South East Wales Corporate Joint Committee

Cyd-bwyllgor corfforaethol De-Dwyrain Cymru

Report for:	NOTING
Contains Confidential or Exempt Information	NO

For Consideration By	Corporate Joint Committee
Report Title	2023/24 Draft Statement of Accounts
Report of	Liam Hull, Strategic Director Resources
Contact Details	Liam.Hull@cardiffcapitalregion.gov.uk
Date to be Considered	16th December 2024
Implementation Date	With immediate effect
Affected Council Areas	All
Keywords / Index	Finance; Statements of Accounts; 2023/24;

Report Summary

1. To present South-East Wales Corporate Joint Committee with the draft Statement of Accounts in respect of the Cardiff Capital Region City Deal for the financial year 2023/24.

2. To note that the Section 151 Officer has signed the certificate within the Statement of Responsibilities of the Draft Statement of Accounts (Appendix 1) and that these have been submitted to Audit Wales, to commence its external audit.

Recommendations

3. It is recommended that the Joint Committee:

   (1) Notes that the Draft Statement of Accounts 2023/24 have been signed by the Section 151 Officer and submitted to Audit Wales.

Reason for Recommendations and Background Information

4. To advise Joint Committee that the Draft Statement of Accounts 2023/24 have been signed by the Section 151 Officer and have been submitted to Audit Wales.

5. To comply with The Accounts and Audit (Wales) (Amendments) Regulations 2018.

Background

6. The Statement of Accounts is prepared in accordance with a Code of Practice on Local Authority Accounting ("the Code") 2023/24 developed by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Accounts aim to give electors, those subject to levied taxes and charges, those charged with governance, members of the partnering authorities, employees and other interested parties information about the Joint Committee's finances.

7. The preparation of the Statement of Accounts and its subsequent audit is important to ensure accountability of public funds, to allow comparison across organisations and to meet legislative requirements. However, the accounts contain complex technical statements which are necessary in order to comply with the requirements of the Code.

8. The Accounts and Audit (Wales) Regulations currently require the Responsible Financial Officer to certify the draft accounts by 31st May, with audited accounts published by 31st July. If these timescales are not met then there is a requirement to publish a statement setting out the reasons for non-compliance.

9. Welsh Government have set out the expectations for the preparation of draft accounts and subsequent audit process for 2023/24 and future years. It is expected that the draft accounts are prepared by 30th June with certification by auditors as follows:

2023/24	30th November 2024
2024/25	31st October 2025
2025/26	30th September 2026

10. The extended timescales set out above are in place due to the impact of implementing a revised auditing standard (ISA 315 (UK) Identifying and Assessing the Risk of Material Misstatement) had on the 2022/23 audit process alongside. It is expected that Welsh Government will amend the regulations to reflect the expectations set out in paragraph 8.

11. Due to delays to the finalisation of the 2022/23 audited Statement of Accounts, it was not possible to submit the draft accounts to Audit Wales in line with the extended timescales. In accordance with requirements, appropriate notices were published on the CJC website.

12. We are working with Audit Wales to understand the impact that delayed submission of the draft Statement of Accounts will have on the audit timetable.

13. It is the intention that the deadlines for 2024/25 audit process will be met.

Content of the Accounts

14. The Statement of Accounts include:

- a Narrative Report setting out an introduction to CCRCD, financial and non-financial performance during 2023/24 as well as an introduction to the statements included within the accounts;

- accounting policies;

- the core financial statements for 2023/24:
  - Movement in Reserves Statement
  - Comprehensive Income and Expenditure Account
  - Balance Sheet
  - Cash Flow Statement;

- other accompanying notes as a result of legislative or accounting requirements such as:
  - Disclosures on financial instruments (Financial Assets and Financial Liabilities);
  - Capital Expenditure and financing arrangements;
  - Remuneration and exit packages.

Group Accounts

15. The Code of Practice also requires the preparation of Group Accounts where material subsidiaries, associates or joint ventures exist. The Special Purpose Vehicles (SPVs) established to deliver the Compound Semi-Conductor project (CSC Foundry Ltd) and to deliver the Aberthaw project (CCR Energy Ltd) as well as Innovation Investment Capital LLP are consolidated and included within the Joint Committee's Group Accounts also included in Appendix 1.

Next Steps

16. The next steps are:

- to advertise and facilitate the opportunity for an online public inspection of the accounts for a period of four weeks in line with statutory requirements;
- to support the external audit of the accounts in line with the Audit plan for 2023/24;
- CJC to approve and sign the audited accounts and Annual Governance Statement at a future meeting, following the conclusion of the external audit;

- to publish the approved accounts on the Joint Committee website following approval of the audited Statements and Annual Governance Statement.

Comments of the s.151 Officer

17. This report asks members to note that the Draft Statement of Accounts 2023/24 have been signed and submitted to Audit Wales.

18. I am content that the Draft Statement of Accounts for Cardiff Capital Region City Deal give a true and fair view of its income and expenditure for the financial year 2023/24 and the financial position at 31 March 2024.

Comments of the Monitoring Officer

19. This report does not have any direct legal implications beyond those mentioned in the body of the report.

Staffing Implications

20. There are no staffing implications arising from this report.

Equality, Human Rights and Community Cohesion

21. No adverse equalities implications have been identified.

Well-being of Future Generations

22. Regard has been had to the well-being duty arising under the Well-Being of Future Generations (Wales) Act 2015.

Welsh Language Implications

23. The final audited Statement of Accounts and Annual Governance Statement will be translated and published on the CJC's website.

Background Papers

24. None.

Report Author: Liam Hull, Strategic Director Resources

Meeting Date: 16 December 2024

Appendices:

Appendix 1 Draft Annual Statement of Accounts 2023/24

Prifddinas Ranbarth Caerdydd | Cardiff Capital Region

Cardiff Capital Region City Deal Joint Committee Draft Statement of Accounts 2023/24

Contents

Chair's Statement	3
Narrative Report	5
Statement of Responsibilities for the Financial Statements	15
Certificate of the Chief Financial Officer	16
Audit Report	17
Accounting policies used when formulating the accounts	18
Comprehensive Income and Expenditure Statement	25
Movement in Reserves Statement	26
Balance Sheet	28
Cash Flow Statement	29
Notes to the Financial Statements	30
Group Accounts	48
Glossary of Accounting Terms	67

Cardiff Capital Region City Deal – Chair's Statement

Foreword by Councillor M A Brocklesby, Chair of SEW CJC Committee

"Signed in March 2017 across CCR's ten local authorities, Welsh and UK Governments, the Cardiff Capital Region (CCR) City Deal has the ambition to foster a regional economy that is bigger, fairer, and greener, generating inclusive growth and creating conditions for shared prosperity across the ten local authorities. The City Deal comprises £734m for the South Wales Metro project and £495m for the CCR Wider Investment Fund (WIF).

The 12 months spanning 2023-24 constituted Year three of the five-year strategic business plan approved in December 2020 and represents a pivotal moment in both the history and the forward momentum of the organisation. The momentum both continues and amplifies the commercial interventions originating from the WIF's single funding programme, with the historical element taking the form of preparations for the transition of CCR into a standalone corporate body with its own legal status.

So, in addition to this year being the delivery mid-point for the City Deal, we have also seen wide-ranging and detailed preparations begin for our transition to Corporate Joint Committee (CJC) status in April 2024. The CJC will deliver new powers, freedoms and flexibilities but it must be stressed that these elements are simply the mechanism through which CCR will largely achieve its goals for regional prosperity.

As the 2023/2024 accounts show, the steady drumbeat of investments that picked up in 22-23 have increased further, with the bedding down of CCR's two £50m funds, the new Innovation Investment Capital and the more established Strategic Premises Fund, both of which serve to drive wealth creation and employment through innovation and workspace development. Funds committed to date out of the formal approval process total £338m which highlights that the WIF is nearing full commitment (when new investments in the business case development pipeline are taken into account). The message here is that the City Deal, which will continue under the CJC, has been a one-off funded programme with finite resources (albeit with an evergreen element for funds coming back in eventually for reinvestment). The addition of new funding streams such as the Shared Prosperity Fund are making a difference across the whole of the Region but these too have a limited shelf life, necessitating the development of new dynamic funding models.

The pressures on any public funding organisation are significant and transparency is one of the keys required to make sense of where we are at any given moment in the financial year. One of the constants that we work to is our five-year Regional Economic and Industrial Plan which was recently revised to take into account the new economic and policy dynamics that the CJC can and will deliver. In the post-April 2024 world under the CJC, CCR will manage and be accountable for its funds direct which has meant more specialist staff joining CCR in finance, legal and democratic services in

this 12-month period. Investments have been made in organisations that can deliver demonstrable value and the aim must be to drive further private sector leverage. A prime example of this approach is CCR's initial investment in Aberthaw – its seed funds for CCR Energy Ltd acted as the launchpad for much larger future private sector funding that will be forthcoming. The watchword for CCR is 'partnership'; as CCR's ambitions are amplified and explained to the markets, the opportunities for public and private money working together for the economic and societal benefits of the Region become greater.

During this financial year CCR has continued to expand in a controlled and constructive manner, with competitive, connected and resilient strategic goals in mind and it is my belief that year end accounts for 2023-24 reflect this momentous shift."

Councillor M A Brocklesby

Chair of SEW CJC Committee

Narrative Report

Introduction

The Cardiff Capital Region (CCR) embraces the 10 local authority areas covering South East Wales: Blaenau Gwent; Bridgend; Caerphilly; Cardiff; Merthyr Tydfil; Monmouthshire; Newport; Rhondda Cynon Taf; Torfaen; and Vale of Glamorgan. It has a population of 1.5 million which equates to almost half the total population of Wales, accounts for approximately 50% of the total economic output of the Welsh economy, 49% of total employment and has over 38,000 active businesses. It is a diverse region comprising the two cities of Cardiff and Newport, a range of market towns, the industrial heartland of the South Wales Valleys, rural communities, and a coastal belt.

The Cardiff Capital Region is an area where people want to live and work. It is home to some of the fastest growing and most economically competitive places in the UK, but alongside some of the least competitive and most disadvantaged.

The City Deal sets out a transformative approach in how the Cardiff Capital Region will deliver the scale and nature of investment needed to support the area's growth ambitions and strategic priorities. Central to this is the 20 year £495 million Investment Fund, which the Cardiff Capital Region will use to invest in a wide range of projects in priority sectors to deliver up to 25,000 new jobs and bring forward at least £4 billion of additional investment by 2036.

However it is not just about economic growth in isolation, it is also about building sustainability and resilience into the economy of the region, about creation and

dissemination of wealth amongst the most disadvantaged, but also about innovation, not only to business and technology, but also to public services and civic society.

Connected.

A connector of people, their ambitions and the opportunities to fulfil their true potential. Nurturing the best conditions for business success and community cohesion, through targeted investment in world class digital communications. Creating cutting edge integrated transport infrastructure, connecting affordable and accessible spaces to live, work and play.

Competitive.

A catalyst for continuity investment, bringing key industry clusters to life. A trusted partner enabling companies to innovate and realise their full potential. A shaper of economically significant hubs, producing multiplier effects that fuel local and regional supply chains as well as the broader foundational economy.

Resilient.

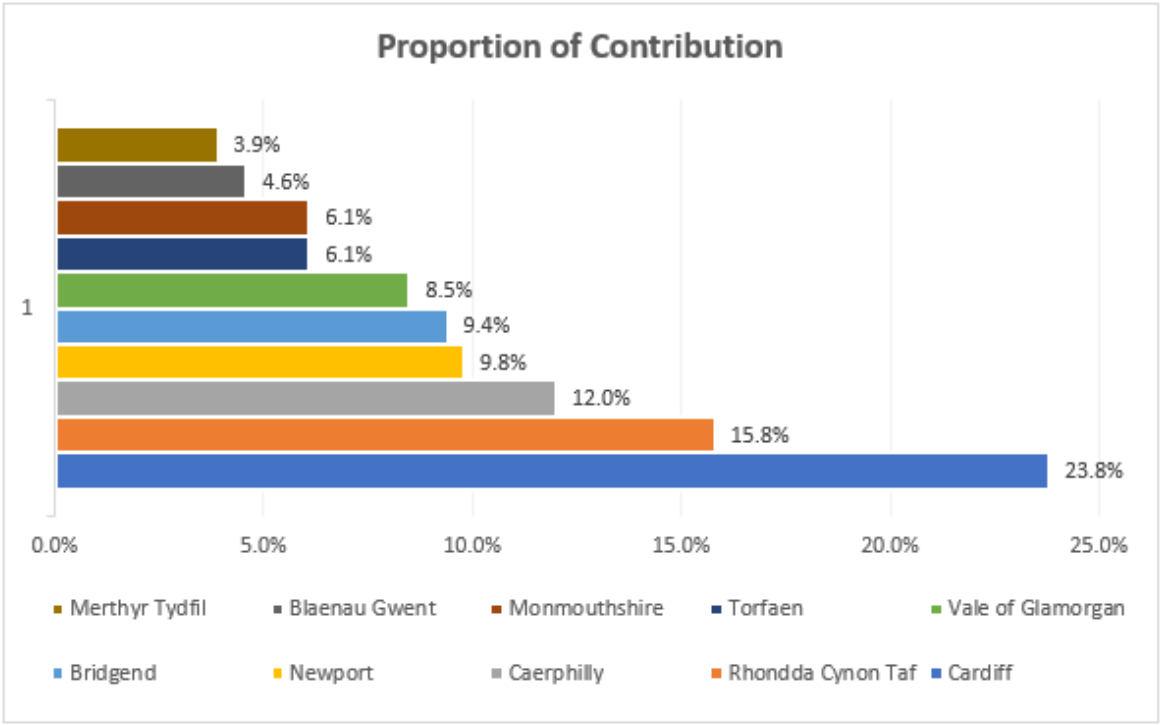
A focus for creating the conditions where our businesses and our people are best equipped to embrace the future. A keystone presence helping the region adapt, improvise and overcome periods of economic turbulence or social unrest.

Background

Ten partner authorities established the Cardiff Capital Region City Deal Joint Committee, by signing a Joint Working Agreement (JWA) in relation to the delivery of the City Deal on 01 March 2017. This sets out governance arrangements, an Assurance Framework as well as an implementation plan. One elected member representative from each partnering authority serves on the Joint Committee, the Cardiff Capital Region 'Regional Cabinet'.

Current Approved Projects – Wider Investment Fund

A five-year rolling business plan is produced with an annual budget. Operating costs as well as shares of contributions to the Wider Investment Fund are provided by each authority, based on population:



The Joint Committee is supported by the City Deal Office (CDO) led by the Director of the City Deal, with Cardiff Council appointed as the Accountable Body (AB), the legal entity responsible for discharging obligations in respect of the City Deal.

Funding and Projects

The funding agreement with the UK and Welsh Governments totals £1.2 billion, of which £734 million is allocated to the South Wales Metro project and is directly managed by Welsh Government. The remaining £495 million is the responsibility of the Joint Committee and relates to what is called the 'Wider Investment Fund'. This is made up of:

- £375 million cash grant over 15 years, with £50 million revenue grant paid in years 1-5, followed by £325 million of capital grant between years 6-15;
- £120 million Council contributions in the form of capital funding, being drawn down as required.

Up to 3% of the Wider Investment Fund (£14.85 million) has been earmarked to support the work of Regional Bodies and to meet the costs of Programme Development and Support. This is referred to as the Wider Investment Fund 'Top-Slice'.

The balance of the Wider Investment Fund (circa £480 million) is to be used for investment in the Region's key priorities with the main priorities and strategic themes, as set out in the Cardiff Capital Region Strategic Business Plan 2021-2026 being:

- Build Back Better – playing our part in economic recovery and building resilience;
- Becoming a City Region – strengthening regional economic governance;
- Scaling-up and delivering the City Deal 'peak' Wider Investment Fund pipeline and programme;
- Making the case for Levelling-up CCR;
- Developing the plan for industrial-scale clusters and innovation-led growth.

Gateway Reviews

An outcome-based Gateway Review is undertaken by HM Treasury every 5 years. A new National Evaluation Framework (NEF) has been developed for the second Gateway Review cycle and the enhancements to the NEF will better demonstrate impact of the City Deal, across four thematic areas – Transport; People; Infrastructure; and Enterprise & Innovation.

A revised Local Evaluation Framework (LEF) was approved at Regional Cabinet in March 2023 and sets out the agreed methods for evaluation, timescales & detailed monitoring requirements. It sets the frame of context for CCR and determines how we will measure against outputs, outcomes, and impacts. The LEF also determines the reporting approach for the Department for Levelling Up, Housing and Communities (DLUHC), UK Government (UKG) and Welsh Government (WG) – helping to manage funder expectations while ensuring CCR is robustly assessing performance.

Funding for financial years 2021/22 to 2025/26 was confirmed following the successful passing of the first Gateway Review, which covered the period up to 31 March 2021, whilst any unspent funding may be subject to repayment if any subsequent Gateway Review is not passed.

There is a Mid Term Report that is completed that ensures that CCR City Deal is on track to pass the Gateway Review, and this was completed in February 2024. This is allied to CCR's internal (quarterly) monitoring and regular meetings with UK Government and Welsh Government to ensure that the programme is on track.

Where funds have been committed and/or there is a clear intention to spend, carry forward of funding to future years is permitted. Carry forward in respect of the final year (2025/26), will also be permitted providing that the Gateway Review is passed.

Annual Review, Future Plans and Developments

These can be found in the following documents:

Cardiff Capital Region Cabinet 2023/24 Joint Committee Revenue Budget Final Outturn Position as reported 26 July 2024 which sets out the financial performance against the approved revenue budget for the financial year. In summary (subject to Audit), the approved budget of £2,863,263 was underspent by £558,079 allowing a reduction in the budgeted drawdown of the Wider Investment Fund 'Top-Slice' funding and the carrying forward of £270,307 as a general reserve.

https://www.cardiffcapitalregion.wales/wp-content/uploads/2024/07/item-10-2023-24-final-outturn.pdf

Cardiff Capital Region Cabinet 2023/24 Annual Business Plan – Quarter 4 Performance Report as reported 26 July 2024 which reports actual expenditure against the approved Wider Investment Fund budgets as set out in the Annual Business Plan for the financial year. This shows (subject to Audit) net expenditure of £1,952,000 against the approved 'Top-Slice' budget of £2,225,300 and expenditure of £44,898,100 on approved projects. Unused annual allocations are carried forward to fund future project expenditure.

https://www.cardiffcapitalregion.wales/wp-content/uploads/2024/07/item-11-2023-24-quarter-4-performance-report.pdf

Cardiff Capital Region Cabinet Wider Investment Fund – Annual Business Plan 2024/25 which, as a requirement of the City Deal Joint Working Agreement, outlines key priorities for the financial year and beyond, and the resources to be used to achieve them. This sets out anticipated total project related expenditure for 2024/25 and the medium term, also setting out how this is expected to be funded.

https://cardiffcapitalregion.wales/wp-content/uploads/2024/01/item-7-annual-business-plan.pdf

Establishment of the South East Wales Corporate Joint Committee. Reports providing the background, progress and future developments which will allow the Cardiff Capital Region City Deal to transition to becoming a part of the new South East Wales Corporate Joint Committee can be found here:

Corporate Joint Committee Meetings - Cardiff Capital Region

Financial Performance 2023/24

The cost of operating the Joint Committee as well as how those costs are paid for are shown in the table below.

Table 1: 2023/24 Joint Committee Revenue Budget & Outturn Position

Joint Committee Revenue Budget	2023/24 Budget £	2023/24 Out-turn £	2023/24 Variance £
Expenditure:			
City Deal Office	2,617,606	2,114,305	(503,301)
Accountable Body Support Services	305,559	305,308	(251)
Total	**2,923,165**	**2,419,613**	**(503,552)**
Funded by:			
Partner Contributions	(1,278,963)	(988,336)	290,627
WIF 'Top-Slice' Contribution - Reserve	(1,644,202)	(1,431,277)	212,925
Total	**(2,923,165)**	**(2,419,613)**	**503,552**
Net Position	**0**	**0**	**0**

The Joint Committee budget underspend of £503,552 for 2023/24 was utilised by reducing the budgeted funding required from the Wider Investment Fund 'Top-Slice'. Reasons for the underspend are set out in the Final Outturn Position report, to which there is a link above.

Table 2: 2023/24 Wider Investment Fund 'Top-Slice' Budget & Outturn Position

Wider Investment Fund	2023/24 Budget £	2023/24 Out-turn £	2023/24 Variance £
Expenditure:			
Wider Investment Fund Top Slice	2,093,200	1,310,433	(782,767)
Approved Projects - Revenue	5,698,900	4,184,078	(1,514,822)
Future Revenue Projects	1,013,800	0	(1,013,800)
Sub Total Revenue	8,805,900	5,494,511	(3,311,389)
Approved Projects - Capital	50,619,600	40,710,223	(9,909,377)
Future Capital Projects	7,200,000	0	(7,200,000)
Sub Total Capital	57,819,600	40,710,223	(17,109,377)
Total Investment	**66,625,500**	**46,204,734**	**(20,420,766)**
Funded by			
HMT Contribution (Revenue)	(8,805,900)	(5,494,511)	3,311,389
HMT Contribution (Capital)	(28,181,000)	(40,710,223)	(12,529,223)
Sub Total HMT Contributions	(36,986,900)	(46,204,734)	(9,217,834)
Council Contribution	(29,638,600)	0	29,638,600
Temp Borrowing 'Cost of Carry'	0	0	0
Sub Total Council Contributions	(29,638,600)	0	29,638,600
Total Funding	**(66,625,500)**	**(46,204,734)**	**20,420,766**
Net Position	**0**	**0**	**0**

The Wider Investment Fund 'Top-Slice' is an allocation of 3% of the total Wider Investment Fund (£495m) budgeted for use across the 20-year lifespan of the City Deal. Its use is set out above with the underspend carried forward for use in future years. Further detail of the expenditure in 2023/24 (£1,310,433) and anticipated 2024/25 spend are provided in the other reports for which links are provided above.

Table 2 also details the anticipated use of the Wider Investment Fund for approved and potential new projects during the year, as set out in the 2023/24 Annual Business Plan. Further detail on this is included in the Annual Business Plan – Quarter 4 Performance Report referenced above.

Key expenditure in 2023/24 was on the following approved projects:

	Expenditure		
Project	**Revenue £**	**Capital £**	**Total £**
Cyber Innovation Hub	704,187	271,366	**975,553**
Media.Cymru	670,166	0	**670,166**
Shared Prosperity Fund	543,360	0	**543,360**
Challenge Fund	361,912	0	**361,912**
Fintech Revenue	350,000	0	**350,000**
Graduate Scheme Exp	339,365	0	**339,365**
Cyber Masters	271,645	0	**271,645**

CSConnected	259,572	1,811,486	**2,071,058**
Premises Fund	0	11,245,410	**11,245,410**
Housing Viability Gap Fund	0	9,436,946	**9,436,946**
Innovation Investment Fund	0	8,000,222	**8,000,222**
Metro Plus	0	6,230,000	**6,230,000**
Metro Central	0	823,454	**823,454**
Equity and Loan Investments	0	2,891,339	**2,891,339**
Sub-Total Projects over £250k	**3,500,207**	**40,710,223**	**44,210,430**
Other	683,872	0	**683,872**
Wider Investment Fund Top Slice	1,310,433	0	**1,310,433**
Total	**5,494,511**	**40,710,223**	**46,204,734**

Financial Position as at 31 March 2024

The Joint Committee's Balance Sheet position is summarised below and provides details of its assets and liabilities as at 31 March 2024.

Summary of Balance Sheet	**31 March 2023 £**	**31 March 2024 £**
Long Term Assets : Long Term Debtors, Revenue and Capital	67,783,659	89,067,005
Current Assets & Liabilities: Short Term Debtors, Cash & Cash Equivalents, less Short-Term Creditors	23,673,545	54,216,770
Long Term Liabilities	(12,831,364)	(36,836,482)
Net Assets	**78,625,840**	**106,447,293**
Usable Reserves Unusable Reserves	9,247,019 69,378,821	16,502,111 89,945,182
Financed by	**78,625,840**	**106,447,293**

Pensions Liabilities

The Joint Committee is not a legal entity in its own right and therefore cannot enter into contracts for goods or services. Officers supporting the activities of the Joint Committee are contractually employed through one of the partnering authorities or other public sector organisations. The employing body is responsible for all current and future pension liabilities that may arise from these arrangements. The Joint Committee reimburses all salary related costs, including employer related pension contributions and accounts for these in its Income & Expenditure Account. Therefore, no liability for future pension payments or benefits is recognised in the Joint Committee's Balance Sheet.

Balances and Reserves

As at 31 March 2024, the Joint Committee held Usable Reserves of £16,502,111. These are carried forward as a General Reserve of £270,306 to supplement Joint Committee Revenue Budget resources available in future years. In addition, Earmarked Reserves of £5,306,231 in relation to accumulated interest on investments which is intended to be used to fund future project expenditure £446,372. This relates to future Gateway Review costs and a usable Capital Receipts reserve of £10,479,202 from recycled funding to be used to fund future project expenditure.

Annual Governance Statement

The Joint Committee's governance arrangements are set out in the Joint Working Agreement and comprise the systems, processes, culture, and values in place to deliver the intended outcomes as reviewed through application of the CIPFA / SOLACE Governance Framework.

The Joint Committee has arrangements in place through the City Deal Office and the Accountable Body, which are designed to deliver strong governance and an effective system of internal control.

The annual assessment of governance is dynamic in nature and takes place following a review of a number of best practice statements and resulting actions where deemed required.

For 2023/24, the context for the assessment concentrated on the following areas:

- The significant strides forward in the deployment of the City Deal fund with £46.2m of funds being deployed, equating to around 10% of the total fund, by the year-end a total of 24 interventions had been approved since the launch of the Wider Investment Fund with £338m of the fund now committed;

- Performance - the City Deal has now entered the second Gateway Review cycle, which concludes in 2025. There has been significant progress in this area, including revision of the Local Evaluation Framework (LEF) which is a core requirement of the Gateway Review process;

- Preparation for Transition to South East Wales Corporate Joint Committee - CCR has been a key voice and driver in the transition to Corporate Joint Committees across Wales and worked with the UK & Welsh Governments to understand and resolve the challenges to transition. Given this progress, the Transition Plan for the CJC has been approved and workstreams have been enacted across key areas, from finance and HR to portfolio transfer and stakeholder engagement.

- Delivering For Our Communities - the transition to a fully functional CJC will ensure CCR is responsive to changes in the social, political, and economic climate. It will foster local government collaboration; develop new policies and approaches to fiscal levers and incentives; provide enhanced shared services; and improve sustainability and liveability.

Financial year 2021/22 required full implementation of CIPFA's Financial Management (FM) Code. A key goal of the FM Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management. As such, the 2023/24 review builds on the assessments undertaken in previous years, outlining the extent to which the Joint Committee's financial management arrangements comply with the FM Code.

The Joint Committee separately publishes its Annual Governance Statement which summarises its assessment of governance arrangements in place for the Joint Committee and can be found on the Cardiff Capital Region website.

Cardiff Capital Region - Re-energising our Region, Reshaping our Future

The Financial Statements

The Statement of Accounts for the Cardiff Capital Region City Deal Joint Committee are set out in this document, accompanied by a Statement of Responsibilities for the Statement of Accounts and the Audit Report.

The core statements of the Joint Committee are:

- Comprehensive Income and Expenditure Statement which provides information on how it has performed throughout the year and as a result, whether or not its operations have resulted in a surplus or a deficit.
- Movement in Reserves Statement which shows the changes to our reserves over the course of the year. Reserves are divided into 'useable', which can be invested in capital projects or service improvements and 'unusable', which must be set aside for specific purposes.
- Balance Sheet which provides a 'snapshot' of assets, liabilities, cash balances and reserves at the year-end date.
- Cash Flow Statement shows the reasons for changes in cash balances during the year and whether that change is due to operating activities, new investment, or financing activities.

Notes to the Core Financial Statements accompany the main financial statements and provide an additional tier of information and context.

Group Accounts combine the Joint Committees own financial statements with its material interests in subsidiaries, associates and/or joint ventures, in this case CSC Foundry Ltd, CCR Energy Ltd and Innovation Investment Capital (IIC) Ltd.

Statement of Responsibilities for the Financial Statements

Cardiff Capital Region City Deal Joint Committee's responsibilities.

The Joint Committee is required to:

- make arrangements for the proper administration of its financial affairs and secure that an appropriate officer has the responsibility for the administration of those affairs. This is the Corporate Director Resources and Section 151 Officer of South East Wales Corporate Joint Committee who holds the role of Cardiff Capital Region City Deal Section 151 Officer;
- manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets;
- approve the statement of accounts.

Cllr M A Brocklesby **Date:**

Chair of Cardiff Capital Region Joint Committee

(Cllr Anthony Hunt held the role of Chair of the Cardiff Capital Region Joint Committee until it's dissolution on 31 March 2024. The functions of CCR have been novated to the South East Wales Corporate Joint Committee (SEWCJC) thereafter. Cllr Mary Ann Brocklesby was appointed Chair of SEWCJC on 3 June 2024.)

Section 151 Officer responsibilities

The Section 151 Officer is responsible for the preparation of the Joint Committee's financial statements in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code).

In preparing these financial statements, the Section 151 Officer has:

- selected suitable accounting policies and then applied them consistently, except where policy changes have been noted in these accounts;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Code.

The Section 151 Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Section 151 Officer Certificate

The financial statements for the Cardiff Capital Region City Deal Joint Committee give a true and fair view of its income and expenditure for the financial year 2023/24 and the financial position at 31 March 2024.

Liam Hull **Date:** **28/11/24**

Section 151 Officer

(Chris Lee held the role of Section 151 Officer of the Cardiff Capital Region Joint Committee, as part of Cardiff Council's role as the Accountable Body until it's dissolution on 31 March 2024. The function of CCR have been novated to the South East Wales Corporate Joint Committee (SEWCJC) thereafter. Liam Hull was appointed as S151 officer for SEWCJC on 15 July 2024.)

Audit of Financial Statements Report

This page has been intentionally left blank and will be updated upon receipt of the Auditor General's Final Opinion.

Accounting Policies used when formulating the accounts

The Statement of Accounts summarises the Joint Committee's income and expenditure for the year ended 31 March 2024 and its financial position at that date. The accounts are prepared in accordance with proper accounting practices as contained in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code).

The accounts have been prepared on a going concern basis. The accounting convention adopted is principally historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1. **Accounting Standards issued but not yet adopted**
   International Financial Reporting Standard 16 – Leases was adopted in the 2022/23 Code. Following a consultation with local authorities and auditors, the timescale for required adoption has been pushed back to the financial year beginning 1 April 2024 or earlier if deemed possible. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for most leases with a term of more than 12 months unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

   This is expected to have no impact on the Joint Committee Accounts.

2. **Accruals of Income and Expenditure**
   Activity is accounted for in the year that it takes place, not when the cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed.
- Services received are recorded as expenditure when the services are received, rather than when the payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debtors are not considered to be collectable the balance is reduced by a provision for doubtful debt.

3. Cash and Cash Equivalents

The Joint Committee does not operate its own Bank Account, instead all cash transactions are administered by Cardiff Council in its role as Accountable Body. An approved Treasury Management strategy is in place to manage the Joint Committee's cash balances for the prudent management of its financial affairs. Cash is represented by cash in hand and the net balance attributable to Cardiff Capital Region City Deal on all of the Council's bank accounts. It includes deposits with financial institutions that are repayable on notice of not more than 24 hours without significant penalty. It also includes investments maturing and interest received on the first working day of April.

Treasury arrangements consist of short-term investments through approved counterparties on the basis of security, liquidity and then yield.

4. Contingent assets and liabilities

These are potential benefits or obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Joint Committee's control. Contingent assets and liabilities are not recognised in the accounting statements but are disclosed in a note to the accounts, where deemed material.

5. Disposals and Capital Receipts

When assets are disposed of or derecognised, the value of those assets included in the Balance Sheet along with any proceeds from disposal are used to calculate a gain or loss on disposal.

6. Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding financial assets and their cash flow characteristics.

The main classes of financial assets held are measured at:

- amortised cost - Achieve objectives by collecting contractual cash flows e.g. principal and interest.
- fair value through other comprehensive income (FVOCI) - Achieve objectives by any other means than collecting contractual cash flows and where the Joint Committee has designated that this is the case.

In terms of the value of financial assets recognised in the accounts, the primary business model is to hold investments to collect contractual cash flows, however loans and equity instruments may be provided as revenue or capital expenditure to achieve service objectives. Depending on the rationale for holding such financial assets, the Joint Committee may designate such items to be measured at fair value through other comprehensive income.

Fair value measurement techniques are defined within the final section of this policy.

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Joint Committee becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument in accordance with any investment or loan agreement. The amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest). Any gains or losses that arise on the derecognition of an asset are credited/debited to the CIES. Expected Credit Loss Model Impairment losses are calculated to reflect the expectation that future cash flows might not take place because the borrower could default on their obligations. Such a review would take place on an individual financial asset or collective basis, based on materiality and cost benefit of individual assessment. The Joint Committee undertakes a review of expected credit losses on all financial assets held at amortised cost either on a 12-month or lifetime basis. Where provision for such losses is not already undertaken e.g. as part of a provision for bad debts, adjustments to the value of financial assets disclosed in the accounts are made. Credit risk plays a crucial part in assessing expected credit loss. Where risk has increased significantly since a financial asset was initially recognised, provision for losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, provision for losses are assessed on the basis of 12-month expected loss.

Financial Assets Measured at Fair Value through other comprehensive income (FVOCI)

Financial assets that are measured as FVOCI are initially measured and carried at fair value on the Balance Sheet. Treating such assets under this category will require a 'Designation' by the Joint Committee. These are likely to be equity holdings held as part of a service objective. Fair value gains and losses are recognised in Other Comprehensive Income and the change in the amount of the investment in the balance sheet is matched with an entry in the Financial Instruments Revaluation Reserve. Upon derecognition, any balance on the Financial Instruments Revaluation Reserve is recycled through the Surplus or Deficit on the Provision of Services.

Fair Value Measurement of Financial Assets

Fair value measurements for the above financial asset classes measured at fair value are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis

The inputs to the measurement techniques are categorised in accordance with the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 – unobservable inputs for the asset.

7. Grants and Contributions

Grants and other contributions are accounted for on an accruals basis and recognised when:

- there is reasonable assurance that the Joint Committee will comply with the conditions for their receipt and
- there is reasonable assurance that the grant or contribution will be received.

Revenue

Grants, for which conditions have not yet been satisfied, are carried in the Balance Sheet as Long Term and Short-Term Creditors. When conditions have been satisfied, the grant or contribution is credited to the Grant Income Line in the Comprehensive Income and Expenditure Statement. Where there is no longer any reasonable assurance that the conditions will be met, sums received will not be recognised as a receipt of grant but as a repayment due to the awarding body and held on the Balance Sheet as a liability if it remains unpaid.

Where the conditions of a revenue grant or contribution have been complied with, but it is yet to be used to fund expenditure for the purpose stipulated in the grant agreement, it is set aside in an Earmarked Reserve.

Capital

Grants and contributions that are applied in the year to fund capital schemes that are Revenue Expenditure Funded by Capital under Statute (REFCUS) are treated as revenue income and credited to the Comprehensive Income and Expenditure Statement to the relevant service line. This funding is then applied to the capital adjustment account through the Movement in Reserves Statement, to finance the capital expenditure in year.

Capital Grants and Contributions applied in paying for other capital works are credited to the Taxation and Non-Specific Grant Income line in the Comprehensive Income and Expenditure Statement. Where a specific capital grant or contribution has been received but remains unapplied, this is deemed to represent a condition and is shown as a creditor, as the unused element could be returned to the funder. Where a non-specific grant were to remain unapplied, it would be held as Capital Grants Unapplied Reserve.

Capital grants and contributions are identified separately on the Balance Sheet.

8. Interests in Companies and Other Entities

The Joint Committee has interests in companies and other entities. Subject to the level of materiality and exposure to risk, these are consolidated to produce Group Accounts.

9. Property, Plant, Equipment

These assets are those that have physical substance used in the production or supply of goods or services, those intended to be held indefinitely and those for the promotion of culture and knowledge and expected to be used during more than one financial year.

Recognition

Expenditure on the acquisition, creation or enhancement of such assets is capitalised on an accruals basis. All expenditure incurred on existing assets is assumed to result in enhancement of the asset and will be shown in the accounts as an addition to the asset.

Expenditure that maintains but does not add to an asset's potential to deliver benefits or service potential (i.e. repairs and maintenance) is charged to revenue as it is incurred.

Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the specific asset into working condition for its intended use, excluding borrowing costs which are not capitalised. A full year's depreciation is charged on capital expenditure incurred in the year. No depreciation is charged in the year of disposal. Assets are subsequently carried on the balance sheet as per the following:

Asset Type	Measurement	Valuation Frequency	Last Valuation	Surveyor for Last Valuation	Next Valuation	Depreciation
Vehicles, Plant, Furniture & Equipment	Depreciated Historical Cost	n/a	n/a	n/a	n/a	5-15 years
Assets under Construction	Depreciated Historical Cost	n/a	n/a	n/a	n/a	n/a

Disposal

When assets are disposed of or decommissioned, the value of those assets included in the Balance Sheet along with any proceeds from disposal are used to calculate a gain or loss on disposal. Disposals are treated as capital receipts and are credited to the Capital Receipts Reserve.

10. Investment Property

Investment properties are those held solely to earn rentals and/or for capital appreciation such as ground leases, land held for future development as strategic sites and other land and buildings that meet investment property criteria.

Investment properties are measured at fair value, based on the market value that would be received to sell an asset in an orderly transaction between market participants at the measurement date, reflecting the asset's highest and best use. A full valuation is undertaken periodically with the most recent valuation having taken place during the preparation of the 2023/24 accounts.

Investment properties are not depreciated. Gains and losses on revaluation and disposal are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

- The valuation of the CSC Foundry Ltd Investment Property included in the Joint Committee's Group Accounts has been provided by external valuers engaged by Monmouthshire County Council as part of its role as the host Authority for the CSC Foundry Ltd project.

- The CCR Energy Ltd Investment property held at the balance sheet date is valued as per the company's accounts prepared by their appointed accountants Baker Knoyle Ltd and includes the original purchase price, various other capitalised acquisition and demolition costs and a provision for future costs required to fully demolish and remediate the site.

11. Provisions

Provisions are charged as expenditure to the Comprehensive Income and Expenditure Statement in the year that the Joint Committee becomes aware of the obligation, measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision, which is held on the Balance Sheet. Provisions are reviewed at the end of each financial year and where no longer required are credited back to the relevant service line.

12. Reserves

The statutory accounts have two types of reserves, usable and unusable. The Joint Committee sets aside amounts as usable reserves for future policy purposes or to cover contingencies, which can be used for future spend. Unusable reserves are maintained to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits. These do not represent usable resources for the Joint Committee and cannot be used for future spend.

13. Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions, but that does not result in the creation of a non-current asset, has been

charged as expenditure to the relevant service line in the Comprehensive Income and Expenditure Statement. Where the Joint Committee has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Joint Committee Fund Balance to the Capital Adjustment Account then reverses out the amounts charged.

14. Value Added Tax (VAT)

VAT payable is excluded from expenditure except where it is not recoverable from HMRC. VAT receivable is excluded from income.

2023/24 Comprehensive Income & Expenditure Statement

This statement records all of the Joint Committee's income and expenditure throughout the year and consequently shows the accounting cost of providing services during the year in-line with generally accepted accounting practices.

2022/2023 £		Notes	2023/2024 £
	Cost of Services		
2,220,378	Staff Costs		1,966,018
33,127	Premises	2	44,450
4,354	Transport	3	31,026
4,272,441	Supplies & Services	4	6,924,292
15,928,663	Revenue Expenditure funded from Capital Under Statute	5	22,383,573
361,440	Support Services	6	363,506
811,976	Capital Charges	12	1,199,758
23,632,379	**Operating Expenditure**		**32,912,622**
(1,218,011)	Contributions from Local Authorities	7/10	(1,278,963)
(21,543,050)	Grant Income	7	(29,874,505)
(264,183)	Fees and Charges	7	(553,763)
0	Contributions from Reserves	7	(66,112)
(23,025,244)	**Operating Income**		**(31,773,343)**
607,135	**Net Cost of Services**		**1,139,279**
(1,490,148)	Interest & Investment Income	15	(3,607,963)
(1,490,148)	**Financing & Investment Income & Expenditure**		**(3,607,963)**
(27,816,234)	Recognised Capital Grants & Contributions	21	(23,277,499)
(27,816,234)	**Taxation and Non-Specific Grant Income**		**(23,277,499)**
(28,699,247)	**(Surplus) / Deficit on Provision of Services**		**(25,746,183)**
(220,252)	Other Comprehensive Income & Expenditure	15	(2,075,269)
(28,919,499)	**Total Comprehensive Income & Expenditure**		**(27,821,452)**

2023/24 Movement in Reserves Statement

This statement is split into both Usable and Unusable Reserves. Usable Reserves are those that the Joint Committee can use to provide services whereas Unusable Reserves such as the Capital Adjustment Account cannot, as they are for accounting purposes only.

Movements in Reserves	General Fund Balance £	General Fund Earmarked Reserves £	Usable Capital Receipts Reserve £	Total Usable Reserves £	Capital Adjustment Account £	Revaluation Reserve £	Accumulated Absence Account £	Total Unusable Reserves £	Total Reserves £
Balance at 31st March 2023 Carried Forward (Restated)	**270,306**	**2,078,527**	**6,898,186**	**9,247,019**	**65,057,302**	**4,343,541**	**(22,022)**	**69,378,821**	**78,625,840**
Movements in Reserves During 2023/24									
Surplus / (Deficit) on the Income and Expenditure Account	27,821,452			**27,821,452**				**0**	**27,821,452**
Total Comprehensive Income and Expenditure	**27,821,452**	**0**	**0**	**27,821,452**	**0**	**0**	**0**		**27,821,452**
Adjustments between Accounting Basis and Funding Basis	(24,172,190)	24,813	0	(24,147,377)	22,077,741	2,075,269	(5,634)	**24,147,376**	**0**
Net Increase/(Decrease) before Transfers to/(from) Earmarked Reserves	**3,649,262**	**24,813**	**0**	**3,674,075**	**22,077,741**	**2,075,269**	**(5,634)**	**24,147,376**	**27,821,451**
Transfers to/(from) Reserves	**(3,649,262)**	**3,649,262**	**3,581,016**	**3,581,016**	**(3,581,016)**			**(3,581,016)**	**0**
Increase/(Decrease in Year)	**0**	**3,674,075**	**3,581,016**	**7,255,091**	**18,496,725**	**2,075,269**	**(5,634)**	**20,566,360**	**27,821,450**
Balance at 31st March 2024	**270,306**	**5,752,602**	**10,479,202**	**16,502,110**	**83,554,027**	**6,418,810**	**(27,656)**	**89,945,181**	**106,447,290**

Movements in Reserves	General Fund Balance £	General Fund Earmarked Reserves £	Usable Capital Receipts Reserve £	Total Usable Reserves £	Capital Adjustment Account £	Revaluation Reserve £	Accumulated Absence Account £	Total Unusable Reserves £	Total Reserves £
Balance at 31st March 2022 Carried Forward (Restated)	**212,080**	**465,341**	**1,350,000**	**2,027,421**	**43,601,229**	**4,123,289**	**(45,599)**	**47,678,919**	**49,706,340**
Movements in Reserves During 2022/23									
Surplus / (Deficit) on the Income and Expenditure Account	28,919,499	0	0	**28,919,499**	0	0	0	**0**	**28,919,499**
Total Comprehensive Income and Expenditure	**28,919,499**	**0**	**0**	**28,919,499**	**0**	**0**	**0**		**28,919,499**
Adjustments between Accounting Basis and Funding Basis	(27,248,086)		0	**(27,248,086)**	27,004,259	220,252	23,577	**27,248,088**	**0**
Net Increase/(Decrease) before Transfers to/(from) Earmarked Reserves	**1,671,413**	**0**	**0**	**1,671,413**	**27,004,259**	**220,252**	**23,577**	**27,248,088**	**28,919,499**
Transfers to/(from) Reserves	**(1,613,186)**	**1,613,186**	**5,548,186**	**5,548,186**	**(5,548,186)**	**0**	**0**	**(5,548,186)**	**0**
Increase/(Decrease in Year)	**58,227**	**1,613,186**	**5,548,186**	**7,219,599**	**21,456,073**	**220,252**	**23,577**	**21,699,902**	**28,919,499**
Balance at 31st March 2023	**270,307**	**2,078,527**	**6,898,186**	**9,247,020**	**65,057,302**	**4,343,541**	**(22,022)**	**69,378,821**	**78,625,839**

Balance Sheet as at 31 March 2024

This statement is comprised of two balancing sections – the net assets of the Joint Committee and the total reserves held.

31st March 2023 £		Notes	31st March 2024 £
1,430,305	Property, Plant & Equipment - Assets Under Construction	12	151,348
4,420,420	Property, Plant & Equipment	12	5,973,795
11,843,567	Equity	15	15,718,939
924,600	Limited Partnership Contribution	15	8,867,222
2,055,000	Long Term Loans - Revenue	15	2,055,000
47,109,767	Long Term Loans - Capital	15	56,300,701
67,783,659	**Long Term Assets**		**89,067,005**
5,199,144	Short Term Debtors	13	4,343,835
5,000,406	Short Term Loans - Capital	15	5,130,394
47,022,724	Cash & Cash Equivalents	14	57,015,380
57,222,274	**Current Assets**		**66,489,609**
(33,526,706)	Short Term Creditors	17	(12,245,183)
(22,023)	Accumulated Absences	16	(27,656)
(33,548,729)	**Current Liabilities**		**(12,272,839)**
(12,831,364)	Long Term Creditors	17	(36,836,482)
(12,831,364)	**Long Term Liabilities**		**(36,836,482)**
78,625,840	**Net Assets**		**106,447,293**
9,247,019	Usable Reserves	18	16,502,111
4,343,541	Equity Revaluation Reserve	15	6,418,810
65,057,303	Capital Adjustment Account	21	83,554,028
(22,023)	Accumulated Absences	16	(27,656)
78,625,840	**Total Reserves**		**106,447,293**

2023/24 Cash Flow Statement

This statement shows how the Joint Committee generates and uses cash and cash equivalents by classifying the cash flows as arising from operating, investing, and financing activities.

31 March 2023 £		Notes	31 March 2024 £
(28,699,247)	Net (Surplus) / Deficit on the provision of services		(25,746,183)
46,852,426	Adjust net surplus or deficit on the provision of services for non-cash movements	20	49,811,373
18,153,179	**Net cash flows from operating activities**		**24,065,190**
22,124,661	Investing activities	20	19,372,901
(22,000,000)	Financing activities	20	(53,430,747)
18,277,840	**Net (increase) / decrease in cash and cash equivalents**		**(9,992,656)**
(65,300,564)	Cash and cash equivalents at the beginning of the reporting period		(47,022,724)
(47,022,724)	**Cash balance as at 31 March**		**(57,015,380)**

Notes to the Core Financial Statements

1. Remuneration

Officers supporting the activities of the Joint Committee are contractually employed through one of the partnering authorities or other public sector organisations.

In accordance with International Accounting Standard 19 – Employee Benefits, the employing body is required to disclose certain information concerning the income and expenditure of its pension scheme and its related assets and liabilities. As the Joint Committee does not directly employ staff, these statutory disclosures do not apply (instead staff pension liabilities etc. of the relevant officers will be disclosed in the financial statements of each employing body).

In line with the Accounts and Audit (Wales) Regulations 2014, the Joint Committee also discloses, on a voluntary basis:

- the number of employees whose remuneration is over £60,000 per annum disclosed within bands of £5,000.
- the remuneration and job title of senior employees who form part of the senior management team and whose salary is £60,000 or more per annum.

These are shown in the tables below.

Remuneration Band	Number of Employees	
£	2022/23	2023/24
120,000 - 124,999	1	1
100,000 - 104,999	0	1
90,000 - 94,999	1	0
75,000 - 79,999	0	3
70,000 - 74,999	2	0
65,000 - 69,999	2	0
Total	**6**	**5**

Post Title	Salary, fees and allowances £	Employers Pension Contributions £	Total £	Notes
Chief Executive	124,696	30,052	154,748	Post commenced August 2018.
Chief Operating Officer	102,780	19,939	122,719	Post commenced August 2019.
Head of Finance, Risk and Assurance	76,815	14,902	91,717	Post commenced August 2019.

Head of Inclusive Growth & Business Development	76,815	15,535	92,350	Post commenced July 2019.
Head of Governance, Policy & Communications	23,566	4,490	28,056	Post commenced October 2021 and vacated July 2023
Head of Digital & Data Innovation	76,815	14,902	91,717	Post commenced September 2021
Head of Programme Management Office	53,249	0	53,249	Post commenced July 2023. Annualised Salary £76,815
Senior Programme Manager	55,753	10,816	66,569	Post commenced July 2023. Annualised Salary £76,815
Senior Programme Manager	49,667	9,635	59,302	Post commenced July 2023. Annualised Salary £66,801
Total Senior Staff	**640,155**	**120,272**	**760,426**	

Note: Accumulated Absence Accrual costs for these Officers total £10,769 and Employers NI Contributions total £79,628.

Prior Year for Comparison:

Post Title	Salary, fees, and allowances £	Employers Pension Contributions £	Total £	Notes
City Deal Director	120,479	29,035	149,514	Post commenced August 2018.
Chief Operating Officer	92,245	19,095	111,340	Post commenced August 2019.
Head of Finance, Risk and Assurance	74,217	15,363	89,580	Post commenced August 2019.
Head of Inclusive Growth & Business Development	70,955	14,688	85,643	Post commenced July 2019.
Head of Governance, Policy & Communications	67,839	14,043	81,882	Post commenced October 2021.
Head of Innovation & Clusters	54,729	9,730	64,459	Post commenced August 2021 and ceased November 2022 Annualised 2022/23 Salary £74,217.
Head of Digital & Data Innovation	68,902	14,262	83,164	Post commenced September 2021.
Total Senior Staff	**549,366**	**116,216**	**665,582**	

2. Premises

The following table analyses premises expenditure for the year.

2022/23 £	Premises	2023/24 £
31,055	Rents	44,753
2,072	Other Premises Related Expenditure	(303)
33,127	**Total**	**44,450**

3. Transport

The following table analyses transport expenditure for the year.

2022/23 £	Transport	2023/24 £
786	Car Allowances	1,952
3,587	Travel Expenses	29,074
4,354	**Total**	**31,026**

4. Supplies and Services

The following table analyses supplies and services expenditure for the year.

2022/23 £	Supplies & Services	2023/24 £
32,910	ICT, Telephones, Printing & Software	55,711
89,722	Meeting Room Hire & Other Meeting Costs	163,274
67,472	Marketing, Branding & Communications	212,517
2,025,665	Programme Support*	3,729,114
1,862,860	Revenue Project Grants**	2,172,093
193,812	Other Supplies & Services Costs	591,584
4,272,441	**Total**	**6,924,292**

* Programme Support covers a range of professional advice and support needed to ensure that all projects taken forward are robust and have undergone the necessary level of challenge and independent verification to comply with requirements of the Assurance Framework. This includes legal consultancy, due diligence, market testing and costs incurred in the preparation of HM Treasury compliant Business Cases.

2022/23 £	**Revenue Project Grants	2023/24 £
800,000	FinTech Wales	350,000
0	CSConnected	204,072
557,792	Media.Cymru	690,166
277,860	Cyber Masters	274,552
141,742	Cyber Innovation Hub	583,025
85,466	Shared Apprenticeship Scheme	40,278
0	Data Ambition	30,000

1,862,860	**Total**	**2,172,093**

5. Revenue Expenditure funded from Capital under Statute (REFCUS)

The following revenue amounts were treated as capital expenditure to be paid for from capital resources. The table includes expenditure on items that do not result in the creation or enhancement of an asset for the Joint Committee.

2022/23 £	Revenue Expenditure funded from Capital under Statute (REFCUS)	2023/24 £
10,771,382	Metro Plus Schemes	6,230,000
2,250,508	Housing Viability Gap Fund	11,532,873
799,196	Challenge Fund	1,856,957
157,952	Premises Fund	138,393
1,262,076	Metro Central	823,454
403,694	Innovation Investment Capital	1,429,293
283,855	Cyber Innovation Hub	271,366
0	Fibre to the Premises	101,237
15,928,663	**Charged to Income & Expenditure Statement**	**22,383,573**
(15,928,663)	WIF HM Treasury Grant	(22,383,573)
0	Local Authority Contributions	0
(15,928,663)	**Grants and Contributions**	**(22,383,573)**

6. Support Services

The following table analyses support service expenditure for the year.

2022/23 £	Support Service Costs	2023/24 £
16,417	HR People Services	38,553
125,000	Accountancy Support	115,000
4,857	Exchequer, Internal Audit & Insurance	4,967
121,060	Legal & Governance Support	123,485
24,998	ICT, Information & Governance	28,903
5,500	Translation Services	1,690
63,558	External Audit	50,908
50	Other Support	0
361,440	**Total**	**363,506**

7. Income

The following table analyses income accounted for during the year.

2022/23 £	Income	2023/24 £
(1,218,011)	Contributions from Local Authorities	(1,278,963)
(21,543,050)	Grant Income	(29,874,505)
(264,184)	Fees and Charges	(553,763)
0	Contributions from Reserves	(66,112)
(23,025,244)	**Total**	**(31,773,343)**

Contributions from Local Authorities are in respect of the Joint Committee Revenue Budget from the ten partnering authorities.

Fees and Charges Income relates to costs incurred by City Deal which are rechargeable to other bodies, for example, staff cost reimbursements, or work which is funded by grants allocated to other bodies and therefore invoiced on to them.

Contributions from Reserves represents funding carried forward from underspends in previous years, earmarked to fund future expenditure.

Grant Income is the drawdown of funding provided by the HM Treasury Revenue Grant, Received via Welsh Government:

2022/23 £	Grants and Contributions Credited to Operating Income	2023/24 £
(258,255)	Local Area Energy Planning Grant	(912,289)
(46,155)	Shared Prosperity Fund Grant	(1,037,859)
0	WG Regional Transport Plan Grant	(125,000)
(3,258)	ULEV Grant via Merthyr Tydfil County Borough Council	0
(21,235,382)	WIF HM Treasury Grant	(27,799,357)
(21,543,050)	**Total**	**(29,874,505)**

The grants and contributions are credited to the Comprehensive Income and Expenditure Statement from a combination of in-year cash receipts and cash received in prior years and carried forward in the balance sheet as short and long-term creditors, in accordance with the funding's terms and conditions.

2022/23 £	Grants and Contributions Receipts in Advance	2023/24 £
(28,181,000)	WIF HM Treasury Grant - Short Term Creditor	(9,022)
(600,000)	SBRI Challenge Fund Grant	(600,000)
(28,781,000)	**Sub Total**	**(609,022)**
(7,831,364)	WIF HM Treasury Grant - Long Term Creditor	(36,836,482)
(5,000,000)	Housing Viability Gap Funding - Long Term Creditor	(2,889,321)
(12,831,364)	**Sub Total**	**(39,725,803)**
(41,612,364)	**Total**	**(40,334,825)**

Classification of Grant Creditor balances between those to be utilised on a short-term or long-term basis is undertaken on the basis of resources set out to be available for use in the next financial year (short term) or thereafter (long term) in the published Annual Business Plan for the relevant period. This is subject to the approval and timing of expenditure on projects and is reported as part of the Quarterly updates provided to the Joint Committee.

8. Expenditure and Funding Analysis

The Expenditure and Funding Analysis demonstrates how the funding available to the Joint Committee has been used to provide services in comparison with those resources consumed or earned under Generally Accepted Accounting Practices (GAAP).

Expenditure and Funding Analysis 2023/24	Net Expenditure Chargeable to General Fund Balances £	Adjustments between accounting and funding basis - Capital £	Adjustments between accounting and funding basis - Other £	Comprehensive Income & Expenditure 2023/24 £
Staff Costs	1,938,362	0	(27,656)	1,966,018
Premises	44,450	0	0	44,450
Transport	31,026	0	0	31,026
Supplies & Services	6,924,292	0	0	6,924,292
Revenue Expenditure funded from Capital Under Statute	22,383,573	0	0	22,383,573
Support Services	363,506	0	0	363,506
Capital Charges	0	(1,199,758)	0	1,199,758
Contributions from Local Authorities	(1,278,963)	0	0	(1,278,963)
Grant Income	(29,874,505)	0	0	(29,874,505)
Fees and Charges	(553,763)	0	0	(553,763)
Contributions from Reserves	(66,112)	0	0	(66,112)
Net Cost of Services	**(88,135)**	**(1,199,758)**	**(27,656)**	**1,139,279**
Interest & Investment Income	(3,607,963)	0	0	(3,607,963)
Recognised Capital Grants & Contributions	(3,581,016)	19,696,483	0	(23,277,499)
Revaluation (Gain) / Loss on Equity Investments	0	2,075,269	0	(2,075,269)
(Surplus) or Deficit	**(7,277,114)**	**20,571,994**	**(27,656)**	**(27,821,452)**
Opening Usable Reserves Balance 1 April 2023	(9,247,020)			
Plus Surplus on Usable Reserves Balance in Year				
Transfer, surplus to General Fund	0			
Transfer, General Fund to Earmarked Reserves	(3,674,075)			
Transfer, Capital Adjustment Account to Usable Capital Receipts Reserve	(3,581,016)			
Closing Usable Reserves Balance 31 March 2024	**(16,502,111)**			

2022/23 for Comparison	Net Expenditure Chargeable to General Fund Balances £	Adjustments between accounting and funding basis - Capital £	Adjustments between accounting and funding basis - Other £	Comprehensive Income & Expenditure 2022/23 £
Staff Costs	2,196,801	0	(23,577)	2,220,378
Premises	33,127	0	0	33,127
Transport	4,354	0	0	4,354
Supplies & Services	4,272,441	0	0	4,272,441
Revenue Expenditure funded from Capital Under Statute	15,928,663	0	0	15,928,663
Support Services	361,440	0	0	361,440
Capital Charges	0	(811,976)	0	811,976
Contributions from Local Authorities	(1,218,011)	0	0	(1,218,011)
Grant Income	(21,543,050)	0	0	(21,543,050)
Fees and Charges	(264,183)	0	0	(264,183)
Net Cost of Services	**(228,418)**	**(811,976)**	**(23,577)**	**607,135**
Interest & Investment Income	(1,490,148)	0	0	(1,490,148)
Recognised Capital Grants & Contributions	(5,548,186)	22,268,048	0	(27,816,234)
Revaluation (Gain) / Loss on Equity Investments	0	220,252	0	(220,252)
(Surplus) or Deficit	**(7,266,752)**	**21,676,324**	**(23,577)**	**(28,919,499)**
Opening Usable Reserves Balance 1 April 2022 (Restated)	(2,027,421)			
Plus Surplus on Usable Reserves Balance in Year				
Transfer, surplus to General Fund	(58,227)			
Transfer, General Fund to Earmarked Reserves	(1,613,186)			
Transfer, Capital Adjustment Account to Usable Capital Receipts Reserve	(5,548,186)			
Closing Usable Reserves Balance 31 March 2023	**(9,247,020)**			

9. Adjustments between Accounting Basis and Funding Basis under Regulation

This note details the adjustments that are made to the total comprehensive income and expenditure, recognised by the Joint Committee in the year, in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Joint Committee to meet future capital and revenue expenditure.

2023/24	General Fund Movement £	Equity Revaluation Reserve Movement £	Capital Adjustment Account Movement £	Accumulated Absence Account Movement £	Total Reserves Movement £
Equity Revaluation Reserve:					
Revaluation Gain on Equity Investments credited to CIES	(2,075,269)	2,075,269	0	0	**0**
Capital Adjustment Account:					
Capital Grants and Contributions credited to the CIES that have been applied to capital financing	(23,277,499)	0	23,277,499	0	**0**

Charges for depreciation and impairment of non-current assets	1,199,758	0	(1,199,758)	0	**0**
Accumulated Absences Account:					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(5,633)	0	0	5,633	**0**
Total	**(24,158,643)**	**2,075,269**	**22,077,741**	**5,633**	**0**

2022/23 for Comparison	**General Fund Movement £**	**Equity Revaluation Reserve Movement £**	**Capital Adjustment Account Movement £**	**Accumulated Absence Account Movement £**	**Total Reserves Movement £**
Equity Revaluation Reserve:					
Revaluation Gain on Equity Investments credited to CIES	(220,252)	220,252	0	0	**0**
Capital Adjustment Account:					
Capital Grants and Contributions credited to the CIES that have been applied to capital financing	(27,816,235)	0	27,816,235	0	**0**
Charges for depreciation and impairment of non-current assets	811,976	0	(811,976)	0	**0**
Accumulated Absences Account:					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(23,577)	0	0	23,577	**0**
Total	**(27,248,088)**	**220,252**	**27,004,259**	**23,577**	**0**

10. Related Parties

The Joint Committee is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Joint Committee or to be controlled or influenced by the Joint Committee. Disclosure of these transactions allows readers to assess the extent to which the Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Joint Committee.

Funding of expenditure by the ten constituent Local Authorities is in line with the City Deal Joint Working Agreement and approved by the leader of each Authority by decision at Regional Cabinet meetings.

Welsh Government has the ability to effect influence on the Joint Committee via legislation and grant funding. Grants received in 2023/24 are detailed in note 7.

Such transactions are detailed below.

Related Party Transactions	Revenue £	Capital £	2023/24 £
Blaenau Gwent CBC	(59,085)	0	(59,085)
Bridgend CBC	(120,722)	0	(120,722)
Caerphilly CBC	(153,068)	0	(153,068)
City of Cardiff Council	(303,442)	0	(303,442)
Merthyr Tydfil CBC	(50,402)	0	(50,402)
Monmouthshire County Council	(78,568)	0	(78,568)
Newport City Council	(125,545)	0	(125,545)
Rhondda Cynon Taf CBC	(201,705)	0	(201,705)
Torfaen CBC	(78,024)	0	(78,024)
Vale of Glamorgan Council	(108,402)	0	(108,402)
Sub Total: Local Authority Contributions	**(1,278,963)**	**0**	**(1,278,963)**
HMT Capital Grant Funding (via Welsh Government)	0	(52,000,000)	(52,000,000)
Ultra-Low Emission Vehicle Grant Funding	0	(1,430,747)	(1,430,747)
Welsh Government Food Challenge Grant	(125,000)	0	(125,000)
Welsh Government Local Area Energy Plan Grant	(912,289)	0	(912,289)
Shared Prosperity Fund Grant (via Rhondda Cynon Taf CBC)	(1,037,859)	0	(1,037,859)
Sub Total: Contributions from Other Parties	**(2,075,148)**	**(53,430,747)**	**(55,505,895)**
Total	**(3,354,111)**	**(53,430,747)**	**(56,784,858)**

For Comparison - Related Party Transactions 2022/23	Revenue £	Capital £	2022/23 £
Blaenau Gwent CBC	(56,271)	0	(56,271)
Bridgend CBC	(114,973)	0	(114,973)
Caerphilly CBC	(145,779)	0	(145,779)
City of Cardiff Council	(288,944)	0	(288,944)
Merthyr Tydfil CBC	(48,002)	0	(48,002)
Monmouthshire County Council	(74,826)	0	(74,826)
Newport City Council	(119,567)	0	(119,567)
Rhondda Cynon Taf CBC	(192,100)	0	(192,100)
Torfaen CBC	(74,309)	0	(74,309)
Vale of Glamorgan Council	(103,240)		(103,240)
Sub Total: Local Authority Contributions	**(1,218,011)**	**0**	**(1,218,011)**
HMT Capital Grant Funding (via Welsh Government)	0	(22,000,000)	(22,000,000)
Ultra-Low Emission Vehicle Grant Funding	0	(2,219,004)	(2,219,004)
Welsh Government Food Challenge Grant (SBRI)	0	(400,000)	(400,000)
Welsh Government Local Area Energy Plan Grant	(244,794)	0	(244,794)
Shared Prosperity Fund Grant (via Rhondda Cynon Taf CBC)	(46,155)	0	(46,155)
Sub Total: Contributions from Other Parties	**(290,948)**	**(24,619,004)**	**(24,909,952)**
Total	**(1,508,959)**	**(24,619,004)**	**(26,127,963)**

Registration and Declarations of Interests

A register has been developed to track, capture, and update Declarations of Interests for all CCR Committees, Sub-committees, Boards, and key officer groups.

The declaration forms that have been used capture interests on a regional, rather than local basis. This exercise is tracked via the 'Declarations of Interests Register', which captures key information, such as: Date form issued/returned/uploaded onto the City Deal website, dates of any amendments submitted, changes to membership during the year etc.

The review of the declarations made has not required any related party disclosures to be set out in the Statement of Accounts.

11. External Audit Costs

2022/23 £	External Audit Costs	2023/24 £
48,657	Joint Committee Financial Audit	72,345
20,566	Joint Committee Performance Audit	24,109
69,223	**Total**	**96,454**

Note 11 records the Audit Fee proposed for the year's audit as per the Audit Plans presented to Regional Cabinet and differ from those shown in the Comprehensive Income and Expenditure Statement and Note 6 above which show in year actual costs, made up of accruals for planned costs along with differences between planned and actual costs. Final costs for the 2023/24 audit will be charged following the completion of audit work.

12. Property, Plant and Equipment

Property, Plant and Equipment	Vehicles, Plant & Equipment	Vehicles, Plant & Equipment Under Construction	Total Property, Plant & Equipment
Movements in Cost or Values	**£**	**£**	**£**
31-Mar-23	**5,645,168**	**1,430,305**	**7,075,474**
Additions	1,322,831	151,348	**1,474,179**
Other Reclassifications - Transfers	1,430,305	(1,430,305)	**0**
31-Mar-24	**8,398,304**	**151,348**	**8,549,653**

Movements in Depreciation/Impairment	**£**	**£**	**£**
31-Mar-23	**1,224,749**	**0**	**1,224,749**
Depreciation Charge	1,199,758	0	**1,199,758**
31-Mar-24	**2,424,506**	**0**	**2,424,506**

Net Book Value	**£**	**£**	**£**
At 31 March 2023	**4,420,420**	**1,430,305**	**5,850,725**
At 31 March 2024	**5,973,798**	**151,348**	**6,125,146**

Property, Plant and Equipment	Vehicles, Plant & Equipment	Vehicles, Plant & Equipment Under Construction	Total Property, Plant & Equipment
Movements in Cost or Values	**£**	**£**	**£**
31-Mar-22	**2,889,408**	**1,286,236**	**4,175,644**
Additions	1,469,524	1,430,305	**2,899,830**
Other Reclassifications - Transfers	1,286,236	(1,286,236)	**0**
31-Mar-23	**5,645,168**	**1,430,305**	**7,075,474**

Movements in Depreciation/Impairment	£	£	£
31-Mar-22	**412,773**	**0**	**412,773**
Depreciation Charge	811,976	0	**811,976**
31-Mar-23	**1,224,749**	**0**	**1,224,749**

Net Book Value	£	£	£
At 31 March 2022	**2,476,635**	**1,286,236**	**3,762,871**
At 31 March 2023	**4,420,420**	**1,430,305**	**5,850,725**

Other Long-Term Assets are of an investment nature and shown in Note 16: Financial Instruments.

13. Short Term Debtors

31 March 2023 £	Short Term Debtors	31 March 2024 £
1,341,479	Central Government Bodies	2,197,035
422,233	Other Local Authorities	802,491
3,435,432	Other Entities and Individuals	1,344,309
5,199,144	**Total**	**4,343,835**

The main components of the Debtor Balances with Other Local Authorities as at 31 March 2024 are mainly a result of timings of recharges being made at Financial Year End.

The Debtor Balance with Other Entities and Individuals consists mainly of repayments of loans made to CSC Foundry (£1,091,172).

14. Cash and Cash Equivalents

The Joint Committee does not operate its own Bank Account, instead all cash transactions are administered by Cardiff Council in its role as Accountable Body in-line with its treasury management strategy. Interest received is recognised in the Comprehensive Income and Expenditure Statement.

The amount of £57,015,380 shown as Cash and Cash Equivalents in the Balance is represented by monies held with Cardiff Council as investments and inter-authority cash on behalf of the Joint Committee and immediately available for the Joint Committee's use.

31 March 2023 £	Cash and Cash Equivalents	31 March 2024 £
47,022,724	Cardiff Council Inter-Co Cash	57,015,380
47,022,724	**Total**	**57,015,380**

15. Financial Instruments

The Joint Committee's 'Financial Instruments' consist of Financial Assets in the form of loans, equity and amounts detailed within the Cash and Cash Equivalents note (Note 14) above. Loans and equity are held or acquired for Joint Committee policy purposes and have been elected to be accounted for as Fair Value through Other Comprehensive Income.

Long Term Assets also include a Partnership Vehicle (IIC Ltd) which CCR has entered into, the transactions of which are contained in the Group Accounts section. The asset value of this at Balance Sheet date (£8,867,222) represents the financing provided to the Partnership and is not included below.

Long Term Investments 2023/24	Loans (At Carrying Value) £	Equity (At Fair Value) £	Total £
At 1 April 2023	**49,164,767**	**11,843,567**	**61,008,334**
Additions	13,261,938	1,800,103	**15,062,041**
Interest Income	0	0	**0**
Fair Value Gains	0	2,714,105	**2,714,105**
Fair Value Losses	0	(638,836)	**(638,836)**
Net Fair Value Gain / (Loss)	**0**	**2,075,269**	**2,075,269**
Disposals / Repayment	(4,071,004)	0	**(4,071,004)**
At 31 March 2024	**58,355,701**	**15,718,939**	**74,074,640**

Long Term Investments 2022/23	Loans (At Carrying Value) £	Equity (At Fair Value) £	Total £
At 1 April 2022 (Restated)	**36,364,563**	**6,123,289**	**42,487,852**
Additions	18,410,000	5,500,026	**23,910,026**
Interest Income	0	0	**0**
Fair Value Gains	0	823,529	**823,529**
Fair Value Losses	0	(603,277)	**(603,277)**
Net Fair Value Gain / (Loss)	**0**	**220,252**	**220,252**
Disposals / Repayment	(5,609,796)	0	**(5,609,796)**
At 31 March 2023	**49,164,767**	**11,843,567**	**61,008,334**

Fair value calculations are required for accounting purposes. Figures are provided here for accounting information purposes.

During the year Arlingclose were commissioned to undertake a fair value calculation for all CCRCD equity investments and loans. The table above sets out the carrying amounts, the fair value amounts, and the movements between these for 2023/24.

Equity

Equity investments are held in the Balance Sheet at Fair Value as set out above, with Gains and Losses upon review reflected in 'Other Comprehensive Income and Expenditure' in the Income and Expenditure Statement and the Equity Revaluation Reserve.

Equity represents investments in a healthcare data business for a 22.86% shareholding; a 21.68% shareholding of a digital manufacturing business; a 6.23% shareholding in a FinTech business and a 9.99% shareholding in a BioTech business. None of these represent any form of 'control'.

The fair value estimates for the equity investments in the healthcare data business, the digital manufacturing business and the FinTech company have been calculated using the cashflow in perpetuity method as at 31 March 2024 and are based on information provided to Arlingclose by each of the companies. They are not based on quoted prices as the companies are not listed. The valuations may change subject to the company's actual performance in terms of profit and income along with the relevant multipliers in the industries within the companies areas of operation, technical accounting adjustments and the economic climate.

Regarding the investment in a BioTech business, CCRCD purchased additional shares during 2023/24 and there were no significant changes to the company during this time, therefore, the price paid for the shares is a suitable approximation to their fair value at 31st March 2024.

Loans

The fair value estimates of the loans made by CCRCD have all been calculated by discounting future cashflows.

The Arlingclose Fair Value calculation in relation to loans values them at £58,449,122 at 31 March 2024. These are shown in the Balance Sheet at their Carrying Value at 31 March 2024 of £69,121,865 (One loan of £2.06m was made for Revenue purposes, the remaining five loans of £67.07m are Capital in nature).

In addition, repayments of loans made to CSC Foundry an outdoor adventure tourism business which become due in 2023/24 (£4,462,894 and (£667,500 respectively) have been accounted for in Short-Term (Current) Assets in the Balance Sheet.

The Revenue loan of £2.06m was made to a MedTech business to support the development of cool plasma sterilisation and decontamination technology. The loan

was drawn down in July 2020 and is due to be repaid in 2025 with interest payments being made in the interim.

The following loans are Capital in nature:

A loan to Compound Semi-Conductor Foundry Ltd (CSC Foundry Ltd.) funded the acquisition (from Welsh Government) of the Foundry building, its refurbishment, fit-out and initial start-up costs. Loans amounting to £24.66m were drawn down in 2017/18 and £12.46m in 2018/19. The loan is profiled to be repaid over an 11-year term and loan repayments commenced in August 2021. The loan repayments are to be recycled back into the Wider Investment Fund and used to fund future City Deal projects. A balance of £28.26m was outstanding on CCRCD's balance sheet at 31 March 2024.

A loan of £2.67m was made to a business to create an Outdoor Adventure Tourism attraction within the region. The loan was drawn down in August 2021 and has a backstop repayment date of August 2026. A balance of £1.50m was outstanding on CCRCD's balance sheet at 31 March 2024.

£2.00m was loaned to the healthcare data business in which CCRCD already holds an equity stake in order to support its ongoing activities. Interest is being received on this loan with the principal due to be repaid in 2025, therefore a balance of £2.00m is included in the CCRD balance sheet at 31 March 2024.

£15.70m was loaned to CCR Energy Ltd to purchase, demolish and remediate the site of the former Aberthaw Power Station. The repayment profile of the loan is yet to be agreed as it is subject to future company receipts. Including notional interest a total balance of £16.86m is included in the balance sheet at 31 March 2024.

A total of £12.81m has been loaned across three projects via the Site & Premises Fund. As this is part of a total £50m fund which is intended to re-invest its returns until an exit expected at a future date, this is included in the balance sheet at £12.81m as at 31 March 2024.

An overall total of £3,607,693 has been recognised in the Comprehensive Income & Expenditure Statement in relation to Interest & Investment Income.

Financial Instrument Gains/Losses

Fair Value gains and losses on equity holdings are set out above are shown in the table above.

The structure of the loan made to CSC Foundry Ltd was agreed as part of the extensive due diligence and associated State Aid advice undertaken to approve the investment proposal. This confirmed that the investment would not carry any coupon/interest charge and therefore the loan has generated no gains or losses during the year.

For the other CCRCD loans, interest of £218,721 (2022/23: £262,841) has been received during 2023/24.

The Nature and Extent of Risks arising from Financial Instruments

The recoverability of the loans made are subject to regular reviews by board members and also by CCRCD Project Officers and the City Deal Director. This range of measures provide the framework for the ongoing review of the loan value; accordingly, no impairment is considered to be required in respect of the outstanding loan value as at 31 March 2024.

The fair values held in the accounts reflect professional assessment of the status of CCRCD's investments. However, the nature of Equity Investments means there is always the possibility that the investment could be irrecoverable or diminished, however this is offset by the economic growth benefiting the Region on investment and the potential for future dividends to be reinvested in future schemes.

16. Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Joint Committee Balance from accruing for compensated absences earned but not taken in the year e.g., annual leave entitlement carried forward on 31 March. Statutory arrangements require that the impact on the Joint Committee Balance is fully offset by transfers to and from the Account.

2022/23 £	Accumulated Absences Account	2023/24 £
(45,599)	**Balance as at 1 April**	(22,023)
23,576	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with accounting requirements.	(5,633)
(22,023)	**Balance as at 31 March**	**(27,656)**

17. Creditors

Short Term £	Long Term £	31 March 2023 £	Creditors	Short Term £	Long Term £	31 March 2024 £
29,864,189	12,831,364	42,695,553	Central Government Bodies	352,069	36,836,482	37,188,550
305,308	0	305,308	Other Local Authorities	8,355,406	0	8,355,406
3,357,210	0	3,357,210	Other Entities and Individuals (Inc. Public Corporations)	3,537,709	0	3,537,709
33,526,706	**12,831,364**	**46,358,070**	**Total**	**12,245,183**	**36,836,482**	**49,081,665**

HM Treasury Capital Grant totalling £52.00m was received during the year in respect of the seventh year of City Deal funding. The grant is passported through Welsh Government (the grant paying body) following acceptance of their grant terms & conditions.

Welsh Government have confirmed that in any year, where funds have been committed and/or there is a clear intention to spend, carry forward of funding to future years will be permitted. £46.20m of the funding received to date has been drawn down to cover eligible expenditure during the financial year.

18. Usable Reserves

General Fund 2022/23 £	Earmarked Reserves 2022/23 £	Usable Capital Receipts Reserve 2022/23 £	Total Usable Reserves 2022/23 £	Usable Reserves	General Fund 2023/24 £	Earmarked Reserves 2023/24 £	Usable Capital Receipts Reserve 2023/24 £	Total Usable Reserves 2023/24 £
212,080	**465,341**	**1,350,000**	**2,027,421**	**Balance as at 1 April**	**270,307**	**2,078,527**	**6,898,186**	**9,247,020**
				Movements during year:				
28,919,499	0	0	**28,919,499**	Surplus on Provision of Services	27,821,452	0	0	**27,821,452**
(27,248,086)	0	0	**(27,248,086)**	Financing of Expenditure, Capital Adjustment Account	(24,172,190)	24,813	0	**(24,147,377)**
0	0	5,548,186	**5,548,186**	Transfer from Capital Adjustment Account	0	0	3,581,016	**3,581,016**
(1,613,186)	1,613,186	0	**0**	Transfer from General Fund to Earmarked Reserves	(3,649,262)	3,649,262	0	**0**
270,307	**2,078,527**	**6,898,186**	**9,247,020**	**Balance as at 31 March**	**270,307**	**5,752,602**	**10,479,202**	**16,502,111**

19. Earmarked Reserves

Opening Balances 2022/23 £	Movement 2022/23 £	Closing Balances 2022/23 £	Earmarked Reserves	Opening Balances 2023/24 £	Movement 2023/24 £	Closing Balances 2023/24 £
208,120	1,490,148	**1,698,268**	Accumulated Investment Interest Reserve	**1,698,268**	3,607,963	**5,306,231**
227,221	7,260	**234,481**	CJC Preparation Costs Reserve	**234,481**	(234,481)	**0**
30,000	115,778	**145,778**	Gateway Review Costs Reserve	**0**	125,000	**125,000**
0	0	**0**	RTP Reserve	**145,778**	175,593	**321,371**
465,341	**1,613,186**	**2,078,527**	**Sub Total: Earmarked Reserves**	**2,078,527**	**3,674,075**	**5,752,602**
1,350,000	5,548,186	**6,898,186**	**Usable Capital Receipts Reserve:** Capital Loan Repayments Received, transferred from Capital Adjustment Account	**6,898,186**	3,581,016	**10,479,202**
1,815,341	**7,161,372**	**8,976,713**		**1,815,341**	**7,255,091**	**16,231,804**

20. Notes to the Cash Flow Statement

31 March 2023 £	Operating Activities	31 March 2024 £
(637,054)	Increase / (Decrease) in Creditors	5,040,447
3,242,471	(Increase) / Decrease in Debtors	309,612
(811,976)	Depreciation	(1,199,758)
23,515,935	Capital grants / contributions recognised in I&E	23,277,499
21,543,050	Revenue grants / contributions recognised in I&E	22,383,573
46,852,426	**Adjustments to net surplus or deficit on the provision of services for non-cash movements**	**49,811,373**

31 March 2023 £	Investing Activities	31 March 2024 £
6,424,626	Long Term Investments	8,156,001
2,899,831	Purchase of Property, Plant and Equipment	1,474,175
12,800,204	Long Term Debtors	9,742,725
22,124,661	**Adjustments to net surplus or deficit on the provision of services for investing activities**	**19,372,901**

31 March 2023 £	Financing Activities	31 March 2024 £
(22,000,000)	HMT Grant received	(52,000,000)
0	ULEV Grant	(1,430,747)
(22,000,000)	**Adjustments to net surplus or deficit on the provision of services for financing activities**	**(53,430,747)**

21. Capital Adjustment Account

The Capital Adjustment Account reflects differences between normal accounting practice and statutory requirements. This includes treatment of depreciation, gains, or losses on the value of investments, and it is credited with the amounts used as finance for capital expenditure.

2022/23 £	Capital Adjustment Account	2023/24 £
43,601,230	**Balance as at 01 April**	**65,057,303**
	Capital financing applied in the year:	
27,816,235	Capital Grants and Contributions recognised in Comprehensive Income & Expenditure Statement	23,277,499
(5,548,186)	Capital Loan Repayment Received, transferred to Usable Capital Receipts Reserve	(3,581,016)
(811,976)	Depreciation Charge	(1,199,758)
65,057,303	**Balance as at 31 March**	**83,554,028**

Group Accounts

Introduction

The group accounts that follow comply with the requirement of the 2023/24 Code of Practice, that a local authority with interests in subsidiaries, associates and joint ventures should prepare group accounts in addition to its single entity accounts. These accounts consolidate the operating results and balances of Cardiff Capital Region City Deal Joint Committee and its subsidiaries, Compound Semi-Conductor Foundry Ltd (CSC Foundry Ltd), CCR Energy Ltd and Innovation Investment Capital (IIC) Ltd

Accounting Policies Applicable to the Group Accounts

Basis of Consolidation

The group accounts have been prepared on the basis of a full consolidation of the financial transactions and balances of the Cardiff Capital Region City Deal Joint Committee, CSC Foundry Ltd, CCR Energy Ltd and IIC Ltd. Inter-group transactions and balances between the Joint Committee and its subsidiaries have been eliminated in full.

Accounting policies

CSC Foundry Ltd is a private company, limited by shares, domiciled in England and Wales, registration number 10888081. The registered office is Tredomen Innovation & Technology Centre, Tredomen Park, Ystrad Mynach, Hengoed, Wales CF82 7FN. Its accounts have been prepared in accordance with the provisions of FRS102 Section 1A small entities.

CCR Energy Ltd is a private company, limited by shares, domiciled in England and Wales, registration number 13951868. The registered office is Aberthaw Power Station, The Leys, Aberthaw, Barry, Wales CF62 4ZW. Its accounts have been prepared in accordance with the provisions of FRS102 Section 1A small entities.

Innovation Investment Capital Ltd (IIC) is a Private Fund Limited Partnership registered with Companies House as company number LP022853, with registered offices at 2nd Floor Malta House, 36-38 Piccadilly, London, W1J 0DP via which Cardiff Capital Region has agreed to supply up to £51.2m of funding to innovative businesses in the local area via the Innovation Investment Capital Fund. The fund has been structured as a Limited Partnership, with investments in the local area managed by PWC and Capricorn Fund Management as the Fund Managers. Cardiff Capital City Deal Joint Committee provides the funding by way of partnership contributions. It was incorporated on 27 September 2022 and filed its first formal accounts for the Financial Year 2023/24.

The Group Accounts are prepared in accordance with the Code, using uniform accounting policies for like transactions and other events in similar circumstances. The policies to be applied are those specified for the single entity

financial statements of the reporting authority, requiring realignment of the policies applied by other group members where they have materially different effect.

Therefore, the financial statements in the group accounts are prepared in accordance with the policies set out in the Statement of Accounting Policies.

2023/24 Group Comprehensive Income & Expenditure Statement

2022/23 £		Notes	2023/24 £
	Cost of Services		
2,235,473	Staff Costs	22	1,998,854
33,127	Premises	23	44,450
4,354	Transport	24	31,145
4,870,261	Supplies & Services	25	8,348,308
15,928,663	Revenue Expenditure funded from Capital Under Statute		22,383,573
691,462	Support Services	26	390,771
811,976	Capital Charges		1,199,758
24,575,316	**Operating Expenditure**		**34,396,859**
(1,218,011)	Contributions from Local Authorities	28	(1,278,963)
(21,543,050)	Grant Income	28	(29,874,505)
(2,878,012)	Fees and Charges	28	(3,299,692)
0	Drawdown from Reserves	28	(66,112)
(25,639,073)	**Operating Income**		**(34,519,272)**
(1,063,757)	**Net Cost of Services**		**(122,413)**
(1,562,279)	Interest & Investment Income	34	(3,842,234)
2,411,499	Change in Fair Value of Investment Properties	36	1,781,899
849,220	**Financing & Investment Income & Expenditure**		**(2,060,335)**
(27,816,234)	Recognised Capital Grants & Contributions	41	(23,277,499)
42,998	Corporation Tax	27	200,969
(27,773,236)	**Taxation and Non-Specific Grant Income**		**(23,076,530)**
(27,987,773)	**(Surplus) / Deficit on Provision of Services**		**(25,259,278)**
(220,252)	Revaluation (Gain) / Loss on Equity Investments		(2,075,269)
(28,208,025)	**Total Comprehensive Income & Expenditure**		**(27,334,547)**

2023/24 Group Movement in Reserves Statement

Movements in Reserves - Group	General Fund Balance £	General Fund Earmarked Reserves £	Usable Capital Receipts Reserve £	Total Usable Reserves £	Capital Adjustment Account £	Revaluation Reserve £	Accumulated Absence Account £	Share Capital £	Total Unusable Reserves £	Total Reserves £
Balance at 31st March 2023 Carried Forward	**13,842,207**	**2,078,527**	**6,898,186**	**22,818,920**	**55,595,021**	**4,343,541**	**(22,022)**	**11**	**59,916,551**	**82,735,471**
Movements in Reserves During 2023/24										
Surplus / (Deficit) on the Income and Expenditure Account	27,334,547	0	0	**27,334,547**	0	0	0		**0**	**27,334,547**
Total Comprehensive Income and Expenditure	**27,334,547**	**0**	**0**	**27,334,547**	**0**	**0**	**0**	**0**		**27,334,547**
Adjustments between Accounting Basis and Funding Basis	(24,172,190)	24,813	0	(24,147,377)	22,077,741	2,075,269	(5,634)		**24,147,376**	**0**
Net Increase/(Decrease) before Transfers to/(from) Earmarked Reserves	**3,162,357**	**24,813**	**0**	**3,187,170**	**22,077,741**	**2,075,269**	**(5,634)**	**0**	**24,147,376**	**27,334,546**
Transfers to/(from) Reserves	**(1,867,362)**	**3,649,262**	**3,581,016**	**5,362,916**	**(5,362,916)**	**0**	**0**	**0**	**(5,362,916)**	**0**
Increase/(Decrease in Year)	**1,294,995**	**3,674,075**	**3,581,016**	**8,550,086**	**16,714,825**	**2,075,269**	**(5,634)**	**0**	**18,784,460**	**27,334,545**
Balance at 31st March 2024	**15,137,202**	**5,752,602**	**10,479,202**	**31,369,006**	**72,309,846**	**6,418,810**	**(27,656)**	**11**	**78,701,011**	**110,070,016**

Movements in Reserves – Group – Prior Year for Comparison	**General Fund Balance £**	**General Fund Earmarked Reserves £**	**Usable Capital Receipts Reserve £**	**Total Usable Reserves £**	**Capital Adjustment Account £**	**Revaluation Reserve £**	**Accumulated Absence Account £**	**Share Capital £**	**Total Unusable Reserves £**	**Total Reserves £**
Balance at 31st March 2022 Carried Forward (Restated)	**12,083,944**	**465,341**	**1,350,000**	**13,899,285**	**36,550,458**	**4,123,289**	**(45,599)**	**10**	**40,628,158**	**54,527,443**
Movements in Reserves During 2022/23										
Surplus / (Deficit) on the Income and Expenditure Account	28,208,026	0	0	**28,208,026**	0	0	0	0	**0**	**28,208,026**
Total Comprehensive Income and Expenditure	**28,208,026**	**0**	**0**	**28,208,026**	**0**	**0**	**0**	**0**	**0**	**28,208,026**
Adjustments between Accounting Basis and Funding Basis	(27,248,086)	0	0	**(27,248,086)**	27,004,259	220,252	23,577	0	**27,248,086**	**0**
Called up Share Capital								1	**1**	**1**
Net Increase/(Decrease) before Transfers to/(from) Earmarked Reserves	**959,940**	**0**	**0**	**959,940**	**27,004,259**	**220,252**	**23,577**	**1**	**27,248,087**	**28,208,027**
Transfers to/(from) Reserves	**798,324**	**1,613,186**	**5,548,186**	**7,959,696**	**(7,959,696)**	**0**	**0**	**0**	**(7,959,696)**	**0**
Increase/(Decrease in Year)	**1,758,263**	**1,613,186**	**5,548,186**	**8,919,636**	**19,044,563**	**220,252**	**23,576**	**1**	**19,288,391**	**28,208,026**
Balance at 31st March 2023	**13,842,207**	**2,078,527**	**6,898,186**	**22,818,921**	**55,595,021**	**4,343,541**	**(22,023)**	**11**	**59,916,549**	**82,735,469**

Group Balance Sheet as at 31 March 2024

31st March 2023 £		Notes	31st March 2024 £
63,593,021	Investment Properties	36	62,519,724
1,430,305	Property, Plant & Equipment - Assets Under Construction		151,348
4,454,840	Property, Plant & Equipment		6,015,488
11,843,567	Equity		20,482,328
8,521,109	Long Term Debtors	31	12,126,086
1,413,760	Long Term Bonds	34	1,555,796
2,055,000	Long Term Loans - Revenue	34	3,890,404
4,211,875	Long Term Loans - Capital	34	16,806,313
97,523,477	**Long Term Assets**		**123,547,487**
10,444,681	Short Term Debtors	31	4,711,869
667,500	Short Term Loans - Capital		667,500
1,797,831	Deferred Tax Asset	28	2,136,392
54,429,796	Cash & Cash Equivalents	33	63,902,580
67,339,808	**Current Assets**		**71,418,341**
(33,952,681)	Short Term Creditors	37	(16,271,997)
(22,023)	Accumulated Absences	32	(27,656)
(33,974,704)	**Current Liabilities**		**(16,299,653)**
(17,333,703)	Long Term Creditors	37	(40,376,770)
(30,819,409)	Provision for Liabilities	27/36	(28,219,385)
(48,153,112)	**Long Term Liabilities**		**(68,596,155)**
82,735,469	**Net Assets**		**110,070,020**
9,247,019	Usable Reserves	38	16,502,113
4,343,541	Equity Revaluation Reserve		6,418,810
11	Called up Share Capital		11
13,571,900	Profit and Loss Account	38	14,866,894
55,595,022	Capital Adjustment Account	40	72,309,848
(22,024)	Accumulated Absences	32	(27,656)
82,735,469	**Total Reserves**		**110,070,020**

2023/24 Group Cash Flow Statement

31st March 2023 £		Notes	31st March 2024 £
(27,987,774)	Net (Surplus) / Deficit on the provision of services		(25,259,278)
48,211,527	Adjust net surplus or deficit on the provision of services for non-cash movements	39	51,556,154
20,223,754	**Net cash flows from operating activities**		**26,296,876**
32,705,511	Investing activities	39	25,603,708
(38,624,600)	Financing activities	39	(61,373,369)
14,304,665	**Net (increase) / decrease in cash and cash equivalents**		**(9,472,785)**
(68,734,460)	Cash and cash equivalents at the beginning of the reporting period		(54,429,793)
(54,429,795)	**Cash balance as at 31st March**		**(63,902,578)**

Notes to the Core Group Financial Statements

22. Remuneration

Note 1 covers remuneration costs for Cardiff Capital Region City Deal employees. The CSC Foundry Ltd, CCR Energy Ltd and IIC Ltd accounts consolidated into the CCR Group Accounts show employee costs of £15,569 and £17,267 respectively.

23. Premises Costs

The following table analyses Premises expenditure for the year.

2022/23 £	Premises Costs	Joint Committee £	CSC Foundry Ltd £	CCR Energy Ltd £	IIC Ltd £	2023/24 £
31,055	Rents	44,753	0	0	0	44,753
2,072	Other Premises Related Expenditure	(303)	0	0	0	(303)
33,127	**Total**	**44,450**	**0**	**0**	**0**	**44,450**

24. Transport Costs

The following table analyses Transport expenditure for the year.

2022/23 £	Transport Costs	Joint Committee £	CSC Foundry Ltd £	CCR Energy Ltd £	IIC Ltd £	2023/24 £
766	Car Allowances	1,952	0	0	0	1,952
3,587	Travel Expenses	29,074	0	119	0	29,193
4,354	**Total**	**31,026**	**0**	**119**	**0**	**31,145**

25. Supplies and Services

The following table analyses Supplies and Services expenditure for the year.

2022/23 £	Supplies and Services	Joint Committee £	CSC Foundry Ltd £	CCR Energy Ltd £	IIC Ltd £	2023/24 £
32,910	ICT, Telephones, Printing & Software	55,711	0	0	0	55,711
89,722	Meeting Room Hire & Other Meeting Costs	163,274	0	0	0	163,274
67,472	Marketing, Branding & Communications	212,517	0	0	0	212,517
2,025,665	Programme Support	3,729,114	0	0	0	3,729,114
1,862,860	Revenue Project Grants	2,172,093	0	0	0	2,172,093
791,632	Other Supplies & Services Costs	591,583	17,538	125,297	1,281,182	2,015,600
4,870,261	**Total**	**6,924,291**	**17,538**	**125,297**	**1,281,182**	**8,348,308**

* Programme Support covers a range of professional advice and support needed to ensure that all projects taken forward are robust and have undergone the necessary level of challenge and independent verification to comply with requirements of the Assurance Framework. This includes legal consultancy, due diligence, market testing and costs incurred in the preparation of HM Treasury compliant Business Cases.

2022/23 £	**Revenue Project Grants	2023/24 £
800,000	FinTech Wales	350,000
0	CSConnected	204,072
557,792	Media.Cymru	690,166
277,860	Cyber Masters	274,552
141,742	Cyber Innovation Hub	583,025
85,466	Shared Apprenticeship Scheme	40,278
0	Data Ambition	30,000
1,862,860	**Total**	**2,172,093**

26. Support Service Costs

The following table analyses Support Service expenditure for the year.

2022/23 £	Support Service Costs	Joint Committee £	CSC Foundry Ltd £	CCR Energy Ltd £	IIC Ltd £	2023/24 £
16,417	HR People Services	38,553	0	0	0	38,553
145,950	Accountancy Support	115,000	15,000	5,250	0	135,250
4,857	Exchequer, Internal Audit & Insurance	4,967	0	0	0	4,967
121,060	Legal & Governance Support	123,485	0	0	0	123,485
24,998	ICT, Information & Governance	28,903	0	0	0	28,903
5,500	Translation Services	1,690	0	0	0	1,690
70,408	External Audit	50,908	3,800	3,215	0	57,923
302,222	Investment & Intervention Fund Costs	0	0	0	0	0
50	Other Support	0	0	0	0	0
691,462	**Total**	**363,506**	**18,800**	**8,465**	**0**	**390,771**

27. Deferred Corporation Tax

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The following table analyses reconciles the £200,969 tax charge recognised in 2023/24 financial year to the movement on the tax liability and deferred tax asset.

Movement 2023/24	Provision for Tax Liability £	Deferred Tax Asset £	Movement £
Opening Balance 1 April 2023	(2,971,763)	1,797,831	
Movement:			
Additional Tax Provision	(539,530)	0	(539,530)
Deferred Tax	0	338,561	338,561
Closing Balance 31 March 2024	**(3,511,293)**	**2,136,392**	**(200,969)**

Prior Year for Comparison 2022/23	Provision for Tax Liability £	Deferred Tax Asset £	Movement £
Opening Balance 1 April 2022	(2,470,579)	1,339,646	
Movement:			
Additional Tax Provision	(501,184)	0	(501,184)
Deferred Tax	0	458,185	458,185
Closing Balance 31 March 2023	**(2,971,763)**	**1,797,831**	**(42,999)**

28. Income

The following table analyses Income accounted for during the year.

2022/23 £	Income	Joint Committee £	CSC Foundry Ltd £	CCR Energy Ltd £	IIC Ltd £	2023/24 £
(1,218,011)	Contributions from Local Authorities	(1,278,963)	0	0	0	(1,278,963)
(21,543,049)	Grant Income	(29,874,505)	0	0	0	(29,874,505)
(2,878,013)	Fees and Charges	(553,763)	(2,743,044)	(2,885)	0	(3,299,692)
0	Contributions from Reserves	(66,112)	0	0	0	(66,112)
(25,639,073)	**Total**	**(31,773,343)**	**(2,743,044)**	**(2,885)**	**0**	**(34,519,272)**

CSC Foundry Ltd Fees and Charges income relates to the rental payments on its Investment Property and for CCR Energy Ltd relate to sundry charges.

29. Related Parties

Joint Committee Related Party transactions are set out in note 10 above.

During the financial year, CSC Foundry Ltd had 10 directors, each of whom represented a Local Authority which forms part of the Cardiff Capital Region City Deal. CSC Foundry Ltd has received an interest free loan of 37,118,359 by way of partner authority contributions related to the Cardiff Capital Region City Deal. The Company also uses the services of a Project Manager from the City Deal

Management Office and uses Monmouthshire County Council to assist in its financial administration under a Service Level Agreement.

Payments for services to Cardiff County Council during the period amounted to £15,698 (2023 £15,095). Payments to Monmouthshire County Council during the period amounted to £16,500 (2023 £15,000).

Also, during the financial year, CCR Energy Ltd had 8 directors, with 3 Non-Executive Directors adding sector specific expertise to 5 representatives of the CCR Local Authorities. CCR Energy has received an interest-bearing loan of £15,700,000 by way of the City Deal Capital Grant. The company does not have any Service Level Agreements with any of the City Deal Local Authorities and therefore has not made any payments to any of them for services during the financial year.

Finally, CCR has agreed to supply up to £51.2 million of funding to innovative businesses within the Region via Innovation Investment Capital Ltd., a Limited Partnership managed by PWC and Capricorn Fund Management as the Fund Managers. Cardiff Capital City Deal Joint Committee provides the funding by way of partnership contributions, with £7,942,622 provided during the financial year which includes fund management fees. There are no individuals appointed to control such entities.

30. External Audit Costs

2022/23 £	External Audit Costs	Joint Committee £	CSC Foundry Ltd £	CCR Energy Ltd £	IIC Ltd £	2023/24 £
48,657	Joint Committee Financial Audit	48,657	0	0	0	48,657
20,566	Joint Committee Performance Audit	20,566	0	0	0	20,566
6,850	Audit of Accounts	0	3,800	3,215	0	7,015
76,073	**Total**	**69,223**	**3,800**	**3,215**	**0**	**76,238**

Note 30 records the Audit Fee proposed for the year's audit as per the Audit Plans presented to Regional Cabinet and differ from those shown in the Comprehensive Income and Expenditure Statement and Note 25 above which show in year actual costs, made up of accruals for planned costs along with differences between planned and actual costs. Final costs for the 2023/24 audit will be charged following the completion of audit work.

31. Debtors

Debtors	Joint Committee £	CSC Foundry Ltd £	CCR Energy Ltd £	IIC Ltd £	Total 31st March 2024 £
Short Term:					
Central Government Bodies	2,197,035	0	0	0	2,197,035
Other Local Authorities	802,491	0	0	0	802,491
Other Entities and Individuals	1,344,309	0	368,034	0	1,712,343
Short Term Debtors	**4,343,835**	**0**	**368,034**	**0**	**4,711,869**
Long Term:					
Other Entities and Individuals	0	12,126,086	0	0	12,126,086
Long Term Debtors	**0**	**12,126,086**	**0**	**0**	**12,126,086**
Total Debtors	**4,343,835**	**12,126,086**	**368,034**	**0**	**16,837,955**

Debtors – Prior Year for Comparison	Joint Committee £	CSC Foundry Ltd £	CCR Energy Ltd £	IIC Ltd £	Total 31st March 2023 £
Short Term:					
Central Government Bodies	1,341,479	0	0	0	1,341,479
Other Local Authorities	422,233	0	0	0	422,233
Other Entities and Individuals	3,435,432	3,808,647	1,426,090	10,800	8,680,969
Short Term Debtors	**5,199,144**	**3,808,647**	**1,426,090**	**10,800**	**10,444,681**
Long Term:					
Other Entities and Individuals	0	8,521,109	0	0	8,521,109
Long Term Debtors	**0**	**8,521,109**	**0**	**0**	**8,521,109**
Total Debtors	**5,199,144**	**12,329,756**	**1,426,090**	**10,800**	**18,965,790**

32. Accumulated Absences Account

Note 16 covers the Accumulated Absences Account for Cardiff Capital Region City Deal employees. There are no Accumulated Absences entries for CSC Foundry, CCR Energy or IIC Ltd.

33. Cash and Cash Equivalents

The Joint Committee does not hold its own bank account, so all income and expenditure is managed by Cardiff Council in its role as the Accountable Body, through its own bank balance. Therefore, the amount of £57,015,380 shown as cash in the balance sheet represents the inter-authority cash held by the Accountable Body on behalf of the Joint Committee along with balances held by CSC Foundry Ltd, CCR Energy Ltd and IIC Ltd.

Total 31st March 2023 £	Cash and Cash Equivalents	Joint Committee £	CSC Foundry Ltd £	CCR Energy Ltd £	IIC Ltd £	Total 31st March 2024 £
7,407,072	Bank	0	3,000,000	3,471,274	415,926	6,887,200
47,022,724	Cardiff CC Inter-Co Cash	57,015,380	0	0	0	57,015,380
54,429,796	**Total**	**57,015,380**	**3,000,000**	**3,471,274**	**415,926**	**63,902,580**

Net interest has been earned on balances held, in line with each organisation's policies:

Joint Committee £	CSC Foundry Ltd £	Total 31st March 2023 £	Interest	Joint Committee £	CSC Foundry Ltd £	CCR Energy Ltd £	IIC Ltd £	Total 31st March 2024 £
1,490,148	68,609	1,562,280	Net Interest Earned	3,607,963	148,495	372	85,404	3,842,234
1,490,148	**68,609**	**1,562,280**	**Total**	**3,607,963**	**148,495**	**372**	**85,404**	**3,842,234**

34. Financial Instruments

In addition to the Financial Assets of the Joint Committee, CSC Foundry Ltd holds Cash and Cash Equivalents as set out above.

The loans between the Joint Committee and CSC Foundry Ltd and CCR Energy Ltd, and Partnership Contributions made to IIC Ltd. are neutralised on consolidation and cease to be Financial Instruments in the Group Accounts.

Included within Long Term Assets for CCR Energy Ltd is an amount receivable after more than one year of £1,555,796 (2022/23: £1,413,760). A bond has been deposited with Natural Resources Wales and this will be retained until the company has fulfilled various obligations pertaining to the remediation of the site at Aberthaw.

The Nature and Extent of Risks arising from Financial Instruments:

Cash and Cash Equivalents are managed by Cardiff Council, by CSC Foundry Ltd, by Monmouthshire County Council as host Authority for the CSC Foundry Ltd

project, by CCR Energy Ltd and IIC Ltd in accordance with each organisation's Treasury Management Strategy. No provisions or losses are to be recognised.

35. Investment Properties

The CSC Foundry Ltd Investment property held at the balance sheet date is valued on the basis of Fair Value, defined as: Investment property: valued to fair value (FRS 102 section 16 or IFRS 13) assuming that the property would be sold subject to any existing leases.

The property was valued at fair value at the balance sheet date, by the independent external valuers, Jones Lang LaSalle Ltd. The valuation was subject to the existing tenancy at the balance sheet date.

The CIPFA Code requires revaluation gains and losses to be transferred from the General Fund to the capital adjustment account and reported in the MiRS.

The CCR Energy Ltd Investment property held at the balance sheet date is valued as per the company's accounts prepared by Baker Knoyle Ltd. and includes the original purchase price, various other capitalised acquisition and demolition costs and a provision for future costs required to fully demolish and remediate the site.

Investment Properties	CSC Foundry Ltd £	CCR Energy Ltd £	Total £
At 1 April 2023	**26,600,200**	**36,992,821**	**63,593,021**
Additions	61,699	646,904	**708,603**
Revaluation Gains	0	0	**0**
Revaluation Losses	(1,781,899)	0	**(1,781,899)**
Disposals	0	0	**0**
At 31 March 2024	**24,880,000**	**37,639,725**	**62,519,725**

Investment Properties – Prior Year for Comparison	CSC Foundry Ltd £	CCR Energy Ltd £	Total £
At 1 April 2022	**28,950,000**	**0**	**28,950,000**
Additions	61,699	36,992,821	**37,054,520**
Revaluation Gains	0	0	**0**
Revaluation Losses	(2,411,499)	0	**(2,411,499)**
Disposals	0	0	**0**
At 31 March 2023	**26,600,200**	**36,992,821**	**63,593,021**

36. Provisions for Liabilities

The CSC Foundry Ltd Provision for Tax Liability is explained in the Deferred Corporation Tax note above.

CCR Energy Ltd has an obligation to remediate the site at Aberthaw Power Station, and to return the land to a safe, reusable condition. Initial calculations suggest that the cost of these works, including the cost of acquiring the site, will be in the region

of £38m. Some of these costs have been defrayed in this financial year, with a provision being recognised for the balance of the remaining estimated costs.

	Provision for Tax Liabilities - CSC Foundry Ltd £	Provision for Liabilities - CCRE Ltd £	Total £
Opening Balance 1 April 2023	(2,971,763)	(27,847,646)	(30,819,409)
Movement:			
Additional Tax Provision	(539,530)	0	(539,530)
Provision for Remediation of Site	0	3,139,554	3,139,554
Closing Balance 31 March 2024	**(3,511,293)**	**(24,708,092)**	**(28,219,385)**

Prior Year for Comparison	Provision for Tax Liabilities - CSC Foundry Ltd £	Provision for Liabilities - CCRE Ltd £	Total £
Opening Balance 1 April 2022	(2,470,579)	0	(2,470,579)
Movement:			
Additional Tax Provision	(501,184)	0	(501,184)
Provision for Remediation of Site	0	(27,847,646)	(27,847,646)
Closing Balance 31 March 2023	**(2,971,763)**	**(27,847,646)**	**(30,819,409)**

37. Creditors

Creditors	Joint Committee £	CSC Foundry Ltd £	CCR Energy Ltd £	IIC Ltd £	Total 31st March 2024 £
Short Term:					
Central Government Bodies	352,069	0	0	0	352,069
Other Local Authorities	8,355,406	0	0	0	8,355,406
Other Entities and Individuals	3,537,709	2,137,360	1,707,093	182,361	7,564,523
Short Term Creditors	**12,245,183**	**2,137,360**	**1,707,093**	**182,361**	**16,271,997**
Long Term:					
Central Government Bodies	36,836,482	0	0	0	36,836,482
Other Entities and Individuals	0	2,375,368	1,164,920	0	3,540,288
Long Term Creditors	**36,836,482**	**2,375,368**	**1,164,920**	**0**	**40,376,770**
Total Creditors	**49,081,665**	**4,512,728**	**2,872,013**	**182,361**	**56,648,767**

Creditors – Prior Year for Comparison	Joint Committee £	CSC Foundry Ltd £	CCR Energy Ltd £	IIC Ltd £	Total 31st March 2023 £
Short Term:					
Central Government Bodies	29,864,189	0	0	0	29,864,189
Other Local Authorities	305,308	0	0	0	305,308
Other Entities and Individuals	3,357,210	25,645	399,959	370	3,783,184
Short Term Creditors	**33,526,707**	**25,645**	**399,959**	**370**	**33,952,681**
Long Term:					
Central Government Bodies	12,831,364	0	0	0	12,831,364
Other Entities and Individuals	0	4,432,450	69,889	0	4,502,339
Long Term Creditors	**12,831,364**	**4,432,450**	**69,889**	**0**	**17,333,703**
Total Creditors	**46,358,071**	**4,458,095**	**469,848**	**370**	**51,286,384**

38. Usable Reserves

Usable Reserves	General Fund 2023/24 £	Earmarked Reserves 2023/24 £	Usable Capital Receipts Reserve 2023/24 £	CSC Foundry Ltd P&L 2023/24 £	CCR Energy Ltd P&L 2023/24 £	IIC Ltd P&L 2023/24 £	Total Usable Reserves 2023/24 £
Balance as at 1 April	**270,307**	**2,078,527**	**6,898,186**	**14,466,680**	**(55,694)**	**(839,086)**	**22,818,920**
Movements during year:							
Surplus / (Deficit) on Provision of Services	27,821,452	0	0	856,764	(147,891)	(1,195,778)	**27,334,547**
Financing of Expenditure, Capital Adjustment Account	(24,172,190)	24,813	0		0	0	**(24,147,377)**
Transfer from Capital Adjustment Account	0	0	3,581,016	1,781,899	0	0	**5,362,915**
Transfer from General Fund to Earmarked Reserves	(3,649,262)	3,649,262	0	0	0	0	**0**
Balance as at 31 March	**270,307**	**5,752,602**	**10,479,202**	**17,105,343**	**(203,585)**	**(2,034,864)**	**31,369,005**

Usable Reserves – Prior Year for Comparison	General Fund 2022/23 £	Earmarked Reserves 2022/23 £	Usable Capital Receipts Reserve 2022/23 £	CSC Foundry Ltd P&L 2022/23 £	CCR Energy Ltd P&L 2022/23 £	IIC Ltd P&L 2021/22 £	Total Usable Reserves 2022/23 £
Balance as at 1 April	**212,080**	**465,341**	**1,350,000**	**11,871,864**	**0**	**0**	**13,899,285**
Movements during year:							
Surplus / (Deficit) on Provision of Services	33,042,788	0	0	183,307	(55,694)	(839,086)	32,331,315
Financing of Expenditure, Capital Adjustment Account	(34,351,671)	0	0	2,411,509	0	0	(31,940,162)
Transfer from Capital Adjustment Account	0	0	0	0	0	0	0
Transfer from General Fund to Earmarked Reserves	1,367,110	1,613,186	5,548,186	0	0	0	8,528,482
Balance as at 31 March	**270,307**	**2,078,527**	**6,898,186**	**14,466,680**	**(55,694)**	**(839,086)**	**22,818,920**

39. Notes to the Cash Flow Statement

31st March 2023 £	Operating Activities	31st March 2024 £
655,114	Increase / (Decrease) in Creditors	7,097,712
5,720,904	(Increase) / Decrease in Debtors	8,298
(811,976)	Depreciation	(1,210,927)
(2,411,499)	Change in Fair Value of Investment Properties	0
23,515,935	Capital grants / contributions recognised in I&E	23,277,499
21,543,050	Revenue grants / contributions recognised in I&E	22,383,573
48,211,527	**Adjustments to net surplus or deficit on the provision of services for non-cash movements**	**51,556,154**

31st March 2023 £	Investing Activities	31st March 2024 £
6,424,626	Long Term Investments	11,952,374
13,480,681	Purchase of Property, Plant and Equipment	1,554,317
12,800,204	Long Term Debtors	12,097,017
32,705,511	**Adjustments to net surplus or deficit on the provision of services for investing activities**	**25,603,708**

31st March 2023 £	Financing Activities	31st March 2024 £
(22,000,000)	HMT Grant received	(52,000,000)
(924,600)	Partnership Contribution*	(7,942,622)
0	ULEV Grant	(1,430,747)
(15,700,000)	Loan Raised	0
(38,624,600)	**Adjustments to net surplus or deficit on the provision of services for financing activities**	**(61,373,369)**

* Partnership Contribution is the cash received by IIC Ltd from the Joint Committee and Loan Raised is the cash received by CCRE from the Joint Committee, both of these are removed from the Group Balance Sheet as consolidation adjustments as all entities fall within the Group structure.

40. Capital Adjustment Account

The Capital Adjustment Account reflects differences between normal accounting practice and statutory requirements. This includes treatment of depreciation, gains, or losses on the value of investments, and it is credited with the amounts used as finance for capital expenditure.

2022/23 £	Capital Adjustment Account	2023/24 £
36,550,449	**Balance as at 01 April**	**55,595,023**
	Capital financing applied in the year:	
27,816,234	Grants and contributions	**23,277,500**
(2,411,499)	Revaluation of Investment Property	**(1,781,899)**
(5,548,186)	Return on Investment	**(3,581,016)**
(811,976)	Depreciation Adjustment	**(1,199,758)**
55,595,022	**Balance as at 31 March**	**72,309,850**

Glossary of Relevant Local Government Accountancy Terms

Knowledge of basic accountancy terminology is assumed. However, there are certain specialist terms related to local government finance, which are described below:

Accruals Basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Asset Under Construction

An asset that is not yet complete.

Borrowing

Loans taken out to pay for capital expenditure or for the prudent management of the Joint Committee's financial affairs.

Capital Adjustment Account

The Account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (revenue expenditure funded by capital under statute). The balance on the account thus represents timing differences between the amount of the historical cost of non-current assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Capital Expenditure

Capital expenditure pays for improvements to existing and new assets used in the delivery of services as well as other items determined by Regulation. Capital resources are scarce, costly and also have long term revenue implications over many years and even generations where capital expenditure is funded by borrowing. Hence the requirement of the Prudential Code to ensure what is charged as Capital Expenditure is Prudent, Sustainable and Affordable.

The statutory definition of capital expenditure is given in the Local Government Act 2003, the Local Authorities (Capital Finance) Regulations 2003 and 2004 amended. Statute relies on the accounting measurement of cost in IAS 16 to determine whether expenditure is eligible to be capitalised or whether it should be treated as revenue expenditure. Key to what is eligible as capital spend are the following words in IAS 16 - 'Costs directly attributable to bringing the specific asset into working condition for its intended use'.

Carrying Amount

The Balance Sheet value recorded of either an asset or a liability.

Cash and Cash Equivalents
Sums of money available for immediate use and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Chartered Institute of Public Finance & Accountancy (CIPFA)
CIPFA is the leading professional accountancy body which determines accounting standards and reporting standards to be followed by Local Government.

Creditors
Amounts owed by the Joint Committee for work done, goods received or services rendered, for which payment has not been made at the date of the balance sheet.

Current Value
The current value of an asset reflects the economic environment prevailing for the service or function the asset is supporting at the reporting date.

Debtors
These are sums of money due to the Joint Committee that have not been received at the date of the Balance Sheet.

Earmarked Reserves
Amounts set aside to be used to meet specific, known or predicted future expenditure.

External Audit
The independent examination of the activities and accounts of Local Authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Joint Committee has made proper arrangements to secure value for money in its use of resources.

Fair Value
Fair Value is the price that would be received to sell and asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Impairment
A reduction in the value of assets below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in an asset's market value or recoverability and evidence of obsolescence or physical damage to the asset.

Investments
The purchase of financial assets in order to hold temporary cash balance, receive income and/or make capital gain at a future time, however with the prime concern being security of the initial sum invested.

Liabilities
These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Prior Period Adjustments
These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

Property, Plant and Equipment (PPE)
Tangible assets (i.e., assets that have physical substance) that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and are expected to be used during more than one year.

Provisions
Amounts set aside in respect of liabilities or losses which are likely or certain to be incurred, but in relation to which the exact amount and date of settlement may be uncertain.

Related Parties
Related parties are Central Government, other Local Authorities, precepting and levying bodies, subsidiary and associated companies, Elected Members, all senior officers from Director and above. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household; and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

Reserves
Reserves are also amounts set aside for future use. Reserves may be for a specific purpose in which case they are referred to as ‘earmarked reserves’ or they may be general reserves (or balances) which every organisation must maintain as a matter of prudence.

Revenue Expenditure funded from Capital Under Statute (REFCUS)
Represents expenditure that may properly be capitalised under statutory provisions, but which creates no tangible asset for the Joint Committee.

Treasury Management
The process by which the Joint Committee controls its cash flow and lending activities.