



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 2022



CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2022

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FOR THE YEAR ENDED 31 MARCH 2022**

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CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2022

COMPANY INFORMATION

DIRECTORS:

Dr T Begum
Ms E Cassin
Mr A Clark
Mr N Coughlan
Dr D E Evans-Williams
Mr D Hagendyk
Miss E Harris
Mr J Harvey
Prof S M Maguire
Mr D Matthews
Mrs E Richards
Mr A Smith
Mr R D Thomas
Ms H White

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 2022.

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 the first year of the company's new 5 year strategic vision 2021-26 "Brighter Futures", 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.

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

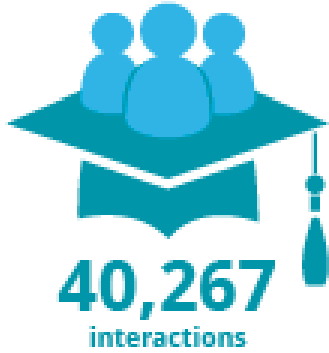
CCDG's core function is to provide individuals with access to careers information, advice and guidance and related support through one to one guidance interviews, groupworks, web access and a bilingual telephone service/helpline. We support customers to become more effective at planning and managing 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 again needed to respond in an agile and flexible way to support our customers. The Careers Centres opened in the year in line with Welsh Government guidelines and our services throughout this year have been more of a blended approach of both face to face where possible and digital.

CCDG's core function is defined in the remit letter from the Welsh Government which details CCDG's objectives. In 2021-2 the remit letter focused on the following high level strategic objectives:

- to provide a bilingual, inclusive and impartial career guidance and coaching service for the people of Wales ;
- to develop our work with employers, training providers and entrepreneurs to understand their skills requirements and opportunities for young people and adults ;
 - to support the delivery of the Curriculum for Wales in schools and contribute to the achievement of the 4 purposes; and
- to develop a skilled, engaged and agile Careers Wales workforce and enable the delivery of high performing, customer-centred services.

Education

Young people in education took part in



Yearly Interviews



2021-2022

Telephone calls to our helpline

27,187



2020-2021

26,732

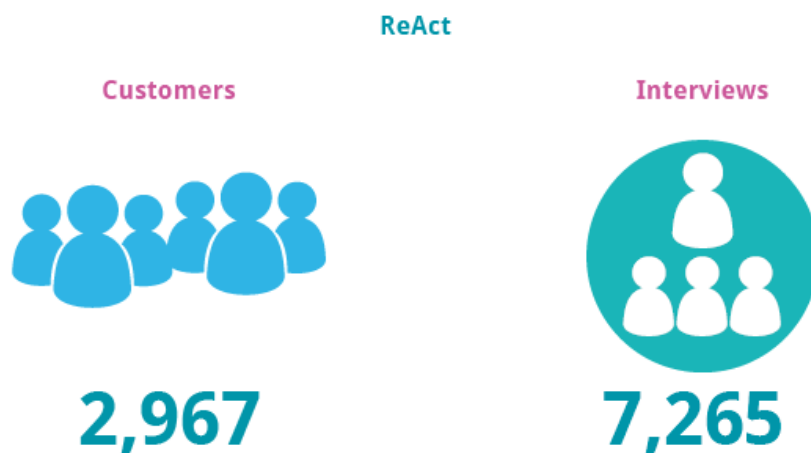


2021-2022

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

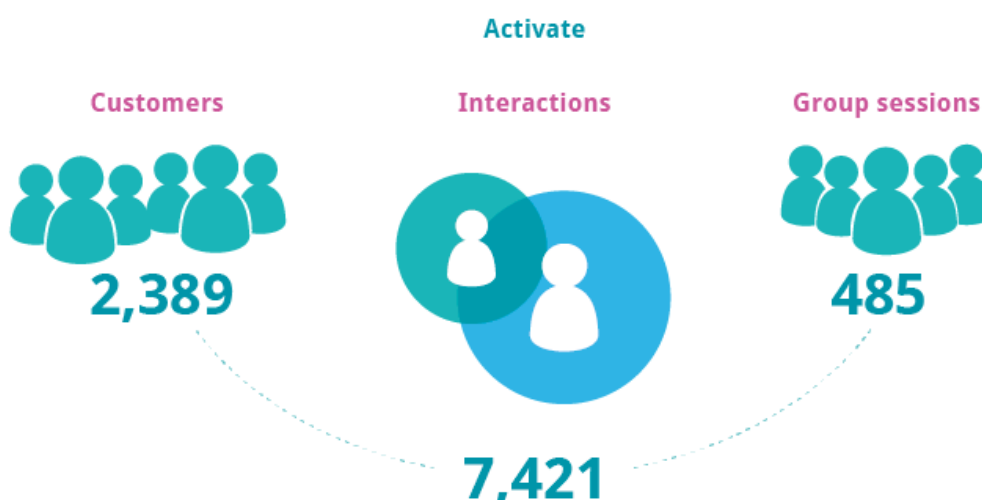
Strategic Projects

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, coaching and a signposting service for adults and young people. The 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 continued to impact negatively on the number of customers coming forward for support. However, Careers Centres have now re-opened and more outreach work has taken place during the second half of the year and so customer volumes are expected to recover more fully next year.
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 and is also extended to support employers whose workforce is facing redundancy. This work is delivered in close collaboration with the Department for Work and Pensions and where appropriate, employer HR teams and trade unions. It should be noted that whilst we saw a spike in redundancies early in the pandemic, the furlough scheme and other programmes helped to minimise job losses for the following year and this year has proven to be very quiet in that respect, with hardly any notifiable redundancies being reported to us. The ReAct programme is a demand led service that dips when the economy is more buoyant and when jobs are more plentiful as has been the case for most of this financial year. All ReAct applicants receive independent and impartial careers advice and guidance and have their training needs assessed by a Careers Wales careers adviser who will advise on suitable training courses and venues. During this year, we have worked closely with Welsh Government colleagues to support in the development of the new ReAct+ programme which will launch on 7th June 2022. Preparation work for the new programme this year included staff training, data preparation and the production of instructions and guidance for staff.
3. Young Persons Guarantee – this new programme was launched by the Minister for Economy in Wales on the 15th November 2021 and it is designed to provide everyone under 25 in Wales with the offer of work, education, training or self-employment. Careers Wales’ role is two-fold : firstly as the single gateway for 16-24 year olds to access the guarantee and to receive impartial advice, guidance and support to make successful transitions. Secondly, to provide a robust and reliable reporting role that will help the Welsh Government to identify trends and potential gaps in provision.



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 funding for five of these projects comes to an end between July and September 2022 and the 2021/22 academic year will be the last year of project delivery. The exception is the Cynnydd East project that will continue until the end of December 2022. Careers Wales have an Activate Exit Strategy group that was set up to monitor and maximise the redeployment of staff within the company's core services and to look at ways to continue to deliver the successful elements of the projects.



COMPANY PERFORMANCE 2021-22

The 2021-22 business year has marked the first year of the delivery of Brighter Futures, and work has been focussed on delivering the activities to achieve the goals and strategic outcomes contained within this document. We have adopted an even more blended approach to our work with customers, with a mix of face to face and digital channels providing greater choice and convenience.

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 Business Plan had a broad range and a detailed list of performance measures.

Some of the main performance targets are noted below :

Target 1: 90% of young people in education report raised awareness of opportunities.

96% of young people currently report that they have a raised awareness of opportunities following a guidance and coaching interaction.

Target 2: Careers Wales facilitates at least one employer engagement event in 95% of secondary schools in Wales.

Careers Wales facilitated at least one employer engagement activity in 205 secondary schools which is 99% of the total. 195 schools (94%) engaged in more than one activity.

Target 3: 80% of customers reported that they have raised awareness of the skills required by economic priority sectors.

At the year end, 81% of customers completing an evaluation following a high impact careers fair reported a raised awareness of the skills required by priority sectors.

Target 4: 85% of customers report that their needs were met by an online service.

At the end of the year, the satisfaction rate for web chats was 95% from a total of 2,060 responses.

Target 5: Training or consultancy support to improve CWRE (Careers and Work Related Experiences) programmes is delivered to teachers in 65% of the secondary schools in Wales

Careers Wales has delivered support to teachers in 114 schools which is 55% of the total number. Due to Covid, staff shortages and other pressures it has proved challenging to engage schools in CWRE related support.

Target 6: 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. Of the customers who responded to the survey, 98% said they were satisfied with the service that they received.

FINANCIAL PERFORMANCE FOR THE YEAR

The results for the financial year are shown on page 24 onwards.

CCDG's Financial Statements currently show that the company has negative reserves of £18.1m. The primary reason for these negative reserves is the net pension deficit of £23.3m. 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 2021-22 year:

Item	£m
Agreed WG Core & Working Wales income funding	29.1
Allowable carry over - 3%	0.8
Year end Cash and cash equivalents	0.8

The principal source of income for CCDG is received from the Welsh Government, during the financial year the total funding received was £29.67m compared to a budgeted £29.1m. The difference is explained firstly, due to the impact of the Covid pandemic on various areas of expenditure within the company £1.1m of the WG agreed Core and Working Wales funding of £29.1m was not drawn down. Secondly, we received additional funding of £1.7m not included in the original budget. Where we incurred capital expenditure, income of £881k (2021: £1.278m) has been deferred into the next financial year.

FUTURE DEVELOPMENTS

This financial year CCDG delivered the first year of Brighter Futures, the new and ambitious five year strategy. The vision is for an all-age strategy and achieved our ambition of rolling out digital services to primary school pupils.

Careers Wales through its first year of the strategy offered an even more blended approach to our work with customers, with a mix of face-to-face and digital channels in line with Welsh Government guidelines and providing greater choice and convenience for our customers.

CAREER CHOICES DEWIS GYRFA LTD

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We have continued to develop and deliver quality services valued by customers and partners, upskilled our professional staff and made efficiency savings. In the second year Careers Wales will continue to strive to continuously improve our services for customers and evaluate our services to inform our on-going offer.

The CCDG Business Plan for 2022-23 expects the Welsh Government income to be £31.29m. As shown in the table below, this includes funding for specified projects to the value of £10.57m.

Funding Source	£m
Welsh Government – Core	20.72
Welsh Government – Working Wales	10.28
Welsh Government – projects	0.29
Sub-total Welsh Government	31.29
European Funding – ESF	0.69
Other contract Income	0.15
Estimated total income 2022-23	32.13

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
- Ending of the ESF Activate projects

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. • Cyber security attacks on our network systems.
Financial risks	<ul style="list-style-type: none"> • Reduction in income due to the ending of the ESF Activate projects in 2022/23. • Impact of the pandemic on WG funding.

ON BEHALF OF THE BOARD:



.....
Ms E Cassin - Chair

Date: August 5, 2022

DIRECTORS REPORT

The Directors present their report with the Financial Statements of the company for the year ended 31 March 2022. 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 2022.

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 2021 to the 31 March 2022:

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

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

Mr I Prys-Jones - resigned 30 June 2021
Mrs N Lawrence – resigned 31 July 2021
Mr A Wright – resigned 05 October 2021
Dr S Dancey – resigned 29 November 2021
Dr D Evans-Williams – resigned 31 March 2022
Mr J Harvey – appointed 01 February 2022
Mr A Clark – appointed 01 August 2021
Mr A Smith – appointed 01 July 2021
Ms H White – appointed 01 April 2021

All the Directors, other than Mrs N Lawrence for the period April-July 2021, are non-executive Directors and are unpaid. Mrs N Lawrence resigned as a Director on 31st July 2021 but remains an employee of CCDG. On February 1st 2022, Ms E Cassin was appointed as Chair remunerated at a daily rate of £337 with a maximum time commitment of 40 days per year. For the 2021-22 financial year Dr D Evans-Williams continued to hold the position of Chair and was remunerated at a daily rate of £345 per day. 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 2023. 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 2021-22 was £29.12m, and they have confirmed an increased level of funding for 2022-23 of £31.29m. There are no concerns about our going concern status up to 31st March 2023. However, we will not know about funding post March 2023 until December 2022.

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 our objective to achieve carbon net zero by 2030. 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 Premises and Environment Group has responsibility for setting the strategic direction and also reviewing progress against targets. 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

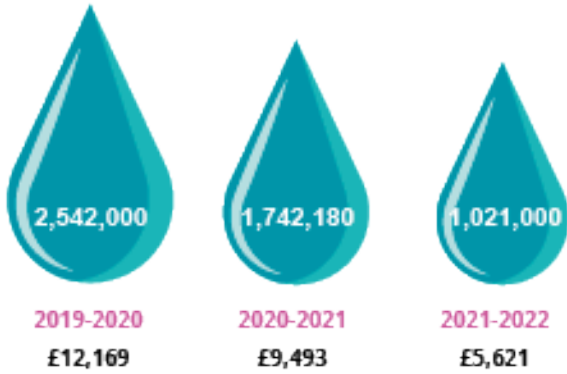
In the period April 2021-March 2022 we were able to reopen the majority of our offices to enable us to provide a face to face provision for our customers and our careers advisors returned to the schools. Corporate and management staff were mainly homebased. The CO2 emission calculations do not take into account the energy consumed by staff working from home. In the next financial reporting year, we have identified a formula whereby we will be able to calculate our homeworking CO2 emissions. Therefore, the numbers stated do not reflect the true level of 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 have adopted policies and processes which will allow us to apply for level 5 accreditation in September 2022. We are also undertaking a review of our current working practices and our premises strategy in order to learn lessons from the lockdown period.

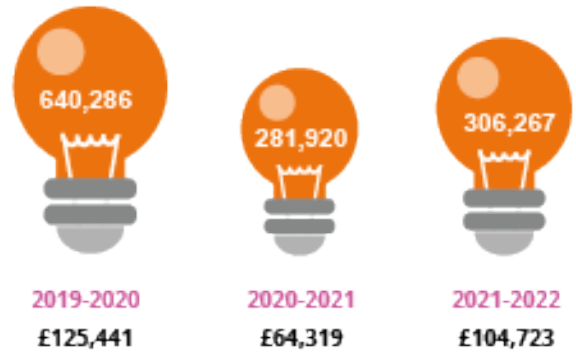
The environment data in the table overleaf has been collected from the 33 offices that are fully under our control and where we receive invoices directly from the energy supplier, 20 of these offices have gas central heating installed. During the year we relocated offices in Porthmadog and Holyhead, reducing the office space significantly. We also opened a new office in Queensferry.

	2019-2020	2020-2021	2021-2022
Water (Litres)	2,542,000	1,742,180	1,021,000
Business Miles	860,242	57,069	209,586
Electricity kWh	640,286	281,920	306,267
Gas kWh	1,637,953	1,005,477	1,192,737
Greenhouse gases CO2 tonnes	729	343	348
Financial costs	£	£	£
Gas	30,011	21,438	20,892
Electricity	125,441	64,319	104,723
Water	12,169	9,493	5,621

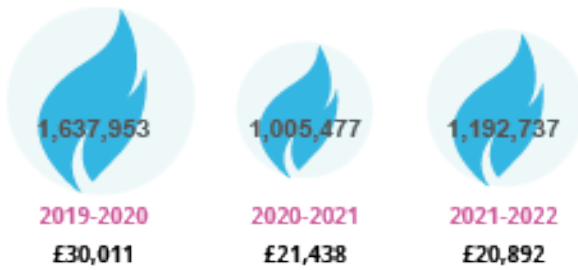
Water (Litres)



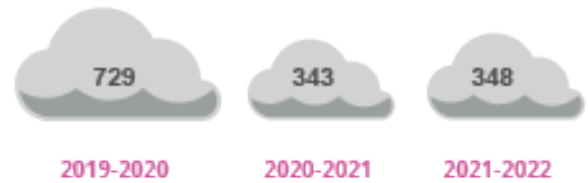
Electricity (kWh)



Gas (kWh)



Greenhouse gases (CO2 tonnes)



Business (Miles)



	2019-2020	2020-2021	2021-2022
Usage per head – staff numbers			
Staff numbers based on total headcount in year	658	640	630
Water (Litres)	3,863	2,722	1,621
Business Miles	1,307	89	333
Electricity kWh	973	441	486
Gas kWh	2,489	1,571	1,893
Greenhouse gases CO2 tonnes	1.10	0.54	0.55

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The above figures represent the usage in energy across our offices. We were able to reopen our offices for part of the year and this has created an increase in business miles, electricity and gas usage. The main increase is the number of business miles travelled during the year compared to 20/21. However, this number is still well below the 2019/20 miles travelled prior to the Covid-19 pandemic. This year's CO2 emissions were identical to our previous year's figures due to the methodology used to calculate emissions. To calculate the CO2 tonnes of emission for gas and electricity we use the kWh factor kgCO_{2e}, this factor varies year on year. In 2021 there was a reduction in the UK kWh kgCO_{2e} factor compared to the previous year.

In the next financial year due to the removal of covid restrictions our expectation is that more staff will return to our offices resulting in emissions moving closer to the 2019/20 levels. To offset this, we will set aside revenue and capital expenditure to help reduce our emissions associated with buildings, transport, and procured goods and services. We are also reviewing biodiversity options within our estate. We have also implemented an eight year strategic plan to achieve the public sector target of net zero by 2030 and we are reviewing our owned and leased estate to ensure our property portfolio best fits our future working needs. In the long term it is our ambition to move away from gas central heating and we are currently investigating other heating options.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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YEAR ENDED 31 MARCH 2022

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:



Ms E Cassin - Chair

Date: August 5, 2022

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, Ms E Cassin, and up to 13 other Directors who are appointed by the Welsh Government. Ms E Cassin replaced Dr D Evans-Williams as Chair on 01 February 2022. The Chair is a remunerated position and the Chief Executive was also a Director for the period April – July 2021. 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 2022. 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

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

MEMBERSHIP AND ATTENDANCE RECORD 2021-22

Meetings of the Board of Directors and Co-Opted Members

	17/06/21	19/08/21	23/11/21	03/03/22	Attendance
Dr D Evans-Williams (Chair)	✓	✓	✓	✓	4/4 100%
Mr R A Wright	✓				1/1 100%
Mrs E Richards	✓	✓	✓	✓	4/4 100%
Mr I Prys-Jones	✓				1/1 100%
Miss E Harris	✓	✓	✓	X	3/4 75%
Prof S Maguire	✓	X	✓	✓	3/4 75%
Dr T Begum	✓	X	X	X	1/4 25%
Mr D Hagenydk	✓	✓	✓	✓	4/4 100%
Mr R Thomas	✓	✓	✓	✓	4/4 100%
Ms E Cassin	✓	✓	✓	✓	4/4 100%
Dr S Dancey	X	X			0/2 0%
Mr N Coughlan	✓	✓	✓	✓	4/4 100%
Mr D Mathews	✓	X	X	✓	2/4 50%
Ms H White	✓	✓	✓	✓	4/4 100%
Mr A Smith	✓	✓	✓	✓	4/4 100%
Mr A Clark		✓	✓	✓	3/3 100%
Chief Executive	✓	✓	✓	✓	4/4 100%
Ms S Price*	✓	X	✓	✓	3/4 75%
Ms C Noble*		X	✓	X	1/3 33%
Ms M Van Den Heuvel*		✓	X	✓	2/3 67%

*Co-opted Member

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

Finance, Audit & Risk Committee

	03/06/21	08/09/21	15/11/21	31/01/22	Attendance
Mr I Prys-Jones (Chair)	✓				1/1 100%
Mr A Clark (Chair)			✓	✓	2/2 100%
Mr R A Wright	✓				1/1 100%
Mr R Thomas	✓	✓	✓	✓	4/4 100%
Ms H White			✓	✓	2/2 100%
Mr A Smith	✓	✓	✓	✓	4/4 100%
Chief Executive	✓	✓	✓	✓	4/4 100%
Ms C Noble*			✓	✓	2/2 100%

Director of Resources and Transformation	✓	✓	✓	✓	4/4 100%
Head of Finance & Estates	✓	✓	✓	✓	4/4 100%
Audit Wales (External Auditors)	✓	✓	✓	✓	4/4 100%
TIAA (Internal Auditors)	✓	✓	x	✓	3/4 75%

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2022

People Matters and Remuneration Committee

	13/05/21	12/08/21	11/11/21	17/03/22	Attendance
Miss E Harris (Chair)	✓	✓	✓	✓	4/4 100%
Mrs E Richards	✓	✓	✓	✓	4/4 100%
Ms E Cassin	✓	✓	✓	✓	4/4 100%
Dr T Begum	x	x	x	x	0/4 0%
Chief Executive	✓	x	✓	✓	3/4 75%
Ms M V D Heuvel			x	✓	1/2 50%
Director of Resources and Transformation	✓	✓	✓	✓	4/4 100%
Head of People Development	✓	✓	✓	✓	4/4 100%

Performance & Impact Committee

	27/04/21	22/07/21	26/10/21	27/01/22	Attendance
Prof S Maguire (Chair)	✓	✓	✓	✓	4/4 100%
Dr S Dancey	x	x	x		0/3 0%
Mr D Hagendyk	✓	✓	✓	✓	4/4 100%
Mr N Coughlan			✓	x	1/2 50%
Mr D Matthews			✓	x	1/2 50%
Chief Executive	✓	✓	✓	✓	4/4 100%
Ms S Price*	✓	✓	✓	✓	4/4 100%
Director of Delivery & Development	✓	x	✓	✓	3/4 75%
Head of Quality & Planning	✓	✓	✓	✓	4/4 100%

*Co-opted Member

Finance, Audit and Risk Committee

The Committee consists of three Directors and met four 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 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 6.05% of productive working days to sickness absence (3.3% in the previous reporting period). Of this 2.5% 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 Silver 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

CAREER CHOICES DEWIS GYRFA LTD

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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; attendance monitoring, key financial controls, safeguarding and workforce planning. All areas of the audit reviews were given substantial assurance.

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 2021-22 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 continued to cause the company to reflect on the way it currently operates. Offices opened through the year in line with WG guidelines for delivery staff with the majority of other staff continuing to work from home. This has necessitated continued changes to our internal control processes. We have continued to take a digital approach to providing 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. In this year we were able to deliver using a blended approach of face-to-face, telephone and 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 during the course of the year. 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

Date: August 5, 2022

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 2022 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 UK adopted international accounting standards.

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its deficit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards;
- 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 13, 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 2022

- 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
7th September 2022

24 Cathedral Road
Cardiff
CF11 9LJ

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2022

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £'000	2021 £'000
CONTINUING OPERATIONS			
Revenue	2	31,982	28,560
Administrative expenses		(36,243)	(32,212)
Profit/ (Loss) arising on property related items	1	<u>18</u>	<u>(50)</u>
OPERATING (LOSS)		(4,243)	(3,702)
Finance costs	4	(5,982)	(5,322)
Finance income	4	<u>5,009</u>	<u>4,414</u>
(LOSS) BEFORE TAX		(5,216)	(4,610)
Tax expense	6	<u>(-)</u>	<u>(-)</u>
(LOSS) FOR THE YEAR		<u>(5,216)</u>	<u>(4,610)</u>
(Loss) attributable to: Owners of the company		<u>(5,216)</u>	<u>(4,610)</u>

The notes from page 30 to page 63 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2022

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £'000	2021 £'000
(LOSS) FOR THE YEAR		(5,216)	(4,610)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Actuarial Gain / (Loss) on pension scheme	16	29,405	(4,909)
		<u>29,405</u>	<u>(4,909)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>24,189</u>	<u>(9,519)</u>
Total comprehensive income attributable to: Owners of the company		<u>24,189</u>	<u>(9,519)</u>

The notes from page 30 to page 63 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2022

STATEMENT OF FINANCIAL POSITION
31 MARCH 2022

	Notes	2022 £'000	2021 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,510	2,502
Right of Use Asset	8	2,333	2,492
Intangible assets	9	1,066	1,176
		<u>5,909</u>	<u>6,170</u>
CURRENT ASSETS			
Trade and other receivables	10	2,999	2,727
Cash and cash equivalents	11	857	829
		<u>3,856</u>	<u>3,556</u>
TOTAL ASSETS		<u><u>9,765</u></u>	<u><u>9,726</u></u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Pension liability	16	23,385	47,226
Trade and other payables	13	-	-
Lease Liabilities	8	1,703	1,918
		<u>25,088</u>	<u>49,144</u>
CURRENT LIABILITIES			
Trade and other payables	13	2,228	2,393
Lease Liabilities	8	556	485
Tax payable	6	-	-
		<u>2,784</u>	<u>2,878</u>
TOTAL LIABILITIES		<u><u>27,872</u></u>	<u><u>52,022</u></u>
TOTAL ASSETS LESS LIABILITIES		<u><u>(18,107)</u></u>	<u><u>(42,296)</u></u>
EQUITY			
Revaluation reserve	12	241	241
Retained earnings	12	(18,348)	(42,537)
TOTAL EQUITY		<u><u>(18,107)</u></u>	<u><u>(42,296)</u></u>

For the year ended 31 March 2022, 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 5th August 2022 and were signed on its behalf by Ms E Cassin – Chair.



Registered company number: 07442837

The notes from page 30 to page 63 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2022

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Retained Earnings £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2020	(33,018)	241	(32,777)
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>
Changes in Equity			
Loss for the year	(5,216)	-	(5,216)
Actuarial Gain	<u>29,405</u>	<u>-</u>	<u>29,405</u>
Balance at 31 March 2022	<u>(18,348)</u>	<u>241</u>	<u>(18,107)</u>

The notes from page 30 to page 63 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2022

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Cash generated from operations		2,189	1,558
Interest paid	4	(6)	(5)
Tax paid	6	<u>(-)</u>	<u>(-)</u>
Net cash from operating activities		<u>2,183</u>	<u>1,553</u>
Cash flows from investing activities			
Purchase of intangible assets	9	(1,482)	(1,718)
Purchase of property, plant and equipment	7	(106)	(226)
Interest received	4	<u>2</u>	<u>2</u>
Net cash from investing activities		<u>(1,586)</u>	<u>(1,942)</u>
Cash flows from financing activities			
Payment of interest on leases	8	(29)	(31)
Payment of principal on leases	8	<u>(540)</u>	<u>(585)</u>
Net cash from financing activities		<u>(569)</u>	<u>(616)</u>
Increase / (Decrease) in cash and cash equivalents		28	(1,005)
Cash and cash equivalents at beginning of year	11	<u>829</u>	<u>1,834</u>
Cash and cash equivalents at end of year	11	<u>857</u>	<u>829</u>

The notes from page 30 to page 63 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2022

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

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

	Notes	2022 £'000	2021 £'000
(Loss) before corporation tax and interest		(5,211)	(4,607)
Depreciation and Property Impairment	7	99	157
Right of Use Asset Depreciation	8	582	591
Amortisation	9	1,592	1,147
Loss on Disposal of Assets		-	2
Interest on pension scheme liabilities	4	5,976	5,317
Expected return on pension scheme assets	4	(5,007)	(4,412)
		<u>(1,969)</u>	<u>(1,805)</u>
(Increase)/Decrease in trade and other receivables	10	(272)	17
Increase/(Decrease) in provisions		-	-
Increase/(Decrease) in trade and other payables	13	(165)	871
Difference between pension charge and cash contributions		<u>4,595</u>	<u>2,475</u>
Cash generated from operations		<u><u>2,189</u></u>	<u><u>1,558</u></u>

31 MARCH 2022

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

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 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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 0.91% for all leases dated after 01 January 2021 and 0.95% for all leases dated from 31st March 2022. The right-of-use asset value is equal to the lease liability. If we can identify any external or internal change indicators as defined within IAS36 an impairment review will be undertaken for each right of use lease assets and an impairment loss will be 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 (ROU) 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.

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****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 only leased properties that meet the criteria are classified as an IFRS16 lease.

The main lease features are summarised below:

Properties are rented for a period of 1 to 10 years. The lease payments are usually fixed with an option of a break clause for the longer leases halfway through the lease term. Some of the longer lease properties 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 credit in the Statement of Profit and Loss to the value of £18k (2021: charge £50k).

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 £nil (2021: £564k). 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.

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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 £31.3m in the next financial year for CCDG. The primary reason for the negative reserves is the pension deficit of £22.6m. 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

		2022	2021
		£'000	£'000
Welsh Government	– Revenue Core	17,982	17,233
Welsh Government	– Capital Core	1,500	350
Welsh Government	– Working Wales	10,007	9,562
Welsh Government	– Other	183	90
ESF projects	– Activate	1,896	1,858
Other contracts and income		465	369
Deferred income		(881)	(1,278)
Released Deferred Income		830	376
		<hr/>	<hr/>
		31,982	28,560
		<hr/>	<hr/>

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

3. EMPLOYEES AND DIRECTORSStaff costs

	2022	2021
	£'000	£'000
Wages and salaries	18,903	17,893
Social security costs	1,726	1,621
Other pension costs	9,486	6,803
	<u>30,115</u>	<u>26,317</u>

The above costs include a figure of £74k which relates to voluntary redundancy incurred within the year.

Staff numbers

	2022	2021
Management and Administration	86	88
Service delivery	544	552
	<u>630</u>	<u>640</u>

Senior employees' costs

	2022		2021	
	Directors	Senior Management	Directors	Senior Management
	£'000	£'000	£'000	£'000
Short Term Employee benefits	53	251	139	118
Post Employment benefits	6	55	18	22
	<u>59</u>	<u>306</u>	<u>157</u>	<u>140</u>

Mrs N Lawrence, Chief Executive, was a Director up to 31st July 2021. Her salary costs after that date are included in the Senior Management figures.

Included in the Senior Management costs above for 2020/21 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:

	2022	2021
Final Salary scheme	<u>1</u>	<u>1</u>

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

4. NET FINANCE INCOME

	2022 £'000	2021 £'000
Finance income:		
Deposit account interest	2	2
Expected return on pension scheme assets	<u>5,007</u>	<u>4,412</u>
	<u>5,009</u>	<u>4,414</u>
Finance costs:		
Bank interest	(6)	(5)
Interest on pension scheme liabilities	<u>(5,976)</u>	<u>(5,317)</u>
	<u>(5,982)</u>	<u>(5,322)</u>
Net finance income	<u>(973)</u>	<u>(908)</u>

5. (LOSS) BEFORE TAX

The (loss) before tax is stated after charging:

	2022 £'000	2021 £'000
Other operating leases	-	(7)
Depreciation	117	107
Amortisation and Impairment	1,574	1,197
Auditors' remuneration - External	92	89
Internal	15	10
	<u>1,798</u>	<u>1,396</u>

The above figures are inclusive of VAT where applicable.

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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

	2022			2021		
	Amount £'000	Rate	Tax £'000	Amount £'000	Rate	Tax £'000
Income on which no tax due	31,892	0%	-	28,560	0%	-
Non-core profits	-	0%	-	-	0%	-
Interest	2	19%	<u>-</u>	2	19%	<u>-</u>
			<u>-</u>			<u>-</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	2022	Net £'000
		Tax £'000	
Actuarial gain on pension scheme	<u>29,405</u>	<u>-</u>	<u>29,405</u>
	Gross £'000	2021	Net £'000
		Tax £'000	
Actuarial (loss) on pension scheme	<u>(4,909)</u>	<u>-</u>	<u>(4,909)</u>

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

7. PROPERTY, PLANT AND EQUIPMENT

2021-22	Leasehold Improvements	Land and Buildings	Fixtures and Fittings	Computer Equipment	Totals
	£'000	£'000	£'000	£'000	£'000
COST OR VALUATION					
At 1 April 2021	472	2,334	193	302	3,301
Additions: during the year	47	-	48	11	106
Disposals: during the year	(19)	-	-	-	(19)
Impairment reversal in the year	-	18	-	-	18
At 31 March 2022	<u>500</u>	<u>2,352</u>	<u>241</u>	<u>313</u>	<u>3,406</u>
DEPRECIATION					
At 1 April 2021	345	108	68	278	799
Charge for year	29	36	33	18	116
Disposals: during the year	(19)	-	-	-	(19)
At 31 March 2022	<u>355</u>	<u>144</u>	<u>101</u>	<u>296</u>	<u>896</u>
NET BOOK VALUE					
At 31 March 2022	<u>145</u>	<u>2,208</u>	<u>140</u>	<u>17</u>	<u>2,510</u>
At 31 March 2021	<u>127</u>	<u>2,226</u>	<u>125</u>	<u>24</u>	<u>2,502</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 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

7. PROPERTY, PLANT AND EQUIPMENT - continued

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 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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. 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:

	2022 £'000	2021 £'000
Right of Use Asset	2,333	2,492
	Buildings	
Opening right of use asset	2,492	2,229
Additions – new lease contract	423	854
Depreciation of the lease contract	(582)	(591)
Closing Balance	<u>2,333</u>	<u>2,492</u>

Lease Liability

	2022 £'000	2021 £'000
Short Term	556	485
Long Term	1,703	1,918
	<u>2,259</u>	<u>2,403</u>

The following amounts are recognised in profit or loss:

	2022 £'000	2021 £'000
Depreciation charge	582	591
Total Depreciation	<u>582</u>	<u>591</u>
Interest expense on lease liabilities (included in finance cost)	29	31
Expenses related to short term leases	-	(8)
Expenses related to low value assets	-	1
Operating lease expenses (IAS 17)	-	-
Total expenses related to leases	<u>611</u>	<u>615</u>

The following amounts are recognised in the cash flow statement:

	2022 £'000	2021 £'000
Cash outflow for leases (IFRS16) – financing leases		
Payment of interest on leases	29	31
Payment of principal on leases	540	585

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

9. INTANGIBLE ASSETS

2021-22	Software Licences	Software Development	Website Development	Total
	£'000	£'000	£'000	£'000
COST				
At 1 April 2021	1,687	378	2,508	4,573
Additions	559	58	865	1,482
Disposals				
At 31 March 2022	<u>2,246</u>	<u>436</u>	<u>3,373</u>	<u>6,055</u>
AMORTISATION				
At 1 April 2021	1,300	15	2,082	3,397
Charge for the year	649	83	860	1,592
Disposals				
At 31 March 2022	<u>1,949</u>	<u>98</u>	<u>2,942</u>	<u>4,989</u>
NET BOOK VALUE				
At 31 March 2022	<u>297</u>	<u>338</u>	<u>431</u>	<u>1,066</u>
At 31 March 2021	<u>387</u>	<u>363</u>	<u>426</u>	<u>1,176</u>
2020-21				
	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>

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

10. TRADE AND OTHER RECEIVABLES

	2022 £'000	2021 £'000
Current:		
Trade receivables	167	29
Other receivables	2,462	2,209
Prepayments	370	489
	<u>2,999</u>	<u>2,727</u>

11. CASH AND CASH EQUIVALENTS

	2022 £'000	2021 £'000
Cash in hand	3	3
Bank accounts	854	826
	<u>857</u>	<u>829</u>

12. RESERVES

	Retained earnings £'000	Revaluation reserve £'000	Totals £'000
As at 1 April 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)
(Loss) for the year	(5,216)	-	(5,216)
Pension Actuarial Gain	29,405	-	29,405
As at 31 March 2022	<u>(18,348)</u>	<u>241</u>	<u>(18,107)</u>

CAREER CHOICES DEWIS GYRFA LTD

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

13. TRADE AND OTHER PAYABLES

	2022 £'000	2021 £'000
Current liabilities:		
Trade payables	51	112
Social security and other taxes	-	-
Other payables	18	10
Holiday Pay Accrual	403	490
Accruals and deferred income	1,737	1,776
VAT	19	2
Computer Licenses	-	3
	<u>2,228</u>	<u>2,393</u>
Non-current liabilities:		
	<u>-</u>	<u>-</u>
Aggregate amounts	<u>2,228</u>	<u>2,393</u>

14. LEASING AGREEMENTS

The company as lessee

Minimum lease payments under operating leases fall due as follows:

	Operating lease	
	2022 £'000	2021 £'000
Net obligations repayable		
Within one year	-	-
Between one and five years	-	-
In more than five years	-	-
	<u>-</u>	<u>-</u>

Total operating lease rental costs incurred in 2021-22 were £Nil (2021: £(7)k).

15. PROVISIONS

	2022 £'000	2021 £'000
Opening Balance	-	-
Amounts Arising in year	-	-
Amounts utilised in year	-	-
Unused amounts reversed	-	-
Closing Balance	<u>-</u>	<u>-</u>

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

16. EMPLOYEE BENEFIT OBLIGATIONS

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

Fund

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

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

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

Fund

Actuary

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

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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)	(47,711)	56,053	8,342	-	-	8,342	8,342
Powys County Council Pension Fund	(11,320)	9,470	(1,850)	-	-	(1,850)	(1,850)
Cardiff and Vale of Glamorgan Pension Fund	(32,767)	38,280	5,513	(29)	-	5,484	5,484
Rhondda Cynon Taf Pension Fund (CWA)	(2,271)	3,218	947	-	(803)	144	144
Dyfed Pension Fund	(75,108)	59,697	(15,411)	(229)	-	(15,640)	(15,640)
Clwyd Pension Fund	(30,260)	24,367	(5,893)	-	-	(5,893)	(5,893)
Greater Gwent (Torfaen) Pension Fund	(45,339)	34,173	(11,166)	-	-	(11,166)	(11,166)
Gwynedd Pension Fund	(35,721)	32,950	(2,771)	(35)	-	(2,806)	(2,806)
	(280,497)	258,208	(22,289)	(293)	(803)	(23,385)	(23,385)

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 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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	
	2022	2021
	£'000	£'000
Present value of funded obligations	(280,497)	(286,289)
Fair value of plan assets	<u>258,208</u>	<u>239,722</u>
	(22,289)	(46,567)
Present value of unfunded obligations	(293)	(334)
Unrecognised Assets	<u>(803)</u>	<u>(325)</u>
Deficit	<u>(23,385)</u>	<u>(47,226)</u>
Net liability	<u>(23,385)</u>	<u>(47,226)</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

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2022	2021
	£'000	£'000
Current service cost	8,400	5,825
Past service cost (including Curtailments)	-	-
Interest cost	5,976	5,317
Expected return	(5,007)	(4,412)
	<u>9,369</u>	<u>6,730</u>
Actual return on plan assets	<u>18,766</u>	<u>55,216</u>

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

	Defined benefit pension plans	
	2022	2021
	£'000	£'000
Opening defined benefit obligation	286,623	227,879
Current service cost	8,400	5,825
Past service cost (including Curtailments)	-	-
Contributions by scheme participants	1,142	1,096
Interest cost	5,976	5,317
Actuarial (gain)/loss	(16,506)	51,179
Benefits paid	(4,845)	(4,673)
	<u>280,790</u>	<u>286,623</u>

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

	Defined benefit pension plans	
	2022	2021
	£'000	£'000
Opening fair value of scheme assets	239,722	189,059
Contributions by employer	3,900	3,440
Contributions by scheme participants	1,142	1,096
Assets administration expenses	(95)	(91)
Expected return	5,007	4,412
Actuarial gain	13,377	46,478
Benefits paid	(4,845)	(4,672)
	<u>258,208</u>	<u>239,722</u>

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2022 £'000	2021 £'000
Actuarial gain / (loss)	<u>29,405</u>	<u>(4,909)</u>
	<u>29,405</u>	<u>(4,909)</u>
Cumulative amount of Actuarial gain / (loss)	<u>(154)</u>	<u>(29,559)</u>

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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)

	31-03-22	31-03-21
Principal Financial Assumptions	(%)	(%)
Discount rate	2.7	2.1
CPI Inflation	3.0	2.7
Pension increases	3.0	2.7
Pension accounts revaluation rate	3.0	2.7
Salary increases	4.25	3.95

Mortality assumptions

Based on recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. At this accounting date the assumed rates of future mortality have been increased to reflect a slightly more negative outlook as a result of the Covid-19 pandemic.

	31-03-22	31-03-21
Males		
Future lifetime from age 65 (aged 65 at accounting date)	21.6	21.8
Future lifetime from age 65 (aged 45 at accounting date)	22.6	22.8
Females		
Future lifetime from age 65 (aged 65 at accounting date)	23.9	24.1
Future lifetime from age 65 (aged 45 at accounting date)	25.4	25.6

	31-03-22	31-03-21
	(%)	(%)
Asset allocation		
Equities	67.4	70.7
Property	7.3	6.4
Government Bonds	12.0	9.1
Corporate Bonds	12.9	13.0
Cash	0.4	0.8
Other	-	-
Total	<u>100</u>	<u>100</u>

Expected contribution for accounting period ending 31 March 2023 - £1.074m

Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2022 and the projected service cost for the year ending 31 March 2023 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

16. EMPLOYEE BENEFIT OBLIGATIONS – continued**Funded LGPS benefits****Discount rate assumption**

	+0.1% p.a.	Base Figure	-0.1% p.a.
Adjustment to discount rate			
Present value of total obligation (£M's)	46.757	47.711	48.665
% change in present value of total obligation	-2.0%		2.0%
Projected service cost (£M's)	1.259	1.298	1.338
Approximate % change in projected service cost	-3.0%		3.1%

Rate of general increase in salaries

	+0.1% p.a.	Base Figure	-0.1% p.a.
Adjustment to salary increase rate			
Present value of total obligation (£M's)	47.854	47.711	47.568
% change in present value of total obligation	0.3%		-0.3%
Projected service cost (£M's)	1.298	1.298	1.298
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.	-0.1% p.a.
Adjustment to pension increase rate			
Present value of total obligation (£M's)	48.522	47.711	46.900
% change in present value of total obligation	1.7%		-1.7%
Projected service cost (£M's)	1.338	1.298	1.259
Approximate % change in projected service cost	3.1%		-3.0%

Post retirement mortality assumption

	-1 year	Base Figure	+1 year
Adjustment to mortality age rating assumption *			
Present value of total obligation (£M's)	49.381	47.711	46.089
% change in present value of total obligation	3.5%		-3.4%
Projected service cost (£M's)	1.350	1.298	1.247
Approximate % change in projected service cost	4.0%		-3.9%

*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

	31-03-22	31-03-21
Principal Financial Assumptions	(%)	(%)
Discount rate	2.7	2.1
CPI Inflation	3.0	2.7
Pension increases	3.0	2.7
Pension accounts revaluation rate	3.0	2.7
Salary increases	4.5	4.2

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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. At this accounting date the assumed rates of future mortality have been increased to reflect a slightly more negative outlook as a result of the Covid-19 pandemic.

	31-03-22	31-03-21
Males		
Future lifetime from age 65 (aged 65 at accounting date)	21.8	21.9
Future lifetime from age 65 (aged 45 at accounting date)	23.2	23.3
Females		
Future lifetime from age 65 (aged 65 at accounting date)	25.0	25.1
Future lifetime from age 65 (aged 45 at accounting date)	26.4	26.5

	31-03-22 (%)	31-03-21 (%)
Asset allocation		
Equities	49.3	54.2
Property	8.6	8.4
Government Bonds	10.9	11.9
Corporate Bonds	0.0	18.4
Cash	1.7	3.4
Other	29.5	3.7
Total	<u>100</u>	<u>100</u>

Expected contribution for accounting period ending 31 March 2023 - £120k

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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 2022 and the projected service cost for the year ending 31 March 2023 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

Funded LGPS benefits

	+0.1% p.a.	Base Figure	-0.1% p.a.
Discount rate assumption			
Adjustment to discount rate			
Present value of total obligation (£M's)	11.12	11.32	11.52
% change in present value of total obligation	-1.8%		1.8%
Projected service cost (£M's)	0.21	0.22	0.23
Approximate % change in projected service cost	-2.6%		2.6%

Rate of general increase in salaries

	+0.1% p.a.	Base Figure	-0.1% p.a.
Adjustment to salary increase rate			
Present value of total obligation (£M's)	11.33	11.32	11.31
% change in present value of total obligation	0.1%		-0.1%
Projected service cost (£M's)	0.22	0.22	0.22
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.	Base Figure	-0.1% p.a.
Adjustment to pension increase rate			
Present value of total obligation (£M's)	11.51	11.32	11.13
% change in present value of total obligation	1.7%		-1.7%
Projected service cost (£M's)	0.23	0.22	0.21
Approximate % change in projected service cost	2.6%		-2.6%

Post retirement mortality assumption

	-1 year	Base Figure	+1 year
Adjustment to mortality age rating assumption *			
Present value of total obligation (£M's)	11.72	11.32	10.92
% change in present value of total obligation	3.5%		-3.5%
Projected service cost (£M's)	0.23	0.22	0.21
Approximate % change in projected service cost	4.0%		-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.

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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

	31-03-22 (%)	31-03-21 (%)
Principal Financial Assumptions		
Discount rate	2.7	2.1
CPI Inflation	3.0	2.7
Pension increases	3.0	2.7
Pensions accounts revaluation rate	3.0	2.7
Salary increases	4.0	3.7

Mortality assumptions

Based on recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. At this accounting date the assumed rates of future mortality have been increased to reflect a slightly more negative outlook as a result of the Covid-19 pandemic.

	31-03-22	31-03-21
Males		
Future lifetime from age 65 (aged 65 at accounting date)	22.1	22.3
Future lifetime from age 65 (aged 45 at accounting date)	23.2	23.3
Females		
Future lifetime from age 65 (aged 65 at accounting date)	24.6	24.7
Future lifetime from age 65 (aged 45 at accounting date)	26.0	26.1

	31-03-22 (%)	31-03-21 (%)
Asset allocation		
Equities	67.5	65.6
Property	6.9	6.6
Government Bonds	9.2	10.7
Corporate Bonds	8.4	15.7
Cash	2.3	1.4
Other	5.7	0.0
Total	<u>100</u>	<u>100</u>

Expected contribution for accounting period ending 31 March 2023 - £625k

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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 2022 and the projected service cost for the year ending 31 March 2023 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.	Base Figure	-0.1% p.a.
Adjustment to discount rate			
Present value of total obligation (£M's)	32.046	32.767	33.488
% change in present value of total obligation	-2.2%		2.2%
Projected service cost (£M's)	1.232	1.275	1.321
Approximate % change in projected service cost	-3.4%		3.6%
Rate of general increase in salaries			
Adjustment to salary increase rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligation (£M's)	32.865	32.767	32.669
% change in present value of total obligation	0.3%		-0.3%
Projected service cost (£M's)	1.275	1.275	1.275
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.	Base Figure	-0.1% p.a.
Adjustment to pension increase rate			
Present value of total obligation (£M's)	33.390	32.767	32.144
% change in present value of total obligation	1.9%		-1.9%
Projected service cost (£M's)	1.321	1.275	1.232
Approximate % change in projected service cost	3.6%		-3.4%

Post retirement mortality assumption

	-1 year	Base Figure	+1 year
Adjustment to mortality age rating assumption *			
Present value of total obligation (£M's)	33.914	32.767	31.620
% change in present value of total obligation	3.5%		-3.5%
Projected service cost (£M's)	1.326	1.275	1.224
Approximate % change in projected service cost	4.0%		-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.

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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

	31-03-22	31-03-21
	(%)	(%)
Principal Financial Assumptions		
Discount rate	2.7	2.1
CPI Inflation	2.9	2.7
Pension increases	2.9	2.7
Pension accounts revaluation rate	2.9	2.7
Salary increases	4.15	3.95

Mortality assumptions

Based on recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. At this accounting date the assumed rates of future mortality have been increased to reflect a slightly more negative outlook as a result of the Covid-19 pandemic.

	31-03-22	31-03-21
Males		
Future lifetime from age 65 (aged 65 at accounting date)	21.6	21.8
Future lifetime from age 65 (aged 45 at accounting date)	22.6	22.8
Females		
Future lifetime from age 65 (aged 65 at accounting date)	23.9	24.1
Future lifetime from age 65 (aged 45 at accounting date)	25.4	25.6

	31-03-22	31-03-21
	(%)	(%)
Asset allocation		
Equities	67.4	70.7
Property	7.3	6.4
Government Bonds	12.0	9.1
Corporate Bonds	12.9	13.0
Cash	0.4	0.8
Other	-	-
Total	<u>100</u>	<u>100</u>

Expected contribution for accounting period ending 31 March 2023 - £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 2022 and the projected service cost for the year ending 31 March 2023 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

Funded LGPS benefits

Discount rate assumption	+0.1% p.a.	Base Figure	-0.1% p.a.
Adjustment to discount rate			
Present value of total obligation (£M's)	2.216	2.271	2.326
% change in present value of total obligation	-2.4%		2.4%
Projected service cost (£M's)	0.022	0.023	0.024
Approximate % change in projected service cost	-3.2%		3.3%

Rate of general increase in salaries

	+0.1% p.a.	Base Figure	-0.1% p.a.
Adjustment to salary increase rate			
Present value of total obligation (£M's)	2.273	2.271	2.269
% change in present value of total obligation	0.1%		-0.1%
Projected service cost (£M's)	0.023	0.023	0.023
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.	Base Figure	-0.1% p.a.
Adjustment to pension increase rate			
Present value of total obligation (£M's)	2.323	2.271	2.221
% change in present value of total obligation	2.3%		-2.2%
Projected service cost (£M's)	0.024	0.023	0.022
Approximate % change in projected service cost	3.3%		-3.2%

Post retirement mortality assumption

	-1 year	Base Figure	+1 year
Adjustment to mortality age rating assumption *			
Present value of total obligation (£M's)	2.348	2.271	2.194
% change in present value of total obligation	3.4%		-3.4%
Projected service cost (£M's)	0.024	0.023	0.022
Approximate % change in projected service cost	4.0%		-3.9%

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

Dyfed Pension Fund

Financial assumptions	31-03-22 (%)	31-03-21 (%)
CPI inflation/CARE benefits revaluation	3.3	2.7
Increase in salaries	4.8	4.2
Increase in pensions in payment/deferment	3.4	2.8
Discount rate	2.8	2.1

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

16. EMPLOYEE BENEFIT OBLIGATIONS – continued

Mortality assumptions

Life expectancy of a male (female)		
Future pensioner aged 65 in 20 years' time	24.4 (27.1) years	24.7 (27.2) years
Current pensioner aged 65	23.0 (24.9) years	23.1 (25.0) years

	31-03-22 (%)	31-03-21 (%)
Asset allocation		
Equities	72.3	74.1
Property	13.1	11.0
Government Bonds	1.3	2.6
Corporate Bonds	7.9	9.0
Cash	1.7	1.2
Other	3.7	2.1
Total	<u>100.0</u>	<u>100.0</u>

Expected contribution for accounting period ending 31 March 2023 - £892k

Sensitivity analysis

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
	£'000	+ 0.1% p.a. discount rate £'000	+ 0.1% p.a. inflation £'000	+ 0.1% p.a. pay growth £'000	<u>1 year</u> increase in life expectancy £'000	+/- 1% change in 2021/22 investment returns	£'000
						+1%	-1%
Liabilities	75,337	73,923	76,778	75,547	77,557	75,337	75,337
Assets	(59,697)	(59,697)	(59,697)	(59,697)	(59,697)	(60,293)	(59,101)
Deficit/(Surplus)	15,640	14,226	17,081	15,850	17,860	15,044	16,236
Projected Service Cost for next year	1,768	1,723	1,815	1,768	1,825	1,768	1,768
Projected Net Interest Cost for next year	425	400	466	431	488	409	442

Clwyd Pension Fund

	31-03-22 (%)	31-03-21 (%)
Financial assumptions		
CPI inflation/CARE benefits revaluation	3.3	2.7
Increase in salaries	4.55*	3.95*
Increase in pensions in payment/deferment	3.4	2.8
Discount rate	2.8	2.1

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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	24.0 (26.9) years	24.2 (27.0) years
Current pensioner aged 65	22.5 (24.9) years	22.6 (25.0) years

	31-03-22 (%)	31-03-21 (%)
Asset allocation		
Equities	30.3	31.3
Property	6.0	6.0
Government Bonds	0.0	0.0
Corporate Bonds	35.5	35.9
Cash	3.2	1.7
Other	25.0	25.1
Total	<u>100.0</u>	<u>100.0</u>

Expected contribution for accounting period ending 31 March 2023 - £232k.

Sensitivity analysis

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
	£'000	+ 0.1% p.a. discount rate £'000	+ 0.1% p.a. inflation £'000	+ 0.1% p.a. pay growth £'000	<u>1 year</u> increase in life expectancy £'000	+/- 1% change in 2021/22 investment returns	£'000
						+1%	-1%
Liabilities	30,260	29,730	30,799	30,327	31,160	30,260	30,260
Assets	(24,367)	(24,367)	(24,367)	(24,367)	(24,367)	(24,609)	(24,125)
Deficit/(Surplus)	5,893	5,363	6,432	5,960	6,793	5,651	6,135
Projected Service Cost for next year	560	546	575	560	578	560	560
Projected Net Interest Cost for next year	162	152	177	164	187	155	169

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

Greater Gwent (Torfaen) Pension Fund

Financial assumptions	31-03-22	31-03-21
	% p.a.	% p.a.
Pension Increase Rate (CPI)	3.15	2.8
Salary Increase Rate	3.45	3.1
Discount Rate	2.75	2.05

Mortality assumptions

Average future life expectancy at age 65	Males	Females
Current pensioners	20.5 years	23.2 years
Future pensioners*	21.8 years	25.1 years

* Figures assume members aged 45 as at the last formal valuation date

	31-03-22 (%)	31-03-21 (%)
Asset allocation		
Equities	74.5	72.5
Property	2.1	2.5
Government Bonds	0.0	0.0
Corporate Bonds	14.3	16.8
Cash	0.3	0.9
Other	8.8	7.3
Total	<u>100.0</u>	<u>100.0</u>

Expected contribution for accounting period ending 31 March 2023 - £583k

Sensitivity analysis

	Approx. % increase to Defined Benefit Obligation	Approx. monetary amount (£'000)
Changes in assumptions at 31-03-22		
0.1% decrease in Real Discount Rate	2%	999
0.1% increase in the Salary Increase Rate	0%	144
0.1% increase in the Pension Increase Rate(CPI)	2%	847
1 year increase in member life expectancy	4%	1,814

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

16. EMPLOYEE BENEFIT OBLIGATIONS - continued

Gwynedd Pension Fund

Financial assumptions	31-03-22	31-03-21
	% p.a.	% p.a.
Pension Increase Rate (CPI)	3.15	2.8
Salary Increase Rate	3.45	3.1
Discount Rate	2.75	2.05

Mortality assumptions

Average future life expectancy at age 65	Males	Females
Current pensioners	21.3 years	23.7 years
Future pensioners*	22.4 years	25.7 years

* Figures assume members aged 45 as at the last formal valuation date

	31-03-22	31-03-21
	(%)	(%)
Asset allocation		
Equities	69.2	70.3
Property	8.6	7.9
Government Bonds	0.0	0.0
Corporate Bonds	0.0	0.0
Cash	0.3	0.6
Other	21.9	21.2
Total	<u>100.0</u>	<u>100.0</u>

Expected contribution for accounting period ending 31 March 2023 - £438k

Sensitivity analysis

	Approx. % increase to Employer Liability	Approx. monetary amount (£'000)
Changes in assumptions at 31-03-22		
0.1% decrease in Real Discount Rate	2%	816
0.1% increase in the Salary Increase Rate	0%	109
0.1% increase in the Pension Increase Rate(CPI)	2%	701
1 year increase in member life expectancy	4%	1,439

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

Amounts for the current and previous period are as follows:

	2022 £'000	2021 £'000
Aggregate defined benefit pension plans		
Defined benefit obligation	(280,790)	(286,623)
Fair value of scheme assets	258,208	239,722
Unrecognised Asset	(803)	(325)
Deficit	<u>(23,385)</u>	<u>(47,226)</u>

17. EVENTS AFTER THE REPORTING PERIOD

The Financial Statements were authorised for issue by the Board of Directors on 5th August 2022.

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 £18.1m. The primary reason for the negative reserves is the pension deficit of £23.3m. 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 £1,264k (2021: £1,107k) have been raised for capital expenditure relating to the development of the new company website and system licences.

21. CONTINGENT LIABILITY

CCDG currently has 25 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 PARTIES

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 £29.67m (2021: £27.24m) and made payments of £Nil (2021: £28k) to Welsh Government. Of the income of £29.67m, £881k (2021: £1.28m) was deferred to 2022-23 in accordance with IAS20. At the year end, CCDG was owed £1.050m (2021: £1.008m) by the Welsh Government.

CAREER CHOICES DEWIS GYRFA LTD

31 MARCH 2022

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

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	£22,511.23	Consultant

Director	Body	Invoices Received by CCDG	Nature of link
Andrew Clark	Coleg Gwent	£90.00	Governor

Chief Executive	Body	Invoices Received by CCDG	Nature of link
Nikki Lawrence	CDI	£41,593.11	Co-opted Board Member

SMT	Body	Invoices Received by CCDG	Nature of link
Husband of Mandy Ifans	Aberystwyth University	£90.00	Head of Management School

SMT	Body	Invoices Received by CCDG	Nature of link
Mandy Ifans	NPT Group of Colleges	£600.00	Governor