leases	31
Payment of principal on leases	585

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

9. INTANGIBLE ASSETS

	Software Licences	Software Development	Website Development	Total
	£'000	£'000	£'000	£'000
COST				
At 1 April 2020	1,201	-	2,218	3,419
Additions	486	378	854	1,718
Disposals	-	-	(564)	(564)
At 31 March 2021	<u>1,687</u>	<u>378</u>	<u>2,508</u>	<u>4,573</u>
AMORTISATION				
At 1 April 2020	952	-	1,860	2,812
Charge for the year	348	15	784	1,147
Disposals	-	-	(562)	(562)
At 31 March 2021	<u>1,300</u>	<u>15</u>	<u>2,082</u>	<u>3,397</u>
NET BOOK VALUE				
At 31 March 2021	<u>387</u>	<u>363</u>	<u>426</u>	<u>1,176</u>
At 31 March 2020	<u>249</u>	<u>-</u>	<u>358</u>	<u>607</u>

10. TRADE AND OTHER RECEIVABLES

	2021 £'000	2020 £'000
Current:		
Trade receivables	29	153
Other receivables	2,209	2,098
Prepayments	489	493
	<u>2,727</u>	<u>2,744</u>

11. CASH AND CASH EQUIVALENTS

	2021 £'000	2020 £'000
Cash in hand	3	3
Bank accounts	826	1,765
Cash in Transit	-	66
	<u>829</u>	<u>1,834</u>

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

12. RESERVES

	Retained earnings £'000	Revaluation reserve £'000	Totals £'000
As at 1 April 2019	(33,567)	241	(33,326)
(Loss) for the year	(3,142)	-	(3,142)
Pension Actuarial Gain	3,691	-	3,691
As at 31 March 2020	(33,018)	241	(32,777)
(Loss) for the year	(4,610)	-	(4,610)
Pension Actuarial (Loss)	(4,909)	-	(4,909)
As at 31 March 2021	(42,537)	241	(42,296)

13. TRADE AND OTHER PAYABLES

	2021 £'000	2020 £'000
Current liabilities:		
Trade payables	112	58
Creditors in Transit	-	66
Social security and other taxes	-	-
Other payables	10	13
Holiday Pay Accrual	490	356
Accruals and deferred income	1,776	1,006
VAT	2	14
Computer Licenses	3	6
	<u>2,393</u>	<u>1,519</u>
Non-current liabilities:		
Computer Licenses	-	3
	<u>-</u>	<u>3</u>
Aggregate amounts	<u>2,393</u>	<u>1,522</u>

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

14. LEASING AGREEMENTS

The company as lessee

Minimum lease payments under operating leases fall due as follows:

	Operating lease	
	2021 £'000	2020 £'000
Net obligations repayable		
Within one year	-	2
Between one and five years	-	-
In more than five years	-	-
	<u>-</u>	<u>2</u>

Total operating lease rental costs incurred in 2020-21 were £(7)k (2020: £64k).

15. PROVISIONS

	2021 £'000	2020 £'000
Opening Balance	-	-
Amounts Arising in year	-	-
Amounts utilised in year	-	-
Unused amounts reversed	-	-
Closing Balance	<u>-</u>	<u>-</u>

31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

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

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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)	(49,492)	53,653	4,161	-	-	4,161	4,161
Powys County Council Pension Fund	(11,810)	8,670	(3,140)	-	-	(3,140)	(3,140)
Cardiff and Vale of Glamorgan Pension Fund	(33,670)	34,427	757	(54)	-	703	703
Rhondda Cynon Taf Pension Fund (CWA)	(2,483)	3,132	649	-	(325)	324	324
Dyfed Pension Fund	(74,536)	55,883	(18,653)	(241)	-	(18,894)	(18,894)
Clwyd Pension Fund	(30,248)	21,750	(8,498)	-	-	(8,498)	(8,498)
Greater Gwent (Torfaen) Pension Fund	(46,996)	32,131	(14,865)	-	-	(14,865)	(14,865)
Gwynedd Pension Fund	(37,054)	30,076	(6,978)	(39)	-	(7,017)	(7,017)
	(286,289)	239,722	(46,567)	(334)	(325)	(47,226)	(47,226)

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.

31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

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	
	2021	2020
	£'000	£'000
Present value of funded obligations	(286,289)	(227,565)
Fair value of plan assets	<u>239,722</u>	<u>189,059</u>
	(46,567)	(38,506)
Present value of unfunded obligations	(334)	(314)
Unrecognised Assets	<u>(325)</u>	<u>(117)</u>
Deficit	<u>(47,226)</u>	<u>(38,937)</u>
Net liability	<u><u>(47,226)</u></u>	<u><u>(38,937)</u></u>

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

The decisions of the Court of Appeal in the Sargeant/McCloud Employment Tribunal cases involving members of the Judiciary and Firefighters pensions schemes have ruled that the transitional protections afforded to older members when the Public Service Pension Schemes were amended constituted unlawful age discrimination. The Government has now accepted that remedies relating to the McCloud ruling are needed in relation to all public sector schemes which were reformed around the same time including the LGPS. A consultation was published in July 2020 and a key feature of the proposed remedy was to extend the final salary scheme underpin to a wider group of members for service up to 31 March 2022. As a result, the Fund actuaries have revised the level of defined benefit obligations for the schemes to include an allowance for the McCloud judgement. 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. Therefore, no further adjustments are required in relation to McCloud.

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Current service cost	5,825	6,419
Past service cost (including Curtailments)	-	244
Interest cost	5,317	5,890
Expected return	(4,412)	(4,951)
	<u>6,730</u>	<u>7,602</u>
Actual return on plan assets	<u>55,216</u>	<u>(11,692)</u>

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

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Opening defined benefit obligation	227,879	241,914
Current service cost	5,825	6,419
Past service cost (including Curtailments)	-	244
Contributions by scheme participants	1,096	1,038
Interest cost	5,317	5,890
Actuarial loss/(gain)	51,179	(22,969)
Benefits paid	(4,673)	(4,657)
	<u>286,623</u>	<u>227,879</u>

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

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Opening fair value of scheme assets	189,059	202,794
Contributions by employer	3,440	4,483
Contributions by scheme participants	1,096	1,038
Assets administration expenses	(91)	(86)
Expected return	4,412	4,951
Actuarial gain/(loss)	46,478	(19,464)
Benefits paid	(4,672)	(4,657)
	<u>239,722</u>	<u>189,059</u>

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2021 £'000	2020 £'000
Actuarial (loss) / gain	<u>(4,909)</u>	<u>3,691</u>
	<u>(4,909)</u>	<u>3,691</u>
Cumulative amount of Actuarial (loss)	<u>(29,559)</u>	<u>(24,650)</u>

31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

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)

	31-03-21	31-03-20
Principal Financial Assumptions	(%)	(%)
Discount rate	2.1	2.3
CPI Inflation	2.7	2.0
Pension increases	2.7	2.0
Pension accounts revaluation rate	2.7	2.0
Salary increases	3.95	3.25

Mortality assumptions

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

	31-03-21	31-03-20
Males		
Future lifetime from age 65 (aged 65 at accounting date)	21.8	21.7
Future lifetime from age 65 (aged 45 at accounting date)	22.8	22.7
Females		
Future lifetime from age 65 (aged 65 at accounting date)	24.1	24.0
Future lifetime from age 65 (aged 45 at accounting date)	25.6	25.5

	31-03-21	31-03-20*
	(%)	(%)
Asset allocation		
Equities	70.7	63.7
Property	6.4	8.6
Gov Bonds	9.1	13.8
Corporate Bonds	13.0	13.0
Cash	0.8	0.9
Other	-	-
Total	100	100

* Restated figures due to updated actuary reports.

Expected contribution for accounting period ending 31 March 2022 - £980k

Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2021 and the projected service cost for the year ending 31 March 2022 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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

Discount rate assumption		
Adjustment to discount rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	48.502	50.482
% change in present value of total obligation	-2.0%	2.0%
Projected service cost (£M's)	1.274	1.354
Approximate % change in projected service cost	-3.0%	3.1%
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)	49.640	49.344
% change in present value of total obligation	0.3%	-0.3%
Projected service cost (£M's)	1.313	1.313
Approximate % change in projected service cost	0.0%	0.0%

Rate of increase to pensions and rate of revaluation of pension accounts

Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	50.333	48.651
% change in present value of total obligation	1.7%	-1.7%
Projected service cost (£M's)	1.354	1.274
Approximate % change in projected service cost	3.1%	-3.0%
Post retirement mortality assumption		
Adjustment to mortality age rating assumption *	-1 year	+1 year
Present value of total obligation (£M's)	51.274	47.760
% change in present value of total obligation	3.6%	-3.5%
Projected service cost (£M's)	1.367	1.260
Approximate % change in projected service cost	4.1%	-4.0%

*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

	31-03-21	31-03-20
Principal Financial Assumptions	(%)	(%)
Discount rate	2.1	2.3
CPI Inflation	2.7	2.0
Pension increases	2.7	2.0
Pension accounts revaluation rate	2.7	2.0
Salary increases	4.2	3.5

31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

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.

	31-03-21	31-03-20
Males		
Future lifetime from age 65 (aged 65 at accounting date)	21.9	21.8
Future lifetime from age 65 (aged 45 at accounting date)	23.3	23.2
Females		
Future lifetime from age 65 (aged 65 at accounting date)	25.1	25.0
Future lifetime from age 65 (aged 45 at accounting date)	26.5	26.4

	31-03-21 (%)	31-03-20 (%)
Asset allocation		
Equities	54.2	43.7
Property	8.4	9.5
Gov Bonds	11.9	16.3
Corporate Bonds	18.4	6.5
Cash	3.4	3.2
Other	3.7	20.8
Total	<u>100</u>	<u>100</u>

Expected contribution for accounting period ending 31 March 2022 - £120k

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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 2021 and the projected service cost for the year ending 31 March 2022 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)	11.60	12.02
% change in present value of total obligation	-1.8%	1.8%
Projected service cost (£M's)	0.22	0.24
Approximate % change in projected service cost	-2.5%	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)	11.82	11.80
% change in present value of total obligation	0.1%	-0.1%
Projected service cost (£M's)	0.23	0.23
Approximate % change in projected service cost	0.0%	0.0%

Rate of increase to pensions and rate of revaluation of pension accounts

	+0.1% p.a.	-0.1% p.a.
Adjustment to pension increase rate		
Present value of total obligation (£M's)	12.01	11.61
% change in present value of total obligation	1.7%	-1.7%
Projected service cost (£M's)	0.24	0.22
Approximate % change in projected service cost	2.6%	-2.5%

Post retirement mortality assumption

	-1 year	+1 year
Adjustment to mortality age rating assumption *		
Present value of total obligation (£M's)	12.24	11.38
% change in present value of total obligation	3.6%	-3.6%
Projected service cost (£M's)	0.24	0.22
Approximate % change in projected service cost	4.1%	-4.0%

*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.

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

16. EMPLOYEE BENEFIT OBLIGATIONS – continued**Cardiff and Vale of Glamorgan Pension Fund**

	31-03-21 (%)	31-03-20 (%)
Principal Financial Assumptions		
Discount rate	2.1	2.3
CPI Inflation	2.7	1.9
Pension increases	2.7	1.9
Pensions accounts revaluation rate	2.7	1.9
Salary increases	3.7	2.9

Mortality assumptions

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

	31-03-21	31-03-20
Males		
Future lifetime from age 65 (aged 65 at accounting date)	22.3	22.2
Future lifetime from age 65 (aged 45 at accounting date)	23.3	23.2
Females		
Future lifetime from age 65 (aged 65 at accounting date)	24.7	24.6
Future lifetime from age 65 (aged 45 at accounting date)	26.1	26.0

	31-03-21 (%)	31-03-20 (%)
Asset allocation		
Equities	65.6	66.3
Property	6.6	6.9
Gov Bonds	10.7	9.5
Corporate Bonds	15.7	15.8
Cash	1.4	1.4
Other	0.0	0.1
Total	100	100

Expected contribution for accounting period ending 31 March 2022 - £554k

31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

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 2021 and the projected service cost for the year ending 31 March 2022 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)	32.929	34.411
% change in present value of total obligation	-2.2%	2.2%
Projected service cost (£M's)	1.309	1.402
Approximate % change in projected service cost	-3.4%	3.5%
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)	33.771	33.569
% change in present value of total obligation	0.3%	-0.3%
Projected service cost (£M's)	1.355	1.355
Approximate % change in projected service cost	0.0%	0.0%

Rate of increase to pensions and rate of revaluation of pension accounts

	+0.1% p.a.	-0.1% p.a.
Adjustment to pension increase rate		
Present value of total obligation (£M's)	34.310	33.030
% change in present value of total obligation	1.9%	-1.9%
Projected service cost (£M's)	1.402	1.309
Approximate % change in projected service cost	3.5%	-3.4%

Post retirement mortality assumption

	-1 year	+1 year
Adjustment to mortality age rating assumption *		
Present value of total obligation (£M's)	34.916	32.458
% change in present value of total obligation	3.7%	-3.6%
Projected service cost (£M's)	1.411	1.299
Approximate % change in projected service cost	4.1%	-4.1%

* 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.

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued**Rhondda Cynon Taf Pension Fund (CWA)**

Principal Financial Assumptions	31-03-21 (%)	31-03-20 (%)
Discount rate	2.1	2.3
CPI Inflation	2.7	1.9
Pension increases	2.7	1.9
Pension accounts revaluation rate	2.7	1.9
Salary increases	3.95	3.15

Mortality assumptions

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

	31-03-21	31-03-20
Males		
Future lifetime from age 65 (aged 65 at accounting date)	21.8	21.7
Future lifetime from age 65 (aged 45 at accounting date)	22.8	22.7
Females		
Future lifetime from age 65 (aged 65 at accounting date)	24.1	24.0
Future lifetime from age 65 (aged 45 at accounting date)	25.6	25.5

	31-03-21 (%)	31-03-20* (%)
Asset allocation		
Equities	70.7	63.7
Property	6.4	8.6
Gov Bonds	9.1	13.8
Corporate Bonds	13.0	13.0
Cash	0.8	0.9
Other	-	-
Total	100	100

* Restated figures due to updated actuarial reports

Expected contribution for accounting period ending 31 March 2022 - £1k

Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2021 and the projected service cost for the year ending 31 March 2022 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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)	2.423	2.543
% change in present value of total obligation	-2.4%	2.4%
Projected service cost (£M's)	0.037	0.039
Approximate % change in projected service cost	-3.2%	3.3%

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)	2.485	2.481
% change in present value of total obligation	0.1%	-0.1%
Projected service cost (£M's)	0.038	0.038
Approximate % change in projected service cost	0.0%	0.0%

Rate of increase to pensions and rate of revaluation of pension accounts

	+0.1% p.a.	-0.1% p.a.
Adjustment to pension increase rate		
Present value of total obligation (£M's)	2.540	2.428
% change in present value of total obligation	2.3%	-2.2%
Projected service cost (£M's)	0.039	0.037
Approximate % change in projected service cost	3.3%	-3.2%

Post retirement mortality assumption

	-1 year	+1 year
Adjustment to mortality age rating assumption *		
Present value of total obligation (£M's)	2.572	2.396
% change in present value of total obligation	3.6%	-3.5%
Projected service cost (£M's)	0.040	0.036
Approximate % change in projected service cost	4.1%	-4.0%

*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

	31-03-21 (%)	31-03-20 (%)
Financial assumptions		
CPI inflation/CARE benefits revaluation	2.7	2.1
Increase in salaries	4.2	3.6
Increase in pensions in payment/deferment	2.8	2.2
Discount rate	2.1	2.4

31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

16. EMPLOYEE BENEFIT OBLIGATIONS – continued**Mortality assumptions**

Life expectancy of a male (female)		
Future pensioner aged 65 in 20 years' time	24.7 (27.2) years	24.5 (27.1) years
Current pensioner aged 65	23.1 (25.0) years	23.0 (24.9) years

	31-03-21 (%)	31-03-20 (%)
Asset allocation		
Equities	74.1	73.2
Property	11.0	12.3
Gov Bonds	2.6	3.9
Corporate Bonds	9.0	10.1
Cash	1.2	0.5
Other	2.1	0.0
Total	100.0	100.0

Expected contribution for accounting period ending 31 March 2022 - £897k

Sensitivity analysis

Disclosure item	Central	Sensitivity 1 + 0.1% p.a. discount rate	Sensitivity 2 + 0.1% p.a. inflation	Sensitivity 3 + 0.1% p.a. pay growth	Sensitivity 4 1-year increase in life expectancy	Sensitivity 5 +/- 1% change in 2020/21 investment returns	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
						+1%	-1%
Liabilities	74,777	73,373	76,207	75,001	77,005	74,777	74,777
Assets	(55,883)	(55,883)	(55,883)	(55,883)	(55,883)	(56,441)	(55,325)
Deficit/(Surplus)	18,894	17,490	20,324	19,118	21,122	18,336	19,452
Projected Service Cost for next year	1,901	1,854	1,951	1,901	1,962	1,901	1,901
Projected Net Interest Cost for next year	387	375	418	392	434	376	399

Clwyd Pension Fund

Financial assumptions	31-03-21 (%)	31-03-20 (%)
CPI inflation/CARE benefits revaluation	2.7	2.1
Increase in salaries	3.95*	3.35*
Increase in pensions in payment/deferment	2.8	2.2
Discount rate	2.1	2.4

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

16. EMPLOYEE BENEFIT OBLIGATIONS – continued

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

Mortality assumptions

Life expectancy of a male (female)

Future pensioner aged 65 in 20 years' time 24.2 (27.0) years 24.1 (26.9) years

Current pensioner aged 65 22.6 (25.0) years 22.5 (24.9) years

	31-03-21 (%)	31-03-20 (%)
Asset allocation		
Equities	31.3	27.0
Property	6.0	7.1
Gov Bonds	0.0	0.0
Corporate Bonds	35.9	27.6
Cash	1.7	1.3
Other	25.1	37.0
Total	100.0	100.0

Expected contribution for accounting period ending 31 March 2022 - £221k.

Sensitivity analysis

Disclosure item	Central	Sensitivity 1 + 0.1% p.a. discount rate	Sensitivity 2 + 0.1% p.a. inflation	Sensitivity 3 + 0.1% p.a. pay growth	Sensitivity 4 <u>1 year</u> increase in life expectancy	Sensitivity 5 +/- 1% change in 2020/21 investment returns	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
						+1%	-1%
Liabilities	30,248	29,718	30,786	30,319	31,157	30,248	30,248
Assets	(21,750)	(21,750)	(21,750)	(21,750)	(21,750)	(21,966)	(21,534)
Deficit/(Surplus)	8,498	7,968	9,036	8,569	9,407	8,282	8,714
Projected Service Cost for next year	563	549	578	563	581	563	563
Projected Net Interest Cost for next year	176	173	187	178	195	172	181

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

Greater Gwent (Torfaen) Pension Fund

Financial assumptions	31-03-21	31-03-20
	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.8	1.8
Salary Increase Rate	3.1	2.1
Discount Rate	2.05	2.3

Mortality assumptions

	Males	Females
Average future life expectancy at age 65		
Current pensioners	20.7 years	23.4 years
Future pensioners*	22.1 years	25.4 years
* Figures assume members aged 45 as at the last formal valuation date		

	31-03-21	31-03-20
	(%)	(%)
Asset allocation		
Equities	72.5	72.5
Property	2.5	2.5
Gov Bonds	0.0	0.0
Corporate Bonds	16.8	16.8
Cash	0.9	0.9
Other	7.3	7.3
Total	100.0	100.0

Expected contribution for accounting period ending 31 March 2022 - £558k

Sensitivity analysis

	Approx. % increase to Employer Liability	Approx. monetary amount (£'000)
Changes in assumptions at 31-03-21		
0.5% decrease in Real Discount Rate	11%	5,379
0.5% increase in the Salary Increase Rate	2%	792
0.5% increase in the Pension Increase Rate(CPI)	9%	4,460

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued**Gwynedd Pension Fund**

Financial assumptions	31-03-21	31-03-20
	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.8	1.8
Salary Increase Rate	3.1	2.1
Discount Rate	2.05	2.3

Mortality assumptions

Average future life expectancy at age 65	Males	Females
Current pensioners	21.5 years	23.9 years
Future pensioners*	22.7 years	25.9 years
* Figures assume members aged 45 as at the last formal valuation date		

	31-03-21 (%)	31-03-20 (%)
Asset allocation		
Equities	70.3	72.9
Property	7.9	9.9
Gov Bonds	0.0	0.0
Corporate Bonds	0.0	0.0
Cash	0.6	0.5
Other	21.2	16.7
Total	100.0	100.0

Expected contribution for accounting period ending 31 March 2022 - £427k

Sensitivity analysis

	Approx. % increase to Employer Liability	Approx. monetary amount (£'000)
Changes in assumptions at 31-03-21		
0.5% decrease in Real Discount Rate	12%	4,405
0.5% increase in the Salary Increase Rate	2%	597
0.5% increase in the Pension Increase Rate(CPI)	10%	3,707

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

Amounts for the current and previous period are as follows:

	2021 £'000	2020 £'000
Aggregate defined benefit pension plans		
Defined benefit obligation	(286,623)	(227,879)
Fair value of scheme assets	239,722	189,059
Unrecognised Asset	(325)	(117)
Deficit	<u>(47,226)</u>	<u>(38,937)</u>

17. EVENTS AFTER THE REPORTING PERIOD

The Financial Statements were authorised for issue by the Board of Directors on 8th September 2021. 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.

19. GOING CONCERN

The Financial Statements currently show that the company has negative reserves of £42.3m. The primary reason for the negative reserves is the pension deficit of £47.2m. 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 £1,107k (2020: £122k) have been raised for capital expenditure relating to the development of the new company website and system licences.

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 £27.24m (2020: £28.26m) and made payments of £28k (2020: £121k) to Welsh Government. Of the income of £27.24m, £1.28m (2020: £412k) was deferred to 2021-22 in accordance with IAS20. At the year end, CCDG was owed £1.008m (2020: £797k) by the Welsh Government.

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2021

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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	£67,879.06	Consultant

Of the amount stated above in respect of the North Wales Economic Ambition Board, £nil (2020: £13,461) excluding VAT was owed to CCDG at the year end.

Chief Executive	Body	Invoices Received by CCDG	Nature of link
Nikki Lawrence	CDI	£35,704.24	Co-opted Board Member

SMT	Body	Invoices Received by CCDG	Nature of link
Husband of Mandy Ifans	Aberystwyth University	£1,047.50	Head of Management School