South East Wales Corporate Joint Committee

Cyd-bwyllgor corfforaethol De-Dwyrain Cymru

Report for:	NOTING
Contains Confidential or Exempt Information	NO

For Consideration By	South-East Wales Corporate Joint Committee
Report Title	2024/25 Draft Statement of Accounts
Report of	Liam Hull, Strategic Director Resources
Contact Details	Liam.Hull@cardiffcapitalregion.gov.uk
Date to be Considered	13 October 2025
Implementation Date	With immediate effect
Affected Council Areas	All
Keywords / Index	Finance; Statements of Accounts; 2024/25;

Report Summary

1. To present South-East Wales Corporate Joint Committee (the CJC) with the draft Statement of Accounts in respect of the financial year 2024/25.

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 CJC:

   (1) Notes that the Draft Statement of Accounts 2024/25 have been signed by the Section 151 Officer and submitted to Audit Wales.

Reason for Recommendations and Background Information

4. To advise the CJC that the Draft Statement of Accounts 2024/25 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") 2024/25 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 2024/25 and future years. It is expected that the draft accounts are prepared by 30th June with certification by auditors as follows:

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. It is expected that Welsh Government will amend the regulations to reflect the expectations set out in paragraphs 8 and 9.

11. Due to delays to the finalisation of the 2023/24 audited Statement of Accounts, it was not possible to submit the draft accounts to Audit Wales in line with the extended timescales.

12. The draft Statement of Accounts 2024/25 were subsequently certified and submitted to Audit Wales on 3 September 2025.

13. Given the potential impact on the accounts of ten local authorities in the region who consolidate CJC transactions into their own accounts, it has been agreed with Audit Wales that they will prioritise resource to attempt to achieve the 2024/25 deadline of 31st October and they are currently part way through that audit period.

14. CJC finance staff are prioritising the audit and any associated queries to meet this deadline also.

15. Members will note comments in previous years relating to the quality of the draft accounts submitted to Audit Wales. 2024/25 is the first financial year since the CJC was established as a public body, and subsequently since the capacity and technical capability of the finance team has increased.

16. To improve the quality of the draft accounts, a robust quality assurance and analytical review was undertaken prior to submission of the draft accounts.

Content of the Accounts

17. The Statement of Accounts include:

- a Narrative Report setting out an introduction to the CJC's, financial and non-financial performance during 2024/25 as well as an introduction to the statements included within the accounts;

- accounting policies;

- the core financial statements for 2024/25:
  - 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

18. 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

19. 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 2024/25;
- 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 CJC website following approval of the audited Statements and Annual Governance Statement.

Comments of the s.151 Officer

20. This report asks members to note that the Draft Statement of Accounts 2024/25 have been signed and submitted to Audit Wales.

21. I am content that the Draft Statement of Accounts for South-East Wales Corporate Joint Committee give a true and fair view of its income and expenditure for the financial year 2024/25 and the financial position at 31 March 2025.

22. The report also asks members to note that the 2024/25 audit is currently under way and Audit Wales and CJC are making every effort to conclude the audit to allow for certification of the audited accounts by the deadline of 31 October 2025.

Comments of the Monitoring Officer

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

Staffing Implications

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

Equality, Human Rights and Community Cohesion

25. No adverse equalities implications have been identified.

Well-being of Future Generations

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

Welsh Language Implications

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

Background Papers

28. None.

Report Author: Liam Hull, Strategic Director Resources

Meeting Date: 13 October 25

Appendices:

Appendix 1 Draft Annual Statement of Accounts 2024/25

Item 4
Appendix 1

Prifddinas Ranbarth Caerdydd | Cardiff Capital Region

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Cardiff Capital Region – Chair's Statement

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

"Cardiff Capital Region (CCR) was established to deliver economic wellbeing and shared prosperity across the region and as Chair, I'm delighted to see that being achieved by CCR over the course of 2024/25. This ambition means that the ten local authorities of South-East Wales continue to foster a fairer and greener economy, generating inclusive growth and creating the opportunity for positive, lasting change.

The 12 months spanning 2024/25 not only delivered Year Four of our five-year strategic business plan, but it also represents a pivotal moment in the legal status and ambitions of our organisation because in April 2024, we launched the constituted South-East Wales Corporate Joint Committee (the CJC), taking CCR into a new chapter of its story as a public body.

The City Deal continues to be a foundational pillar of our ambitious plans for the region, but now, through the CJC we have new powers, freedoms and flexibilities, meaning that the economic wellbeing of the region is at our core.

Did you know that almost 60% of the economic activities of the creative industries in Wales, in terms of turnover, is concentrated in our region? With enterprises generating an estimated £2.5bn and, for every 2 in 11 jobs in Cardiff are within the creative industries. What a way to spotlight just one of the amazing clusters we have at our fingertips in the region.

As the 2024/25 accounts show, CCR continues to invest in innovative companies that are committed to that inclusive growth for the region, with jobs being created and safeguarded, as well as new places for people to live and work. Key investments have been made across several sectors, including environmental packaging, global sports broadcasting and manufacturing sites. This is proof that our Wider Impact Fund, through its various programmes, like the Strategic Premises Fund, is truly a catalyst for change and creating opportunities for growth.

Partnerships and collaboration are integral to what we do as an organisation; whether that's with the private sector or working with public sector organisations, by bringing the right people to the table, it means we can deliver on our plans for the region. It means through our partnerships, we can amplify our ambitions, showcase our successes to the markets and demonstrate the opportunities for public and private money for the economic and societal benefits of the region.

As Chair, it is a privilege to be part of the evolving story of CCR, with the focus remaining on being connected, competitive and resilient, so that we go into our final year of the strategic business plan with clear goals in mind, confident in what is to come and what can be achieved. My thanks to everyone in CCR for their hard work, dedication and commitment to opening the door of opportunity, as well as to my CJC

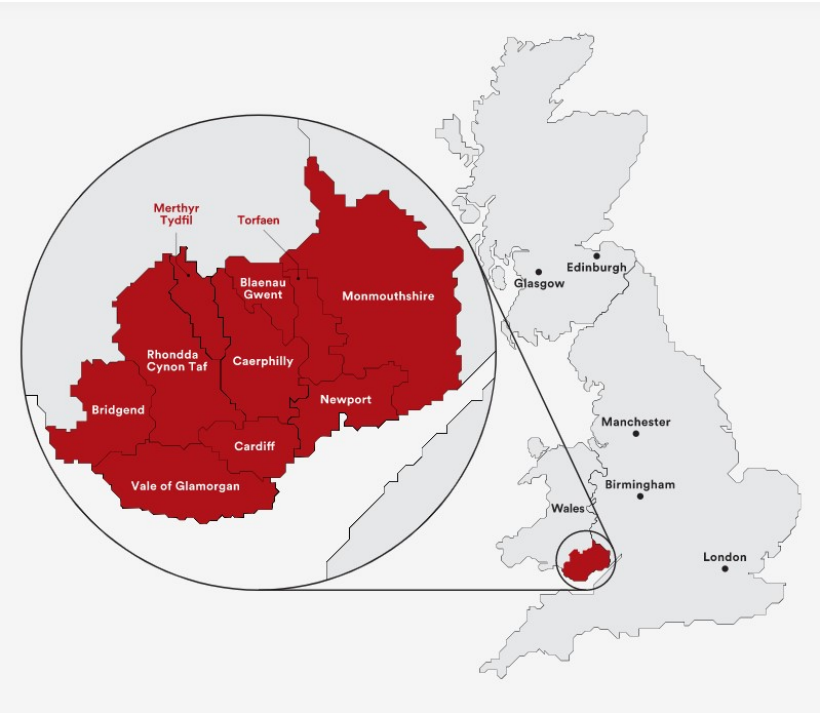
colleagues, for their input and support as we created this new public body. Here's to the next year and beyond."

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 is home to 1.5m people and generated £38m in annual GVA during 2022. As such, just under half the population of Wales lives in the Cardiff Capital region, and it accounts for more than half of the economic activity within Wales as whole. The working age population is higher than the Welsh average, standing at 62.7%, and is home to 465 business enterprises per 10,000 working age population. 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

Wider 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.

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. In 2021, the Senedd Cymru passed legislation establishing the South East Wales Corporate Joint Committee (CJC), a public body with three key areas of responsibility:

(1) preparing a Strategic Development Plan;
(2) preparing a Regional Transport Plan; and
(3) doing whatever is deemed necessary to enhance or promote the economic well-being of the region.

With its own statutory powers and duties (the CJC is able to employ staff, hold assets and manage funding in its own right), CCR has taken this opportunity to build upon the solid foundations of the JWA arrangements by 'lifting and shifting' the City Deal arrangements, and incorporating these within the CJC organisation. This has opened up wider possibilities for the ten partner authorities to work together to coordinate and implement strategies on a regional basis.

Membership of the CJC is made up of the elected council leaders of the 10 partner authorities in CCR. In respect of Strategic Development Plan matters, a representative of the Bannau Brycheiniog National Park Authority, also forms part of the governance arrangements. The 1 April 2024, saw the completion of the former City Deal arrangements transitioning to the CJC, which now sits alongside its statutory duties.

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.

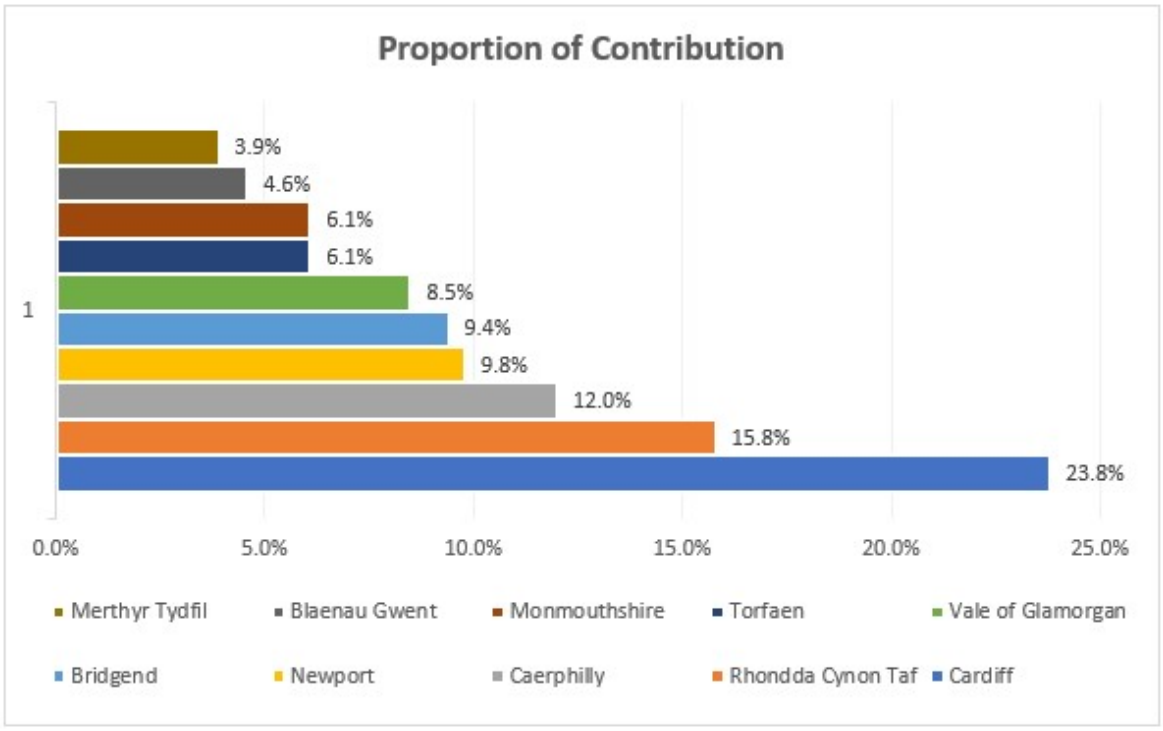
A catalyst for continuity investment, bringing key industry clusters to life. A trusted partner enabling companies to innovate and realise their full potential. A shaper of economically significant hubs, producing multiplier effects that fuel local and regional supply chains as well as the broader foundational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

CCR Plans and Budgets

A five-year Corporate Plan is produced along with an Annual Business Plan and an Annual Budget. CCR's operating costs as well as contributions to the Wider Investment Fund are provided by each authority, based on population:



CCR Funding and Projects

City Deal activities

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.

The timeline for completion of the Final Report for Gateway Review 2 is highlighted below:

Action	Timeline
SQW to compile final report for CCR, based on evidence papers	Throughout August and September 2025
Academic Panel meeting with CCR and SQW	September 2025
Final report presented by SQW to CCR	September 2025
SQW to submit final report to MHCLG	October 2025
"Challenge" session with MHCLG	Early 2026
Funding decision outcome confirmed	Prior to May 2026 (in line with annual payments from UK Gov)

Annual Review, Future Plans and Developments

Regional Transport Plan

CCR has been working collaboratively across the ten local authorities since 2017 and has utilised its new powers to assign oversight for the development of the Regional Transport to its Regional Transport Sub-Committee (RTSC).

2024 saw significant progress towards the development of CCR's Regional Transport Plan (RTP), with the 'Case for Change' being submitted to Welsh Government in June 2024, followed by an 'Initial Draft RTP' in October. In January 2025, CCR endorsed the recommendation for the draft RTP to progress to consultation, which will run for 12 weeks from February to May 2025. The report set out that the final RTP is scheduled for Welsh Government approval in the autumn of 2025.

Strategic Development Plan

CCR has the statutory duty to prepare both a Local Development Plan (LDP) and a Strategic Development Plan (SDP), although it is not anticipated that the latter will be adopted until 2030 at the earliest. Given this context, CCR approved its approach for progressing the Delivery Agreement (for the SDP) in June 2024, which involved the establishment of a Strategic Development Sub-Committee Working Group to oversee the preparation and governance of the Delivery Agreement.

At the Strategic Development Sub-Committee Working Group meeting on 4 March 2025, the Delivery Agreement was endorsed, although it was noted that there was an outstanding need to understand how the delivery of the SDP will be supported by Welsh Government. This will be a key consideration going forward as the work gathers momentum in 2025/26 and beyond.

A year of investments

Launch of £50m Northern Valleys Initiative

In April 2024, CCR launched a unique £50m investment programme aimed at catalysing economic growth and social impact in the Northern Valleys. The Northern Valleys Initiative aims to play a long-term levelling-up role in tackling some of the intra-regional economic and skills disparities that exist within the Cardiff Capital Region.

The Initiative, totalling £50m, has been set up by CCR and supported by Local Authority delivery teams from Blaenau Gwent, Bridgend, Caerphilly, Merthyr Tydfil, Rhondda Cynon Taf and Torfaen. This will support businesses and projects that could increase prosperity in the region through innovation, skills and scale-up.

Investments will be focussed on businesses that offer high-growth potential and the ability to help transform the regional economy.

Innovation Investment Capital invests in Transcend Packaging in Caerphilly

July 2024 saw a multi-million-pound investment into Transcend Packaging, a sustainable packaging company based in Caerphilly. This investment was supplemented by additional equity from the private sector, providing further investment to the overall region.

Transcend is a leading innovator of environmental food and beverage packaging solutions. It supports a new sustainable manufacturing landscape, driven by improved recyclability and reusability legislation and net zero targets.,

Since launching in 2017, Transcend has successfully innovated and disrupted the traditional packaging sector, recently developing a first to market premium polyethylene-free cup, highlighting its significant ESG credentials.

CCR invests £1.5m in Whisper Cymru

In September 2024, CCR invested £1.5m in broadcast production agency Whisper, based in Tramshed Tech, enabling the purchase of specialist remote broadcasting equipment to deliver large scale live programming within its new Cymru Broadcast Centre facility in Cardiff, the first being the 2024 Paralympic Games in Paris.

The ambition of this project goes beyond the Paralympics, with other international productions already planned; a commitment to boosting skills, training and

employment opportunities for underrepresented groups will see this investment bring tangible benefits to the wider community and, a lasting legacy.

CCR invests £45m in Ogi to boost digital connectivity for South East Wales

September 2024 saw CCR invest £45m into Ogi, Wales' biggest alternative network provider, and being CCR's largest single investment into a company since its formation in 2017.

The debt-financing package aims to develop and transform digital capabilities in villages, towns and cities across the region, helping to reduce digital disparities through offering local communities and businesses reliable services and ultrafast connectivity.

Businesses in the region will be positively impacted not just due to improved broadband access, but it also enables greater productivity, cloud computing, AI and data storage. The investment is also foundational to the development of CCR's high-tech sectors and key to ongoing developments like the Investment Zone.

One of CCR's key priority sectors, the creative industries has already benefited from Ogi's data connectivity capabilities, with the recent 2024 Paralympics live produced remotely at The Cymru Broadcast Centre in central Cardiff.

Strategic Premises Fund invests £5.5m in manufacturing site in Tredegar

In February 2025, CCR's Strategic Premises Fund invested £5.5m in a factory site in Tredegar, Blaenau Gwent. The loan was provided to NPH Red Oak Platform, a new Joint Venture (JV) that acquired the site.

The loan is being used for site acquisition of the 168,244 sq. ft premises in Crown Business Park, and for the building's refurbishment.

The refurbishment will improve the environmental performance of the premises and will introduce on-site renewables in the form of rooftop solar panels and a 250KW wind turbine. The new owner of the site is also contributing funds alongside CCR's investment.

High profile events across the year

CCR joins forces with local universities and college for future collaboration

In April 2024, CCR signed a groundbreaking Memorandum of Understanding (MoU) with the Higher and Further Education (HE & FE) institutions from South East Wales, forming a framework for future collaboration based on key objectives for economic wellbeing in the Region.

The agreement is a first of its kind in Wales, with Cardiff University, Cardiff Metropolitan University, and the University of South Wales being joined by the

Region's Further Education colleges, including Merthyr Tydfil, Coleg Gwent, Cardiff and Vale College, Coleg Y Cymoedd and Bridgend College.

CCR attends UKREiiF 2024 to promote the region

CCR attended UKREiiF in Leeds from 21 to 23 May 2024 to showcase investment opportunities and spotlight the region as one of 13 Investment Zones selected by the UK Government in November 2023 (with the two in Wales having Welsh Government input).

UKREiiF, the UK's Real Estate Investment and Infrastructure Forum, is a three-day conference that aims to connect people, places and businesses including the key players and decision makers within the public sector, built environment, investment and real estate markets to drive significant sustainable investment.

CCR co-sponsored the National Eisteddfod's Science and Technology Village with the University of South Wales

August 2024 saw a momentous event in CCR's history, its first-ever public-facing event, bringing the organisation's investments to our communities and raising its profile.

CCR co-sponsored the Science & Technology Village at the 2024 National Eisteddfod along with the University of South Wales (USW).

The Science & Technology Village is a firm fixture in the festival, attracting 60,000 visitors each year with a large iconic dome that seats 100 people.

As a Welsh language celebration event, CCR spoke at the event on stage about its development plans at the former Aberthaw power station and maintained a permanent presence in the village with its own stand, engaging with over 3,000 members of the public over eight days. Working with partner organisations it showcased the technological developments in the region.

CCR's Infuse programme opens applications to join the Infuse Collision Space

In September 2024, Infuse, CCR's successor programme to its Challenge Fund, launched the Infuse Collision Space to bring together the brightest minds from across the public, private, voluntary, and community sectors to tackle some of the biggest challenges we currently face in the region.

Funded by CCR with support from academics, data scientists, and experts in innovation, data and procurement, Infuse builds innovation expertise in Wales across public, voluntary and private sectors, and support new models of service delivery.

The Infuse Collision Space aims to give people and organisations the skills and tools they need to address pressing decarbonisation targets amid the global climate crisis.

CCR announced 12 businesses selected for Accelerated Growth Programme

September 2024 also saw the announcement of twelve businesses selected to participate in its trial Accelerator Growth Programme, an intensive business incubator providing tailored support to high growth potential businesses.

Delivered by Grant Thornton LLP and delivery partners Business in Focus and Cardiff Metropolitan School of Business, the Accelerated Growth Programme is part of CCR's Business Growth Programme, supporting business development through bespoke workshops, mentoring, and the facilitation of strategic partnerships.

Nearly eighty companies have accessed support through the wider Business Growth Programme across three cohorts taking place in Cardiff, Merthyr Tydfil, and Bridgend. The following twelve businesses have been selected from these cohorts to take part in the Accelerated Growth Programme:

Renewable Temporary Power Ltd	Smartlist Ltd / trading as Codiance
Near Me Now	Arcanum
Cotton Mouton	Fleet EV
Microchip Tech	Pryme
Cardiff Scintigraphics Limited	Comgem
Guestalk	Prizsm

Cardiff Capital Region celebrated becoming a Real Living Wage employer

In September 2024, CCR became accredited as a Real Living Wage employer by the Living Wage Foundation. The Real Living Wage accreditation formally recognises CCR's existing commitment to fair pay and driving inclusive economic growth.

The Real Living Wage is the only UK wage rate based on the cost of living. In Wales, more than a tenth of all workers (12.9%) earn less than they need to get by, with around 161,000 jobs paying less than the real Living Wage.

CCR attends MIPIM 2025 in Cannes

A team from CCR and the ten Local Authorities promoted South East Wales and its investment opportunities at the MIPIM event in Cannes, France in March 2025.

Considered one of the leading global real estate events, the annual 'Marche International des Professionals d'Immobilier' (MIPIM) attracts more than 26,000 participants each year, including 5,000 investors, 4,800 developers, and 500 journalists.

The CCR team promoted the region, holding a series of events across the week, highlighting its investment opportunities, commitment to sustainable development, and its communities.

The year in statistics

Overall investment performance demonstrates that investments made before 2024/25 are starting to deliver results. Figures are correct as at 31 March 2025.

Jobs created: 5,520

Known Leverage: £163m

Private sector investment: £118m

Land unlocked (sqm): 690,277 sqm

EV charging points installed: 216

Further information can be found in the following documents:

Constitution Review & Transfer of the City Deal to CJC

This report was considered and approved by the CJC at its meeting of the 18 March 2024. The report provides a comprehensive update on the transfer of Cardiff Capital Region City Deal and associated funding programmes to the South East Wales Corporate Joint Committee and can be found here:

Item 4 Constitution Review & Transfer of City Deal to CJC.pdf

Cardiff Capital Region 2024/25 Joint Committee Revenue Budget Final Outturn Position as reported 28 July 2025 which sets out the financial performance against the approved revenue budgets for the financial year. In summary (subject to Audit), the approved budgets (set out in Tables 1 & 2), totalled £4,875,866 and were underspent by £178,386 in total. The CJC approved transfers to General and Specific Earmarked Reserves amounting to the value of the underspend.

2024/25 CJC Revenue Budget Final Out-turn Report

Cardiff Capital Region 2024/25 Annual Business Plan – Quarter 4 Performance Report as reported 28 July 2025, the report provides key stakeholders, principally South East Wales Corporate Joint Committee and Welsh and UK Governments, of the performance against the 2024/25 Cardiff Capital Region Annual Business Plan and details of the actual expenditure incurred against the approved 2024/25 Wider Investment Fund budgets.

Annual Business Plan 2024-25 Quarter 4 Performance Report

Cardiff Capital Region Wider Investment Fund – Annual Business Plan 2025/26 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 2025/26 and the medium term, also setting out how this is expected to be funded.

CCR Annual Business Plan 2025-26.pdf

Financial Performance 2024/25

Comprehensive Income and Expenditure 2024/25

The comprehensive Income and Expenditure Statement provides an analysis of the CCCR's gross revenue expenditure and income on accordance with IFRS.

CCR's 2024/25 budget was approved at the Regional Cabinet meeting on XXX and separated between the CJC Statutory Duties and CCR City Deal and Wider Investment Fund. The following table details each of those areas' actual net expenditure and budget during 2024/25.

This represents the net revenue expenditure of the CJC. The variance against budget contributes to the movement on the General Fund Balance.

Service Group	Budget	Spend	Variance
	£'000	£'000	£'000
CJC Statutory Duties	584	406	(178)
City Deal Operations	23,462	20,551	(2,911)
Total	**24,046**	**20,957**	**(3,089)**
(Gains) or Losses on Disposal of Non-Current Assets	0	1,011	1,011
Interest	0	(5,315)	(5,315)
LA Contributions	(1,279)	(1,279)	0
Revenue Funding	(9,434)	(8,027)	1,407
Capital Funding	(61,924)	(50,725)	11,199
Total	**(48,591)**	**(43,378)**	**5,213**

	£'000
General Fund Balance as at 31 March 2025	**311**
Revenue Budget Out-turn (Variance as above)	5,214
Release of Earmarked Reserves	(5,453)
General Fund Balance as at 31 March 2025	**72**

Expenditure on services amounted to £24.7m and can be analysed over the following expenditure categories.

Type of Expenditure	£'000	%
Employees	3,898	16
Premises	82	0
Transport	38	0
Supplies and Services	10,622	43
Payments to Third Parties	0	0
Transfer Payments	0	0
Capital Charges	9,777	40
Other Operating Costs (e.g. Support Services)	323	1
Total Gross Expenditure	**24,740**	**100**

Revenue & Capital Grants and Contributions

A summary of revenue and capital grant contributions are included below.

Revenue Grants and Contributions	£'000
Revenue WIF	(5,723)
Shared Prosperity Fund	(2,304)
Total	**(8,027)**

Capital Grants and Contributions	£'000
REFCUS	(7,611)
Loans & Equity	(40,225)
Housing Grant	(2,889)
Total	**(50,725)**

Pension Assets and Liabilities

As a result of International Accounting Standard (IAS) 19 "Employee Benefits", CCR as a member of a Local Government Pension Scheme is required to account for pensions liabilities in respect of the cost of decisions made up to the Balance Sheet date. Currently, the pension asset matches the pension liability and there is therefore no impact on the reserves of the CJC.

The Financial Statements

The Statement of Accounts for the South East Wales Corporate Joint Committee (trading as Cardiff Capital Region) 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 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 South East Wales Corporate Joint Committee's 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

South East Wales Corporate Joint Committee responsibilities.

The South East Wales Corporate 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 South East Wales Corporate Joint Committee

(Cllr Anthony Hunt held the role of Chair of the Cardiff Capital Region Joint Committee until it's dissolution on 31 March 2025. The functions of CCR have now transitioned 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 South East Wales Corporate 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 2024/25 (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 South East Wales Corporate Joint Committee give a true and fair view of its income and expenditure for the financial year 2024/25 and the financial position at 31 March 2025.

Liam Hull **Date:** 3 September 2025

South East Wales Corporate Joint Committee Section 151 Officer

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.

2024/25 Comprehensive Income & Expenditure Statement

This statement records CCR'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.

2023/24 (Restated)					2024/25		
Gross Exp	**Gross Income**	**Net Exp**		***Note:***	**Gross Exp**	**Gross Income**	**Net Exp**
£'000	**£'000**	**£'000**			**£'000**	**£'000**	**£'000**
258	0	258	CJC Statutory Duties		507	(101)	406
38,466	(435)	38,031	City Deal Operations		24,233	(3,682)	20,551
38,724	**(435)**	**38,289**	**Cost of Services**		**24,740**	**(3,783)**	**20,957**
			Other Operating Expenditure				
0	0	0	(Gains) or Losses on Disposal of Non-Current Assets	*6.1*	1,011	0	1,011
			Financing and Investment Income and Expenditure				
0	0	0	Interest Payable and Similar Charges	*7.2*	378	0	378
0	(4,115)	(4,115)	Interest Receivable and Similar Income	*7.2*	0	(5,693)	(5,693)
			Taxation and Non-Specific Grant Income				
0	(1,280)	(1,280)	LA Contributions	*23.0*	0	(1,279)	(1,279)
0	(125)	(125)	WIF Revenue Grants and Contributions	*19.2*	0	(8,027)	(8,027)
0	(51,825)	(51,825)	WIF Capital Grants and Contributions	*19.2*	0	(50,725)	(50,725)
38,724	**(57,780)**	**(19,056)**	**(Surplus) or Deficit on the Provision of Services**		**26,129**	**(69,507)**	**(43,378)**
0	(2,012)	(2,012)	(Surplus) or Deficit on Revaluation of Financial Instrument Assets	*13.1*	13,912	0	13,912
0	**(2,012)**	**(2,012)**	**Other Comprehensive Income and Expenditure**		**13,912**	**0**	**13,912**
38,724	**(59,792)**	**(21,068)**	**Total Comprehensive Income and Expenditure**		**40,041**	**(69,507)**	**(29,466)**

24/25 Movement in Reserves Statement

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

	General Fund Balance	Earmarked Reserves: Other Revenue Related	Usable Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Notes:	*12.1*	*12.2*	*12.3*		*13.0*	
Balance at 1 April 2024	311	100	10,479	**10,890**	89,218	**100,108**
Movement in reserves during 2024/25:						
Total Comprehensive Income and Expenditure	29,467	0	0	**29,467**	0	**29,467**
Reversal of items debited/credited to CI&ES:						
Charges for depreciation and impairment of long-term assets	958	0	0	**958**	(958)	**0**
Adjustments primarily involving the Capital Grants Unapplied Account:						
Application of grants to capital financing transferred to the Capital Adjustment Account	(40,153)	0	0	**(40,153)**	40,153	**0**
Adjustments involving the Capital Receipts Reserve:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	1,011	0	0	**1,011**	(1,011)	**0**
Adjustments involving the Financial Instruments Adjustment Account:	0	0	0	**0**	0	**0**
Amount by which finance costs charged to the CI&ES are different from finance costs chargeable in the year in accordance with statutory requirements	13,912	0	0	**13,912**	(13,912)	**0**
Adjustment involving the Accumulated Absences Account:						
Amount by which officer remuneration charged to the CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	19	0	0	**19**	(19)	**0**
Net increase or (decrease) before transfers to Earmarked Reserves	5,214	0	0	**5,214**	24,253	**29,467**
Transfers to or from Earmarked Reserves	(5,453)	5,453	4,921	**4,921**	(4,921)	**0**
Increase or (decrease) in the year	(239)	5,453	4,921	**10,135**	19,332	**29,467**
Balance at 31 March 2025	**72**	**5,553**	**15,400**	**21,025**	**108,550**	**129,575**

Movement 2023/2024

	General Fund Balance	Earmarked Reserves: Other Revenue Related	Usable Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Notes:	*12.1*	*12.2*	*12.3*		*13.0*	
Balance at 1 April 2023	294	2,079	6,898	**9,271**	69,514	**78,785**
Movement in reserves during 2023/24:						
Total Comprehensive Income and Expenditure	21,322	0	0	**21,322**	0	**21,322**
Reversal of items debited/credited to CI&ES:						
Charges for depreciation and impairment of long-term assets	955	0	0	**955**	(955)	**0**
Capital Grants and Contributions applied	(22,233)	0	0	**(22,233)**	22,233	**0**
Adjustments involving the Capital Receipts Reserve:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	5,628	(5,628)	0	**0**	0	**0**
Adjustments involving the Financial Instruments Adjustment Account:				**0**		**0**
Amount by which finance costs charged to the CI&ES are different from finance costs chargeable in the year in accordance with statutory requirements	-2,012			**(2,012)**	2,012	**0**
Net increase or (decrease) before transfers to Earmarked Reserves	3,666	(5,628)	0	**(1,962)**	23,284	**21,322**
Transfers to or from Earmarked Reserves	(3,649)	3,649	3,581	**0**	(3,581)	**(3,581)**
Increase or (decrease) in the year	17	(1,979)	3,581	**1,619**	19,703	**21,322**
Balance at 31 March 2024	**311**	**100**	**10,479**	**10,890**	**89,217**	**100,107**

Balance Sheet as at 31 March 2025

This statement is comprised of two balancing sections – CCR's net assets and the total reserves held.

31/03/2024 (Restated)				31/03/2025	
£'000			***Note:***	**£'000**	**£'000**
4,638	**Long-**	Vehicles, Plant & Equipment	*6.0*	3,488	
825	**Term**	Assets Under Construction	*6.0*	449	
15,656	**Assets**	Equity Investments	*7.3 / 7.4*	2,944	
8,867		Partnership Investments	*7.5*	17,517	
0		Defined Benefit Pension Scheme Asset	*7.6*	2,612	
58,863		Long-Term Loans	*7.8*	84,217	
88,848		**TOTAL LONG-TERM ASSETS**			**111,227**
0	**Current**	Short-Term Investments	*8.3*	67,525	
5,130	**Assets**	Short Term Loans	*8.4*	6,624	
5		VAT	*8.1*	431	
20		Payments made in Advance	*8.2*	28	
5,808		Short-Term Debtors	*8.0*	856	
57,216		Cash and Cash Equivalents	*9.0*	373	
68,179		**TOTAL CURRENT ASSETS**			**75,837**
(28)	**Current**	Accumulated Absences	*10.1*	(47)	
(22,698)	**Liabilities**	Short-Term Creditors	*10.0*	(14,524)	
(22,726)		**TOTAL CURRENT LIABILITIES**			**(14,571)**
0	**Long-**	Long-Term Borrowing	*7.1*	(10,000)	
(34,193)	**Term**	Other Long-Term Liabilities	*11.0*	(30,306)	
0	**Liabilities**	Long-Term Pension Liabilities	*11.1*	(2,612)	
(34,193)		**TOTAL LONG-TERM LIABILITIES**			**(42,918)**
100,108	**NET ASSETS**				**129,575**
311	**Usable**	General Fund Balance	*12.1*	72	
100	**Reserves**	Other Revenue Related Reserves	*12.2*	5,553	
10,479		Usable Capital Receipts Reserve	*12.3*	15,400	
10,890		**TOTAL USABLE RESERVES**			**21,025**
6,356	**Unusable**	Revaluation Reserve	*13.1*	(7,556)	
82,890	**Reserves**	Capital Adjustment Account	*13.2*	116,153	
(28)		Short-Term Accumulating Compensated Absence Account	*13.4*	(47)	
89,217		**TOTAL UNUSABLE RESERVES**			**108,550**
100,108	**TOTAL RESERVES**				**129,575**

2024/25 Cash Flow Statement

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

2023/24			2024/25	
£'000		*Note:*	£'000	£'000
(19,056)	Net (Surplus) or Deficit on the Provision of Services		(43,378)	
(12,911)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements	*14.0*	5,556	
0	Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities	*15.0*	67,525	
(31,967)	**Net Cash Flows from Operating Activities**			**29,703**
21,775	Investing Activities	*17.0*	104,666	
0	Financing Activities	*18.0*	(10,000)	94,666
(10,192)	**Net (Increase) or Decrease in Cash or Cash Equivalents**			**124,369**
47,023	Cash and Cash Equivalents at the Beginning of the Reporting Period	*9.0*		57,216
57,216	**Cash and Cash Equivalents at the End of the Reporting Period**	*9.0*		**(67,153)**

Notes to the Core Financial Statements

1. Accounting Policies

The Statement of Accounts summarises CCR's income and expenditure for the year ended 31 March 2025 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 2024/25 (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.

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.

Cash and Cash Equivalents

CCR operates its own Bank Account and has an approved Treasury Management strategy in place to manage its cash balances for the prudent management of its financial affairs. During the year CCR had an agreement in place which saw its surplus cash balances 'pooled' with RCT's cash balances and invested in accordance with RCT's approved Treasury Management Strategy Statement, which compliments CCR's own strategy.

This approach changed in March 2025 where CCR took over the management and administration of its own Treasury Management activity through its own bank account.

At the end of the financial year a small balance remained in the ringfenced RCT account to manage contingency payments and the balance on this account has been included as cash and cash equivalents along with the balances held within CCR's own accounts.

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

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 CCR'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.

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.

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, CCR 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 CCR 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.

CCR 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 CCR. 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.

Grants and Contributions

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

- there is reasonable assurance that CCR 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 was to remain unapplied, it would be held as Capital Grants Unapplied Reserve.

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

Interests in Companies and Other Entities

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

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.

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 2024/25 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 CCR'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 Kilsby Williams 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.

Provisions

Provisions are charged as expenditure to the Comprehensive Income and Expenditure Statement in the year that CCR 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.

Reserves

The statutory accounts have two types of reserves, usable and unusable. CCR 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 CCR and cannot be used for future spend.

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 CCR 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 CCR's Fund Balance to the Capital Adjustment Account then reverses out the amounts charged.

Value Added Tax (VAT)

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

2. Accounting Standards Issued but not Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. In the interim potentially relevant standards include:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
    - specify that an entity's right to defer settlement must exist at the end of the reporting period;
    - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
    - clarify how lending conditions affect classification; and
    - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.

- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
    - A temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes; and
    - targeted disclosure requirements for affected entities.

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
    - assess how supplier finance arrangements affect an entity's liabilities and cash flows; and

- understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

3. Critical Judgements in Applying Accounting Policies

In applying the Accounting Policies set out in note 1.0, CCR has made judgements about complex transactions and those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

3.1 Grant and Contribution Conditions

Judgements are made in terms of conditions attached to both capital and revenue grants. Grants are recognised as income when received/receivable. Unless there are assumptions that conditions of the grant are breached, a return obligation is not recognised. As a result, capital grants received, with no expected return obligation are reflected in the Capital Grants Unapplied Account until they are used to fund the Capital Programme. Similarly, revenue grants received with no expected return obligation that are to be used to fund future years' expenditure are reflected in Earmarked Reserves in the Balance Sheet.

4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

This Statement of Accounts contains estimated figures that are based on assumptions made by CCR about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because assets and liabilities cannot always be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in CCR's Balance Sheet at 31st March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

4.1 Pension Asset/Liability

Estimation of the net asset/liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. AON PLC is engaged to provide CCR with advice on the assumptions to be applied.

GMP equalisation and indexation

The disclosures allow for full CPI inflation pension increases to be paid on Guaranteed Minimum Pension (GMP) for those reaching State Pension Age on or after 6th April 2016. This recognises the cost of the Government's commitment to compensate public service scheme members from the removal of the Additional Pension element of the State Pension from this date, and for the outcome of the Lloyds judgement which found GMPs to be illegally sex discriminatory. Government has recognised that this solution will not address all sex inequalities for a minority of

members and further guidance is expected from DLUHC on how they propose to deal with this. These inequalities are expected to be small.

In October 2020 a second ruling in the Lloyds bank case clarified that compensation would be required for members who transferred benefits out since May 1990. Government has not yet acknowledged a liability in public service schemes nor indicated an approach in rectifying this. Therefore, no allowance for potential liabilities relating to the second Lloyds ruling is included in the accounts.

Goodwin Ruling

In June 2020 an Employment Tribunal ruled in relation to the Teachers' Pension Scheme, that provisions for survivor benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. The chief secretary to the Treasury announced in a ministerial statement on 20 July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements. As these changes are yet to be reflected in the LGPS regulations and also on the basis of materiality, allowance has not been made in the calculations.

Cost Management Process in the LGPS incl. McCloud

Legislation requires HM Treasury and the Scheme Advisory Board (SAB) to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable. This is referred to as the "Cost Management Process". The outcomes of the reviews recommended no changes to the provisions of the scheme. However, the legality of the Government's decision to include McCloud costs as a member cost within the 2016 HMT process was challenged by a Judicial Review brought by trade unions. The Judicial Review was unsuccessful, and the unions were given permission to appeal that decision. On 17 April 2024, the judgment given by the Court of Appeal on trade unions' challenge to the way in which McCloud costs were handled under the 2016 cost management process for public service schemes was published. The Court of Appeal agreed with the earlier ruling of the High Court and consequently, it has been found legitimate that the McCloud costs were treated as member costs within the process. This in turn means that there was no breach of the cost "floor" under the process and there is no requirement to revisit the outcome of the 2016 scheme-wide valuations, under which no benefit changes were made.

On 11 April 2024, the Government Actuary's Department (GAD) had published its completed valuation on the scheme-wide LGPS England & Wales valuation as at 31 March 2020. The valuation found that the core 'cost cap cost' of the scheme lies outside the 3% cost control mechanism corridor (3.2% below target cost) that is in operation for this valuation.

However, there is now also an "economic check" that GAD carries out to take account of the wider economic situation. This check includes considering reduced long-term expectations for UK economic growth as reflected in the Government's 'SCAPE' discount rate. This also lies outside the 3% corridor, but in the other

direction (7.3% above target cost). As a result, the “cost cap corridor” as a whole is not breached and the Government is not proposing to make any changes to LGPS benefits.

The England & Wales Scheme Advisory Board announced on 19 April 2024 that it will shortly be publishing the final report of the separate scheme cost assessment that it is required to undertake under Regulation 116 of the LGPS Regulations 2013, in which different actuarial assumptions are used. However, the Board has already seen the initial results and agreed that it is “not minded to recommend to the Secretary of State any changes to LGPS benefits through that process”.

Pension Surplus Restriction

Recognition of a pension surplus in the Balance Sheet is detailed in Financial Reporting Standard (FRS) 102, which states “If the present value of the defined benefit obligation at the reporting date is less than the fair value of the plan assets at that date, the plan has a surplus. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan”.

There is a requirement to disclose any restrictions on the current realisability of the surplus or the basis used to determine the amount of the economic benefit available.

The principles of International Financial Reporting Interpretations Committee (IFRIC) 14 have been applied to limit the economic benefit available through reduced contributions. The actuary has undertaken calculations of the potential surplus that could be recognised through reduced contributions in the future and not a surplus that could be recognised through future refunds as refunds are only possible when the employer exits the fund.

The value of the surplus restriction, calculated by the actuary, applied to the Net Asset is £20.403m.

5. Events After the Reporting Period

The draft Statement of Accounts was authorised for issue by the Strategic Director of Resources as s151 Officer, on 2 September 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

6. Property, Plant and Equipment

Movements in 2024/2025

	Vehicles, Plant & Equipment	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2024	6,683	825	**7,508**
Additions	442		**442**
Derecognition – Other	(1,769)		**(1,769)**
Other Movements in Cost or Valuation	376	(376)	**0**
At 31 March 2025	**5,732**	**449**	**6,181**

Accumulated Depreciation and Impairment			
At 1 April 2024	(2,044)		**(2,044)**
Depreciation Charge	(958)		**(958)**
Derecognition – Other	758		**758**
At 31 March 2025	**(2,244)**		**(2,244)**

Net Book Value:

At 31 March 2024	**4,639**	**825**	**5,464**
At 31 March 2025	**3,488**	**449**	**3,937**

Movements in 2023/24

	Vehicles, Plant & Equipment	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2023	4,478	825	**5,303**
Additions	775	1,430	**2,205**
Other Movements in Cost or Valuation	1,430	(1,430)	**0**
At 31 March 2024	**6,683**	**825**	**7,508**

Accumulated Depreciation and Impairment			
At 1 April 2023	(1,090)		**(1,090)**
Depreciation Charge	(955)		**(955)**
At 31 March 2024	**(2,045)**	**0**	**(2,045)**

Net Book Value:

At 31 March 2023	**3,388**	**825**	**4,213**
At 31 March 2024	**4,638**	**825**	**5,463**

Other Long-Term Assets are of an investment nature and shown in Note 14.2: Financial Instruments.

6.1 (Gains) or Losses On Disposal of Non-Current Assets

	2023/24	2024/25
	£'000	£'000
Vehicles	0	1,011
Total	**0**	**1,011**

7. Financial Instruments

7.1 Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Assets	Long-Term		Current	
	31/03/24	31/03/25	31/03/24	31/03/25
	£'000	£'000	£'000	£'000
Investments: Loans and Receivables	58,863	84,217	5,130	6,624
Debtors: Financial Assets Carried at Contract Amounts	0	0	5,808	856
Total	**58,863**	**84,217**	**10,938**	**7,480**

Liabilities	Long-Term		Current	
	31/03/24	31/03/25	31/03/24	31/03/25
	£'000	£'000	£'000	£'000
Borrowings: Financial Liabilities at Amortised Cost	0	(10,000)	0	0
Creditors: Financial Liabilities at Amortised Cost	(34,193)	(30,306)	(22,698)	(14,525)
Total	**(34,193)**	**(40,306)**	**(22,698)**	**(14,525)**

There are no expected credit loss calculations included in the financial assets set out above. The value of creditors in the table relates to invoices and payments authorised by CCR but which remain unpaid at year-end. This balance is included within the Balance Sheet heading Short Term Creditors.

7.2 Interest Payable and Receivable

	2023/24 Total £'000	2024/25 Total £'000
Interest Payable and Similar Charges		
Interest	0	378
Total	**0**	**378**
Interest Receivable and Similar		
Bank Interest	0	(27)
Debt Management Office Interest	(2,139)	(3,104)
Interest From Loans	(304)	(1,168)
VAT Repayment Interest	0	(2)
Notional Interest	(1,672)	(1,393)
Total	**(4,115)**	**(5,694)**

7.3 Fair Value of Assets and Liabilities

Financial liabilities, financial assets (represented by loans and receivables) and long term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- Loans taken out by CCR have been valued at historic cost as this is an interest free loan;
- Loans made by CCR have been valued by discounting future cashflows;
- No early repayment or impairment is recognised;
- Where a financial instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount;
- Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

The fair values of CCR's element of financial instruments are as follows:

	31/03/24		31/03/25	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Welsh Government Repayable Funding	0	0	10,000	10,000
Trade Creditors	22,698	22,698	14,525	14,525
Total	**22,698**	**22,698**	**24,525**	**24,525**

	31/03/24		31/03/25	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Equity Investments	8,800	15,656	10,000	2,944
Partnership Investments - ICC	8,867	8,867	17,517	17,517
Short Term Investments	0	0	67,525	67,525
Loans and Receivables	63,993	63,993	90,841	90,841

7.4 Equity Investments

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 6.53% shareholding in a FinTech business and a 9.40% 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 31 March 2024.

31/03/24		31/03/25
£'000		£'000
15,656	Equity Investments	2,944
15,656	**Total**	**2,944**

7.5 Partnership Investment

31/03/24		31/03/25
£'000		£'000
8,867	Innovation Investment Capital	17,517
8,867	**Total**	**17,517**

Partnership Investment is CCR's investment into the Partnership Vehicle (IIC Ltd). The asset value of this at the Balance Sheet date (£17,517k) represent the financing provided to the Partnership.

7.6 Pension Asset

Please refer to note 4.1 for the detail behind the pension asset, CCR set up its own pension fund as of the 1 April 2024 which is managed by Rhondda Cynon Taf CBC.

These assets relate to the balance transferred into the scheme from Cardiff Council and the fair value of assets assessed by our Pension Advisors.

31/03/24		31/03/25
£'000		£'000
0	Pension Asset	2,612
0	**Total**	**2,612**

7.7 Credit Risk

Credit Risk arises from deposits with banks and financial institutions as well as credit exposures to the CCR's customers.

This risk is minimised through the Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria. Such criteria include credit ratings assigned by credit ratings agencies. The Investment Strategy also imposes a maximum amount and duration to be invested with a financial institution.

CCR undertakes appropriate due diligence and puts in place appropriate security arrangements when lending to organisations. There are also other criteria and controls in place regarding counterparty selection, further details of which can be found in the approved Treasury Management Strategy.

The following analysis summarises the potential maximum exposure to credit risk (CCR element only). The default rates give details of CCR's experience of its customer's collection levels.

	31/03/25
	£'000
Deposits with Government Departments	67,525
Trade Debtors	856

7.8 Long Term Loans

31/03/24		31/03/25
£'000		£'000
2,109	Revenue Loans	2,070
56,754	Capital Loans	82,147
58,863	Total	84,217

Revenue Loans

A 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 therefore a balance of £2.06m is included in the balance sheet as Short-Term Loans at 31 March 2025.

Capital Loans

£2.00m was loaned to the healthcare data business in which CCR 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 balance sheet at 31 March 2025.

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 projects. A balance of £20.32m was outstanding on CCR's balance sheet at 31 March 2025.

£24.90m has been 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 £27.37m is included in the balance sheet at 31 March 2025.

Loans of £12.50m have been made to a Fibre to the Premises business to assist in the role out of its services across the Region. Interest is being charged on these loans which have a repayment date in 2031. Including notional interest a total balance of £12.59m is included in the balance sheet at 31 March 2025.

A loan of £1.00m has been made to a Television Production Company to help fund the set-up of a production facility in the Region. Interest is being charged on this loan which has a repayment date in 2029. Including notional interest a total balance of £1.05m is included in the balance sheet at 31 March 2025.

A total of £20.57m has been loaned across three projects via the Site & Premises Fund. Including notional interest this is included in the balance sheet at £20.86m at 31 March 2025.

7.9 Refinancing and Maturity Risk

CCR has significant short term investments which are invested via the Debt Management Office of the United Kingdom Government, there exposure and maturity risk is low.

The approved prudential indicator limits for the maturity structure of surplus monies for investment are key parameters used to address this risk. The Corporate Joint Committee approved treasury and investment strategies parameters.

This includes:

- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for CCR's day-to-day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

	31/03/24	31/03/25
	£'000	£'000
Between 5 and 10 years	0	10,000
Total	**0**	**10,000**

	31/03/2024	31/03/2025
	£'000	£'000
Maturity less than one year	0	67,525
Total	**0**	**67,525**

8. Short Term Debtors

An analysis of Short-Term Debtors in the Balance Sheet is as follows:

31/03/24 (Restated)		31/03/25
£'000		£'000
3,548	Central Government Bodies	527
802	Other Local Authorities	10
1,458	Other Entities and Individuals	319
5,808	**Total**	**856**

8.1 VAT

31/03/24 (Restated)		31/03/25
£'000		£'000
5	VAT	431
5	**Total**	**431**

8.2 Payment Made in Advance

31/03/24 (Restated)		31/03/25
£'000		£'000
20	Prepayments	28
20	**Total**	**28**

8.3 Short-Term Investments

31/03/24 (Restated)		31/03/25
£'000		£'000
0	Central Government Bodies	67,525
0	**Total**	**67,525**

8.4 Short-Term Loans

31/03/24		31/03/25
£'000		£'000
5,130	Capital Loans	6,624
5,130	**Total**	**6,624**

9. Cash and Cash Equivalents

The Cash and Cash Equivalents are made up of the following elements:

31/03/24		31/03/25
£'000		£'000
57,015	Intercompany Cash - Cardiff	0
201	Cash held - Corporate Joint Committee	373
57,216	**Total Cash and Cash Equivalents**	**373**

10. Creditors

An analysis of Short-Term and Long-Term Creditors in the Balance Sheet is as follows:

Short-Term Creditors

31/03/2024 (Restated)		31/03/25
£'000		£'000
(4,335)	Central Government Bodies	(363)
(8,621)	Other Local Authorities	(8,606)
(134)	NHS Bodies	(40)
(9,608)	Other Entities and Individuals	(5,516)
(22,698)	**Total**	**(14,525)**

Long-Term Creditors

31/03/24		31/03/25
£'000		£'000
(34,193)	Central Government Bodies	(30,306)
(34,193)	**Total**	**(30,306)**

HM Treasury Capital Grant totalling £52.00m was received during the year in respect of the eighth 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. £30.66m of the funding received to date has been drawn down to cover eligible expenditure during the financial year.

10.1 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on CCR's 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 CCR's Balance is fully offset by transfers to and from the Account.

31/03/24		31/03/25
£'000		£'000
(28)	Accumulated Absence Balance	(47)
(28)	**Total**	**(47)**

11. Other Long-Term Liabilities

An analysis of Other Long-Term Liabilities is given in the following table:

31/03/24		31/03/25
£'000		£'000
(34,193)	City Deal Grant	(30,306)
(34,193)	**Total**	**(30,306)**

11.1 Pension Liability

31/03/24		31/03/25
£'000		£'000
0	Pension Liability	(2,612)
0	**Total**	**(2,612)**

12. Useable Reserves

31/03/24			31/03/25
£'000			£'000
311	General Fund Balance	*12.1*	72
99	Other Revenue Related Reserves	*12.2*	5,553
10,479	Usable Capital Receipts Reserve	*12.3*	15,400
10,889	**Total Usable Reserves**		**21,025**

12.1 CJC Fund Balance

CCR's Balances are accumulated working balances and relate to general fund services.

Movements in CCR's Balance during 2024/25 were:

	General	RTP	SDP	Total £'000
Balance as at 31 March 2024	**270**	**27**	**14**	**311**
Revenue Budget Outturn	0	21	10	**31**
Release of Reserves	(270)	0	0	**(270)**
Balance as at 31 March 2025	**0**	**48**	**24**	**72**

12.2 Earmarked Reserves

This note sets out the amounts set aside from CCR's Fund Balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet CCR expenditure in 2024/25. All earmarked reserves are deemed to be revenue reserves.

Reserve	Purpose	Balance at 31/03/24	Transfers Out	Transfers In	Balance at 31/03/25
		£'000	£'000	£'000	£'000
Gateway Review	This reserve is held for costs associated with the UK Government Gateway Review, required as part of City Deal funding terms and conditions	**60**	0	1	**61**
Aberthaw	This reserve is held for costs associated with the Aberthaw Procurement Challenge, and is expected to be fully drawn down in 2025/26	**0**	0	168	**168**
Budget Reserve	This reserve is held to support future revenue budget pressures.	**204**	(190)	300	**314**
CJC Transtion	This reserve was held for specific costs associated with the transition to the CJC and was fully utilised in 2024/25	**57**	(57)	0	**0**
RTP	This reserve is held for future costs associated with the delivery of the Regional Transport Plan	**125**	(83)	0	**42**
Interest Reserve	This reserve is held to support ongoing revenue projects and the development of future strategic funds	**(347)**	0	5,315	**4,968**
Total		**99**	**(330)**	**5,784**	**5,553**
Total Earmarked		**99**	**(330)**	**5,784**	**5,553**

12.3 Usable Capital Receipts Reserve

The Usable Capital Receipts Reserve is the proportion of capital receipts that has been returned through our investment strategy. A strategy on the most appropriate way to deploy these resources will be developed in 2025/26.

The movements on the reserve are as follows:

2023/24		2024/25
£'000		£'000
6,898	**Balance as at 1 April**	**10,479**
	Receipts during the year:	
3,581	Loan repayments	4,921
10,479	**Balance as at 31 March**	**15,400**

13. Unusable Reserves

Unusable reserves arise out of the interaction of legislation and proper accounting practice either to store revaluation gains or as adjustment accounts to reconcile accounting requirements driven by reporting standards to statutory requirements. They do not represent resources available for the CCR's general use.

31/03/24			31/03/25
£'000		Ref	£'000
6,356	Revaluation Reserve	13.1	(7,556)
82,890	Capital Adjustment Account	13.2	116,153
(28)	Short-Term Accumulating Compensated Absence Account	13.4	(47)
89,218	**Total Unusable Reserves**		**108,550**

13.1 Revaluation Reserve

The Revaluation Reserve contains the gains and losses made by CCR arising from increases and decreases in the value of its Property, Plant and Equipment and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

2023/24		2024/25	
		SEWCJC	
£'000		£'000	£'000
4,344	**Balance at 1 April**	**6,356**	
2,012	Upward revaluation of assets/equity	0	
	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(13,912)	
6,356	**Surplus or Deficit on revaluation of Long-Term Assets not posted to the Surplus or Deficit on the Provision of Services**	**0**	**(7,556)**
6,356	**Balance at 31 March**		**(7,556)**

13.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of Long-Term Assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisation are charged to

the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by CCR as finance for the costs of acquisition, construction and enhancement.

2023/24		2024/25	
£'000		£'000	£'000
65,192	**Balance at 1 April**	**82,890**	
	Reversal of items relating to Capital Expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(955)	Charges for depreciation and impairment of Long-Term Assets	(958)	
	Amounts of Long-Term Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,011)	
64,237	**Net written out amount of the cost of Long-Term Assets consumed in the year**		**80,921**
	Capital Financing Applied in the Year:		
22,234	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	40,153	
(3,581)	Transfer of Capital Assets	(4,921)	
18,653			**35,232**
82,890	**Balance at 31 March**		**116,153**

13.3 Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. CCR accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as CCR makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources CCR has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits are due to be paid.

2023/24		2024/25
£'000		£'000
0	**Balance at 1 April**	**0**
0	Actuarial gains or (losses) on Pensions Assets and Liabilities	(70)
0	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(350)
0	Employer's pensions contributions and direct payments to pensioners payable in the year	420
0	**Balance at 31 March**	**0**

13.4 Short-Term Accumulating Compensated Absence Account

2023/24		2024/25
£'000		£'000
(23)	**Balance at 1 April**	**(28)**
(5)	Additions in year	(19)
(28)	**Balance at 31 March**	**(47)**

14. Cash Flow Statement - Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements

2023/24		2024/25
£'000		£'000
(955)	Depreciation and Impairment	(958)
(12,590)	(Increase)/Decrease in Creditors	12,062
609	Increase/(Decrease) in Debtors	(4,952)
20	Increase/(Decrease) in Payments in Advance	8
5	Increase/(Decrease) in VAT	426
	Short-Term Accumulated Absence Accrual	(19)
	Carrying amount of Long-Term Assets and Assets Held For Sale, sold or derecognised	(1,011)
(12,911)	**Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements**	**5,556**

15. Cash Flow Statement – Adjustments for items included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities

2023/24		2024/25
£'000		£'000
0	Short Term Investments	67,525
0	**Investing and Financing Activities**	**67,525**

16. Cash Flow Statement – Interest within Operating Activities

The following table details interest received, and interest paid included within 'Net Cash Flows from Operating Activities' on the Cash Flow Statement.

2023/24		2024/25
£'000		£'000
(4,115)	Interest received	(5,693)
0	Interest paid	378
(4,115)	**Interest within Operating Activities**	**(5,315)**

17. Cash Flow Statement - Investing Activities

2023/24		2024/25
£'000		£'000
0	Short Term Investments	67,525
2,204	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	443
0	Purchase / (Redemption) of Short-Term and Long-Term Investments - Equity	1,200
8,156	Purchase / (Redemption) of Short-Term and Long-Term Investments - Loans	25,454
9,743	Purchase / (Redemption) of Short-Term and Long-Term Investments - IIC	8,650
1,672	Other Receipts from Investing Activities	1,394
21,775	**Net Cash Flows from Investing Activities**	**104,666**

18. Cash Flow Statement - Financing Activities

2023/24		2024/25
£'000		£'000
0	Cash receipts of Short and Long-Term Borrowing	(10,000)
0	**Net Cash Flows from Financing Activities**	**(10,000)**

19. Notes to the Expenditure and Funding Analysis

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

Movement 2024/2025

	General Fund Movement	Equity Revulation Reserve Movement	Capital Adjustment Account Movement	Accumlated Absence Account Movement	Total Reserve Movement
	£'000s	£'000s	£'000s	£'000s	£'000s
Adjustments between revenue and capital resources					
Fair value adjustment to equity assets	13,912	(13,912)	0	0	0
Capital Grants and Contributions credtied to CIES that have been applied to capital fancing	(39,761)	0	39,761	0	0
Transfer of Vehicles under lease	1,011	0	(1,011)	0	0
Charges for depreciation and impairment of Non-Current assets	958	0	(958)	0	0
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.	19	0	0	(19)	0
Total	(23,861)	(13,912)	37,792	(19)	0

Movement 2023/2024

	General Fund Movement	Equity Revulation Reserve Movement	Capital Adjustment Account Movement	Accumlated Absence Account Movement	Total Reserve Movement
	£'000s	£'000s	£'000s	£'000s	£'000s
Adjustments between revenue and capital resources					
Fair value adjustment to equity assets	(2,012)	2,012	0	0	0
Capital Grants and Contributions credtied to CIES that have been applied to capital fancing	(22,233)	0	22,233	0	0
Transfer of Vehicles under lease	0	0	0	0	0
Charges for depreciation and impairment of Non-Current assets	955	0	(955)	0	0
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.	(6)	0	0	6	0
Total	(23,296)	2,012	21,278	6	0

19.1 Expenditure and Funding Analysis Statement

2024/2025

	2024/25				
	Income and Expenditure Chargeable to the General Fund	Adjustment Between Funding and Accounting Basis - Capital	Adjustments Between Funding and Accounting Basis	Total Adjustments Between Funding and Accounting Basis	Net Expenditure for the Equivalent Amounts for CI&ES
	£'000	£'000	£'000	£'000	£'000
CJC Statutory Duties	406		(2)	(2)	404
City Deal Operations	20,551	(7,683)	(18)	(7,701)	12,850
Cost of Services	**20,957**	**(7,683)**	**(20)**	**(7,703)**	**13,254**
Other Income and Expenditure	1,011	(1,011)		(1,011)	0
Interest Payble	378			0	378
Interest Receivable	(5,693)			0	(5,693)
LA Contributions	(1,279)			0	(1,279)
Recongnised Revenue Grants & Contribtions	(8,027)			0	(8,027)
Recongnised Capital Grants & Contribtions	(50,725)	14,083		14,083	(36,642)
(Surplus) or Deficit	**(43,378)**	**5,389**	**(20)**	**5,369**	**(38,009)**
Opening Corporate Joint Committee Fund at 31 March 2024					311
Less (Surplus) Deficit on Corporate Joint Comittee Fund in Year					5,214
Transfers to or (from) Earmarked Reserves					(5,453)
Closing Corporate Joint Committee Fund at 31 March 2025					**72**

2023/2024

	2023/24				
	Income and Expenditure Chargeable to the General Fund	Adjustment Between Funding and Accounting Basis - Capital	Adjustments Between Funding and Accounting Basis	Adjustments Between Funding and Accounting Basis	Net Expenditure for the Equivalent Amounts for CI&ES
	£'000	£'000	£'000	£'000	£'000
CJC Statutory Duties	258			0	258
City Deal Operations	38,031	(23,042)	(28)	(23,070)	14,961
Cost of Services	**38,289**	**(23,042)**	**(28)**	**(23,070)**	**15,219**
Interest Receivable	(4,115)			0	(4,115)
LA Contributions	(1,280)			0	(1,280)
Recongnised Revenue Grants & Contribtions	(125)			0	(125)
Recongnised Capital Grants & Contribtions	(51,825)	51,825		51,825	51,825
(Surplus) or Deficit	**(19,056)**	**28,783**	**(28)**	**28,755**	**61,524**
Opening General Fund at 31 March 2023					294
Less (Surplus) Deficit on General Fund in Year					(18)
Closing General Fund at 31 March 2024					**312**

19.2 Grant Funding

	2023/24	2024/25
	£'000	£'000
Capital Grants and Contributions - WIF	(51,825)	(50,725)
Credited to Services - WIF	(125)	(8,027)
Total	**(51,950)**	**(58,752)**

20. Members' Allowances

The Local Authorities (Allowances for Members of County and County Borough Councils and National Parks Authorities) (Wales) Regulations 2002, require authorities to make public their schemes for Members' allowances and to disclose annually amounts paid to each Member under such schemes.

During the year CCR paid the following amounts in respect of basic allowances, special responsibility allowances and dependent care allowances to 5 Members (excluding employer's national insurance contributions, employer's pension contribution and other associated costs).

	2023/24	2024/25
	£'000	£'000
Allowances	-	5
Total	**-**	**5**

Details of all remuneration and allowances paid annually by CCR to each Councillor and Co-opted Member is published on CCR's website, following the end of each financial year.

21. Officers Remuneration

Statutory guidance issued by Welsh Ministers recommends the use of pay multipliers as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010).

CCR's remuneration ratio is 1:3 with the median earnings being £43,429.01. This is the ratio between the Chief Executive's pay and the median earnings of the workforce within CCR, using current pay levels.

Under the Accounts and Audit (Wales) Regulations 2014 (as amended), local authorities must disclose in their accounts the number of employees whose remuneration in the year fell in each bracket of a scale in multiples of £5,000 commencing at £60,000 (excluding employer pension contributions). The disclosure includes redundancy payments.

Remuneration Band	2023/24	2024/25		
	No. of Employees	No. of Employees		
	Total	At 31/03/25	Left in Year	Total
£60,000 - £64,999	0	7	0	7
£65,000 - £69,999	2	2	0	2
£70,000 - £74,999	2	1	0	1
£75,000 - £79,999	0	4	0	4
£80,000 - £84,999	0	0	0	0
£85,000 - £89,999	0	0	0	0
£90,000 - £94,999	1	1	0	1
£95,000 - £99,999	0	0	0	0
£100,000 - £104,999	0	0	0	0
£105,000 - £109,999	0	0	0	0
£110,000 - £114,999	0	0	0	0
£115,000 - £119,999	0	0	0	0
£120,000 - £124,999	1	0	1	1
£125,000 - £129,999	0	1	0	1
Total	**6**	**16**	**1**	**17**

The above table is based on full time equivalent posts and does not represent the actual payments to employees.

The above table includes specific Senior Officers, disclosed in the following table:

The following table sets out the remuneration for specific Senior Officers.

The table represents CCR's Senior Executive Leadership Team and includes employers pension contributions.

During 2024/25 CCR's Monitoring Officer services were provided by a recruitment agency at a cost of £177k. The named Monitoring Officer during this period was Jayne LaGrua.

Post Holder Information (Post Title)	2024/25						
	Salary	Taxable Benefits in Kind	Compensation for Loss of Employment		Total Remuneration	Employer's Pension Contributions	Total Remuneration Including Employer's Pension Contributions
			Redundancy	Early Access Costs			
	£'000						
Chief Executive - Kellie Beirne	128	0	0	0	**128**	24	**152**
Chief Operating Officer - Rhys Thomas - to 06/05/2024	10	0	0	0	**10**	2	**12**
Deputy Chief Executive & Director of Regional Growth - Rhys Thomas - 07/05/2024 to 20/03/2025	111	0	0	0	**111**	19	**130**
Interim Section 151 Officer - Christopher Bradshaw - to 03/06/2024	6	0	0	0	**6**	0	**6**
Interim Section 151 Officer - Hrjinder Singh 03/06/2024 to 14/07/2024	10	0	0	0	**10**	2	**12**
Strategic Director of Resources (Section 151 Officer) - Liam Hull from 15/07/2024	70	0	0	0	**70**	13	**83**
Strategic Director of Policy, Impact & Partnerships - Colan Mehaffey from 01/08/2024	66	0	0	0	**66**	12	**78**

The prior year comparator table below, was prior to the establishment of a CCR Senior Executive Team and it was therefore not possible to include the same format.

2023/2024 Comparative

Post Title	Salary, fees and allowances £	Employers Pension Contributions £	Total £	Notes
Chief Executive	124,696	29,439	154,135	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 Develop	76,815	15,535	92,350	Post commenced July 2019.
Head of Governance, Policy & Communicatior	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**	**119,659**	**759,813**	

22. External Audit Costs

The estimated costs to CCR for financial year 2024/25 in relation to the audit of the Statement of Accounts for certification of grant claims, statutory inspections and other services provided by CCR's external auditors are set out in the table below:

Fees Payable to the Auditor General for Wales	2023/24 Estimated £'000	2024/25 Estimated £'000
External financial audit services carried out by the	76	75
External performance audit services carried out by the Statutory Auditor for the year	24	47
Total	**100**	**122**

23. LA Contributions

31/03/24 £'000		31/03/25 £'000
(59)	Blaenau Gwent CBC	(59)
(121)	Bridgend CBC	(121)
(153)	Caerphilly CBC	(153)
(304)	City of Cardiff Council	(304)
(50)	Merthyr Tydfil CBC	(50)
(78)	Monmouthshire County Council	(78)
(126)	Newport City Council	(126)
(203)	Rhondda Cynon Taf CBC	(202)
(78)	Torfaen CBC	(78)
(108)	Vale of Glamorgan Council	(108)
(1,280)	**Total**	**(1,279)**

24. Related Parties

CCR is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence CCR or to be controlled or influenced by CCR. Disclosure of these transactions allows readers to assess the extent to which CCR 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 CCR.

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.

2024/2025

Related Party Transactions - SEWCJC Funding	Revenue	Capital	2024/25
	£'000	£'000	£'000
Blaenau Gwent CBC	59	0	59
Bridgend CBC	121	0	121
Caerphilly CBC	153	0	153
City of Cardiff Council	303	0	303
Merthyr Tydfil CBC	50	0	50
Monmouthshire County Council	79	0	79
Newport City Council	126	0	126
Rhondda Cynon Taf CBC	202	0	202
Torfaen CBC	78	0	78
Vale of Glamorgan Council	108	0	108
Sub Total: Local Authority Contributions	**1,279**	**0**	**1,279**

Related Party Transactions - Valleys Regional Park Funding	Revenue	Capital	2024/25
	£'000	£'000	£'000
Blaenau Gwent CBC	9	0	9
Bridgend CBC	9	0	9
Caerphilly CBC	9	0	9
Merthyr Tydfil CBC	9	0	9
Rhondda Cynon Taf CBC	8	0	8
Torfaen CBC	8	0	8
Carmarthenshire County Council	8	0	8
Sub Total: Valleys Regional Park Contributions	**60**	**0**	**60**

Related Party Transactions	Revenue	Capital	2024/25
	£'000	£'000	£'000
Brecon Beacons National Park Auhtority	1	0	1

2023/2024

Related Party Transactions	Revenue	Capital	2023/24
	£'000	£'000	£'000
Blaenau Gwent CBC	59	0	59
Bridgend CBC	121	0	121
Caerphilly CBC	153	0	153
City of Cardiff Council	304	0	304
Merthyr Tydfil CBC	50	0	50
Monmouthshire County Council	79	0	79
Newport City Council	126	0	126
Rhondda Cynon Taf CBC	202	0	202
Torfaen CBC	78	0	78
Vale of Glamorgan Council	108	0	108
Sub Total: Local Authority Contributions	**1,280**	**0**	**1,280**

Related Party Transactions	Revenue	Capital	2024/25
	£'000	£'000	£'000
Brecon Beacons National Park Auhtority	1	0	1

Welsh Government

The Welsh Government has the ability to affect influence on CCR via legislation and providing its funding in the form of grants. Grants received in 2024/2025 between CCR and Welsh Government are as follows:

Such transactions are detailed below.

2024/2025

Related Party Transactions	Revenue	Capital	2024/25
	£	£	£
HMT Capital Grant Funding (via Welsh Government)	0	52,000	52,000
Welsh Government Housing	0	2,889	2,889
Ultra-Low Emission Vehicle Grant Funding	0	0	0
Welsh Government Regional Transport Plan	100	0	100
Welsh Government Valleys Region Parks	60	0	60
Welsh Government Local Area Energy Plan Grant	273	0	273
Shared Prosperity Fund Grant (via Rhondda Cynon Taf CBC)	2,309	0	2,309
Sub Total: Contributions from Other Parties	**2,742**	**54,889**	**57,631**

2023/2024

Related Party Transactions	Revenue	Capital	2023/24
	£'000	£'000	£'000
HMT Capital Grant Funding (via Welsh Government)	0	52,000	52,000
Ultra-Low Emission Vehicle Grant Funding	0	1,431	1,431
Welsh Government Regional Transport Plan	125	0	125
Welsh Government Local Area Energy Plan Grant	913	0	913
Shared Prosperity Fund Grant (via Rhondda Cynon Taf CBC)	1,037	0	1,037
Sub Total: Contributions from Other Parties	**2,075**	**53,431**	**55,506**

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 CCR's 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.

25. Retirement Benefits – Defined Benefit Scheme

25.1 Participation in Pension Schemes

As part of their terms and conditions Officers are offered retirement benefits by CCR. Although these benefits will not actually be payable until retirement, CCR has a commitment to make these payments. The liability for these payments needs to be accounted for at the time the future entitlement is earned.

CCR participates in a pension scheme:

The Local Government Pension Scheme is administered by Rhondda Cynon Taf CBC. This is a funded defined benefit career average scheme. CCR and participants pay contributions into the fund calculated at a level intended to balance the pensions liabilities with investment assets. The pension costs that are charged to CCR's accounts are defined by IAS 19 "Employee Benefits".

Employees transferred to CCR on 1 April 2024 as part of TUPE arrangements had the opportunity to transfer their benefits to the Rhondda Cynon Taf Pension Fund.

25.2 Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised in the cost of services when they are earned by employees, rather than when the benefits are eventually paid as

pensions. However, the charge which CCR is required to make is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of CCR's Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and CCR's Fund Balance via the Movement in Reserves Statement during the year:

	2023/24	2024/25	
		SEWCJC	Total
	£'000	£'000	£'000
Comprehensive Income and Expenditure Statement:			
Cost of Services:			
Current Service Cost	0	354	354
Net Interest Expense	0	(4)	(4)
Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services	**0**	**350**	**350**
Remeasurement of the Net Defined Benefit Liability Comprising:			
Asset gains/(losses) arising during the period	0	(68)	(68)
Actuarial (Gains) and Losses Arising on Liabilities - Demographic Assumptions	0	21	21
Actuarial (Gains) and Losses Arising on Liabilities - Financial Assumptions	0	698	698
Actuarial (Gains) and Losses Arising on Liabilities - Experience	0	(2)	(2)
Adjustment gain (loss) due to restriction of surplus		(607)	(607)
Contributions by scheme participants	0	0	0
Surplus Restriction	0	0	0
Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	**0**	**392**	**392**
Movement in Reserves Statement:			
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the code	0	(350)	(350)
Actual amount charged against the CJC Fund Balance for pensions in the year:			
Employers' contributions payable to scheme	0	420	420

25.3 Reconciliation of Present Value of the Scheme Liabilities

	2023/24	2024/25	
		SEWCJC	Total
	£'000	£'000	£'000
Balance at 1 April	**0**	**0**	**0**
Current Service Cost	0	354	354
Interest Cost on Defined Obligation	0	103	103
Contributions by scheme participants	0	178	178
Remeasurement (Gains) and Losses:			
Asset transferred in to scheme		2,102	2,102
Actuarial gains/(losses) due to changes in financial assumptions		(698)	(698)
Actuarial (Gains) and Losses Arising on Liabilities - Demographic Assumptions	0	(21)	(21)
Actuarial (Gains) and Losses Arising on Liabilities - Experience	0	2	2
Benefits paid	0	(15)	(15)
Balance at 31 March	**0**	**2,005**	**2,005**

25.4 Reconciliation of Fair Value of the Scheme Assets

		SEWCJC	Total
	£'000	£'000	£'000
Balance at 1 April	**0**	**0**	**0**
Interest Income	0	107	107
Remeasurement (Gains) and Losses:			
Transfer in of Fair value of assets	0	1,990	1,990
Remeasurement gains/(losses) on assets	0	(68)	(68)
Employer contributions	0	420	420
Contributions by scheme participants	0	178	178
Benefits paid	0	(15)	(15)
Balance at 31 March	**0**	**2,612**	**2,612**

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date.

Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The actual return on scheme assets in the year was a gain of £39k (£nil in 2023/24).

25.5 Scheme History

	2023/24	2024/25
	£'000	£'000
Present Value of the Defined Obligation	0	(2,005)
Fair Value of Plan Assets	0	2,612
Unrecognised Asset	0	(607)
Surplus/(Deficit)	**0**	**0**

The scheme was transferred from the Cardiff & Vale Pension Fund on the 1 April 2024 and therefore, 2024/25 represents the first year the scheme has been run. As the liabilities match the assets, this means there is no underlying commitments which CCR has in the long run to pay post-employment (retirement) benefits, current.

25.6 Local Government Pension Scheme Assets

As at 31 March 2025, the Rhondda Cynon Taf Pension Fund Assets used in IAS19 calculations comprised of:

Fair Value of Scheme Assets		
	2023/24	2024/25
	£'000	£'000
UK Equities	0	1,663
UK Fixed Interest Gilts	0	293
UK Corporate Bonds	0	397
Property	0	162
Cash and Net Current Assets	0	97
Total	**0**	**2,612**

25.7 Basis for Estimating Assets and Liabilities

Roll-forward of Assets

The valuation results from the last full valuation of the Fund (or results at the previous accounting date as appropriate) are adjusted to the accounting year-end allowing for:

- Investment returns, and
- Cash-flows including investment returns on those cashflows.

The asset value at the start of the accounting period is accumulated with the Fund investment return over the accounting period. Net cashflows are assumed to be paid halfway through the period and accrue half of the Fund investment return over the period.

Roll-forward of Liabilities

The valuation results from the last full valuation of the Fund (or results at the previous accounting date as appropriate) are adjusted to allow for the later calculation date (by adding interest to the liabilities) and make allowance for changes in liabilities due to:

- The accrual of new benefits and the discharge of liabilities from the payment of benefits;
- The financial and demographic assumptions adopted at the year-end;
- The impact of any known experience affecting the liabilities, such as the impact of actual pension increases on pensions in payment and deferred benefits;
- If applicable, the impact of events which result in a change in the liability such as past service costs, settlements and curtailments.

The full valuation was based on funded benefits and the principal assumptions used by the actuary have been:

Adjustment to discount rate	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligations (£000)	1,963	2,005	2,049
% change in present value of total obiligation	-2.1%		2.2%
Projected service cost (£000)	187	200	213
Approximate % change in projected service cost	-6.5%		6.7%
Rate of general increase in salaries	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligations (£000)	2,015	2,005	1,995
% change in present value of total obiligation	0.5%		-0.5%
Projected service cost (£000)	200	200	200
Approximate % change in projected service cost	0.0%		0.0%
Rate of increase to pensions and rate of revaluation of pension accounts	+0.1% p.a.	Base Figure	-0.1% p.a.
Present value of total obligations (£000)	2,039	2,005	1,973
% change in present value of total obiligation	1.7%		-1.6%
Projected service cost (£000)	213	200	187
Approximate % change in projected service cost	6.7%		-6.5%
Post retirement mortality assumption*	-1 year	Base Figure	+1 year
Present value of total obligations (£000)	2,049	2,005	1,961
% change in present value of total obiligation	2.2%		-2.2%
Projected service cost (£000)	209	200	191
Approximate % change in projected service cost	4.5%		-4.5%
* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older tthan them			

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

	31/03/24	31/03/25
Long-Term Expected Rate of Return on Assets in the Scheme (in line with the discount rate)	0%	5.80%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	0.0	20.9
Women	0.0	23.7
Longevity at 45 for future pensioners:		
Men	0.0	21.8
Women	0.0	24.8
Rate of inflation (CPI)	0%	2.5%
Rate of increase in salaries	0%	3.75%
Rate of increase in pensions	0%	2.5%
Rate for discounting scheme liabilities	0%	5.8%
Take-up of option to convert annual pension into retirement lump sum	0%	0%

25.8 Contributions for the Accounting Period ending 31 March 2025

The Employer's regular contributions to the Fund for the accounting period 31 March 2025 were £420k.

Group Accounts

Introduction

The group accounts that follow comply with the requirement of the 2024/25 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 (CCR) 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 CCR, CSC Foundry Ltd, CCR Energy Ltd and IIC Ltd. Inter-group transactions and balances between CCR 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 CCR 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. CCR 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.

2024/25 Group Comprehensive Income & Expenditure Statement

2023/24 (Restated)					2024/25		
Gross Exp	Gross Income	Net Exp		Note:	Gross Exp	Gross Income	Net Exp
£'000	£'000	£'000			£'000	£'000	£'000
258	0	258	CJC Statutory Duties	G 1.0	507	(101)	406
40,016	(3,286)	36,730	City Deal Operations		26,031	(6,470)	19,561
40,274	**(3,286)**	**36,988**	**Cost of Services**		**26,538**	**(6,571)**	**19,967**
			Other Operating Expenditure				
0	0	0	(Gains) or Losses on Disposal of Non-Current Assets		1,011	0	1,011
			Financing and Investment Income and Expenditure				
0	0	0	Interest Payable and Similar Charges		378	0	378
0	(4,349)	(4,349)	Interest Receivable and Similar Income		0	(6,050)	(6,050)
1,782	0	1,782	Income, Expenditure and Changes in the Fair Value of Investment Properties		1,372	0	1,372
			Taxation and Non-Specific Grant Income				
0	(1,279)	(1,279)	Local Authority Contributions		0	(1,279)	(1,279)
0	0	0	WIF Revenue Grants and Contributions		0	(8,027)	(8,027)
0	(51,826)	(51,826)	WIF Capital Grants and Contributions		0	(50,725)	(50,725)
42,056	**(60,740)**	**(18,684)**	**(Surplus) or Deficit on the Provision of Services**		**29,299**	**(72,652)**	**(43,353)**
			Tax Expenses				
0	201	201	Taxation of Group Entities		0	357	357
42,056	**(60,539)**	**(18,483)**	**(Surplus) or Deficit**		**29,299**	**(72,295)**	**(42,996)**
0	(2,012)	(2,012)	(Surplus) or Deficit on Revaluation of Financial Instrument Assets		16,436	0	16,436
0	**(2,012)**	**(2,012)**	**Other Comprehensive Income and Expenditure**		**16,436**	**0**	**16,436**
42,056	**(62,551)**	**(20,495)**	**Total Comprehensive Income and Expenditure**		**45,735**	**(72,295)**	**(26,560)**

2024/25 Group Movement in Reserves Statement

	General Fund Balance	Earmarked Reserves: Other Revenue Related	Usable Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves of CJC	CJC's share of Reserves of Subsidiaries, Associates & Joint	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	311	100	10,479	**10,890**	77,974	**88,864**	14,866	**103,730**
Movement in reserves during 2024/25								
Total comprehensive income and expenditure	29,466	0	0	**29,466**	0	**29,466**	(2,906)	**26,560**
Adjustments between Group Accounts and Authority Accounts:	0	0	0	**0**	0	**0**	0	**0**
Net Increase or decrease before transfers	29,466	0	0	**29,466**	0	**29,466**	(2,906)	**26,560**
Reversal of items debited / credited to CI&ES:								
Charges for depreciation and impairment of long-term assets	958	0	0	**958**	(958)	**0**	0	**0**
Adjustments primarily involving the Capital Grants Unapplied Account:								
Application of grants to capital financing transferred to the Capital Adjustment Account	(40,153)	0	0	**(40,153)**	40,153	**0**	0	**0**
Adjustments involving the Capital Receipts Reserve:								
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CI&ES	1,011	0	0	**1,011**	(1,011)	**0**	0	**0**
Adjustment involving the Accumulated Absences Account:								
Amount by which officer remuneration charged to the CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	19	0	0	**19**	(19)	**0**	0	**0**
Other adjustments include:								
Adjustment between the Capital Adjustment Account and the Revaluation Reserve	0	0	0	**0**	0	**0**	0	**0**
Net increase or (decrease) before transfers to Earmarked Reserves	(8,699)	0	0	**(8,699)**	38,165	**29,466**	(2,906)	**26,560**
Transfers to or from Earmarked Reserves	(5,453)	5,453	4,921	**4,921**	(6,293)	**(1,372)**	1,372	**0**
Increase or (decrease) in the year	(14,152)	5,453	4,921	**(3,778)**	31,872	**28,094**	(1,534)	**26,560**
Balance at 31 March 2025	**(13,841)**	**5,553**	**15,400**	**7,112**	**109,846**	**116,958**	**13,332**	**130,290**

2023/2024

	General Fund Balance	Earmarked Reserves: Other Revenue Related	Usable Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves of CJC	CJC's share of Reserves of Subsidiaries, Associates & Joint	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	294	2,079	6,898	**9,271**	60,052	**69,323**	13,571	**82,894**
Movement in reserves during 2023/24								
Surplus or (deficit) on the provision of services (accounting basis)	21,323	0	0	**21,323**	0	**21,323**	(487)	**20,836**
Other comprehensive income and expenditure	0	0	0	**0**	0	**0**	0	**0**
Total comprehensive income and expenditure	21,323	0	0	**21,323**	0	**21,323**	(487)	**20,836**
Adjustments between Group Accounts and Authority Accounts:	0	0	0	**0**	0	**0**	0	**0**
Reversal of items debited / credited to CI&ES:								
Charges for depreciation and impairment of long-term assets	0	0	0	**0**	0	**0**	0	**0**
Revaluation losses on property, plant & equipment	5,628	(5,628)	0	**0**	0	**0**	0	**0**
Adjustments primarily involving the Capital Grants Unapplied Account:								
Capital grants and contributions unapplied credited to CI&ES	0	0	0	**0**	0	**0**	0	**0**
Application of grants to capital financing transferred to the Capital Adjustment Account	(21,278)	0	0	**(21,278)**	21,278	**0**	0	**0**
Adjustments involving the Financial Instruments Adjustment Account:								
Amount by which finance costs charged to the CI&ES are different from finance costs chargeable in the year in accordance with statutory requirements	(2,012)	0	0	**(2,012)**	2,012	**0**	0	**0**
Net increase or (decrease) before transfers to Earmarked Reserves	3,667	(5,628)	0	(1,961)	23,284	20,836	(487)	20,836
Transfers to or from Earmarked Reserves	(3,649)	3,649	3,581	**3,581**	(5,363)	**(1,782)**	1,782	**0**
Increase or (decrease) in the year	18	(1,979)	3,581	**1,620**	17,921	**19,054**	1,295	**20,836**
Balance at 31 March 2024	**312**	**100**	**10,479**	**10,891**	**77,973**	**88,377**	**14,866**	**103,730**

Group Balance Sheet as at 31 March 2025

31/03/24 Restated				31/03/25	
£'000			Note:	£'000	£'000
4,680	Long-Term Assets	Vehicles, Plant & Equipment	G 2.1	3,536	
825		Assets Under Construction		449	
20,419		Equity Investments		11,184	
62,520		Investment Properties		62,712	
		Defined Benefit Pension Scheme Asset		2,612	
1,556		Long-Term Bond		1,660	
2,136		Long-Term Deffered Tax		2,479	
9,466		Long-Term Debtors		7,692	
20,039		Long-Term Loans		39,564	
121,641		**TOTAL LONG-TERM ASSETS**			**131,888**
	Current Assets	Short-Term Investments		67,525	
668		Short Term Loans		2,027	
5		VAT		431	
20		Payments Made in Advance		37	
7,565		Short-Term Debtors	G 12.0	2,510	
64,390		Cash and Cash Equivalents		5,628	
72,648		**TOTAL CURRENT ASSETS**			**78,158**
(28)	Current Liabilities	Asbense Liability		(47)	
(25,705)		Short-Term Creditors	G 13.0	(18,148)	
(25,733)		**TOTAL CURRENT LIABILITIES**			**(18,195)**
(36,607)	Long-Term Liabilities	Long-Term Creditors	G 13.0	(30,892)	
(28,219)		Long-Term Provisions	G 14.0	(18,055)	
		Long-Term Borrowing		(10,000)	
		Long-Term Pensions Liabilities		(2,612)	
(64,826)		**TOTAL LONG-TERM LIABILITIES**			**(61,559)**
103,730	**NET ASSETS**				**130,292**

Continued Overleaf...

311	**Usable Reserves**	General Fund Balance		72	
		Earmarked Reserves:			
100		Other Revenue Related Reserves		5,553	
10,479		Usable Capital Receipts Reserve		15,400	
10,890		**TOTAL USABLE RESERVES**			**21,025**
6,356	**Unusable Reserves**	Revaluation Reserve		(7,556)	
71,645		Capital Adjustment Account	*G 5.1*	103,537	
(28)		Short-Term Accumulating Compensated Absence Account		(47)	
14,867		Group Companies Reserve	*G 3.0*	13,333	
92,840		**TOTAL UNUSABLE RESERVES**			**109,267**
103,730	**TOTAL RESERVES**				**130,292**

2024/25 Group Cash Flow Statement

2023/24			2024/25	
£'000		Note:	£'000	£'000
(18,483)	Net (Surplus) or Deficit on the Provision of Services		(42,996)	
(11,540)	Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements	G 6.0	15,494	
0	Adjustments for Items Included in the Net (Surplus) or Deficit on the Provision of Services that are Investing and Financing Activities	G 7.0	67,525	
(30,023)	**Net Cash Flows from Operating Activities**			**40,023**
28,006	Investing Activities	G 9.0	28,739	
(7,943)	Financing Activities	G 10.0	(10,000)	18,739
(9,960)	**Net Increase or Decrease in Cash or Cash Equivalents**			**58,762**
54,430	Cash and Cash Equivalents at the Beginning of the Reporting Period			64,390
64,390	**Cash and Cash Equivalents at the End of the Reporting Period**			**5,628**

Notes to the Core Group Financial Statements

These notes should be read in conjunction with the notes to CCR's Core Financial Statements. Unless specifically identified below, the information provided for the single entity accounts also applies to the Group Statements.

G.1.0 Segmental Analysis (Subsidiary Companies)

The operating income and expenditure of CCR Energy, IIC & CSC Foundry Ltd. has been included within CCR & Wider Investment Fund

A Group Expenditure and Funding Analysis Statement, and its associated notes, has not been included in the Group Statements due to materiality.

G 2.0 Long-Term Assets

G 2.1 Property, Plant and Equipment

Movement 2024/2025

	Vehicles, Plant & Equipment	Assets Under Construction	Total
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2024	6,736	825	**7,561**
Additions	462	0	**462**
Derecognition – Disposals	(1,769)	0	**(1,769)**
Other Movements in Cost or Valuation	376	(376)	**0**
At 31 March 2025	**5,805**	**449**	**6,254**
Accumulated Depreciation and Impairment			
At 1 April 2024	(2,055)	0	**(2,055)**
Depreciation Charge	(972)	0	**(972)**
Derecognition – Disposals	758	0	**758**
At 31 March 2025	**(2,269)**	**0**	**(2,269)**
Net Book Value:			
At 31 March 2025	**3,536**	**449**	**3,985**
At 31 March 2024	**4,681**	**825**	**5,506**

Movement 2023/2024

	Vehicles, Plant & Equipment	Assets Under Construction	Total
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2023	4,514	825	**5,339**
Additions	793	1,430	**2,223**
Derecognition – Disposals	(1)	0	**(1)**
Other Movements in Cost or Valuation	1,430	(1,430)	**0**
At 31 March 2024	**6,736**	**825**	**7,561**
Accumulated Depreciation and Impairment			
At 1 April 2023	(1,086)	0	**(1,086)**
Depreciation Charge	(969)	0	**(969)**
At 31 March 2024	**(2,055)**	**0**	**(2,055)**
Net Book Value:			
At 31 March 2024	**4,681**	**825**	**5,506**
At 31 March 2023	**3,428**	**825**	**4,253**

G 2.2 Valuation of Long-Term Assets

Assets are valued according to asset type. The following table shows the type of operational assets held, the basis of valuation and the date of last valuation.

Asset Type	Date of Last Valuation	Basis of Valuation
Vehicles, Plant & Equip	N/A	DHC

DHC – Depreciation

G 3.0 Group Companies Reserve

Movements in the Group Companies Reserve are summarised as follows:

	CCR Energy	IIC	CSC Foundry	Total
	£'000	£'000	£'000	£'000
Balance as at 31 March 2024	**(204)**	**(2,034)**	**17,105**	**14,867**
Increase/(Decrease) 2024/25	(395)	(3,582)	2,443	(1,534)
Balance as at 31 March 2025	**(599)**	**(5,616)**	**19,548**	**13,333**

G 4.0 Subsidiary Companies Statutory Accounts

A summary of the statutory accounts for the CCR +Energy, IIC & CSC Foundry Ltd is given in the following table. These accounts have been prepared in accordance with the Financial Reporting Standards for Smaller Entities.

	CCR Energy		IIC		CSC Foundry	
	March 2024	March 2025	March 2024	March 2025	March 2024	March 2025
	£'000	£'000	£'000	£'000	£'000	£'000
Net Current Assets	43,077	162	234	623	(940)	(2,087)
Total Assets less Current Liabilities	41,370	(1,152)	52	581	(6,556)	(8,952)
Net Assets	(204)	(598)	6,832	11,900	5,861	6,932
(Loss)/Profit Before Tax	(148)	(395)	(1,195)	(3,582)	1,058	1,428
(Loss)/Profit After Tax	(148)	(395)	(1,195)	(3,582)	857	1,071
Registration No.	13951868		LP022853		10888081	
Registered Office/Location of Accounts	Aberthaw Power Station The Lays Aberthaw, Barry CF62 4ZW		2nd Floor Malta House 36-38 Piccadilly, London W1J 0DP		Room 6.12 & 6.17 Sbarc Maindy Road Cardiff, Wales CF24 4HQ	
Auditors	Kilsby & Williams LLP		Blick Rothenberg Audit LLP		Baker Knoyle	
Audit Opinion			True and Fair			

IIC total loss includes £1,058k loss on provision of services and £2,524k other comprehensive losses

The Accounts will be presented at the companies' Annual General Meeting.

G 5.0 Consolidation Adjustments

G 5.1 Capital Adjustment Account

	£'000
Balance as at 1 April 2024	**71,645**
Gains/(Losses) during the year	31,892
Balance as at 31 March 2025	**103,537**

In CCR's accounts the value of the shareholding in CCR Energy, IIC & CSC Foundry is written down to the value of the net assets of the company. To allow consolidation of the accounts the value of shareholding must be reinstated, which results in a debit to the Capital Adjustment Account of £12,616k.

G 6.0 Cash Flow Statement – Adjusting to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements

2023/24		2024/25
£'000		£'000
(966)	Depreciation and Impairment	(972)
(10,881)	(Increase)/Decrease in Creditors	13,271
	Increase/(Decrease) in Provision	10,164
2,089	Increase/(Decrease) in debtors	(6,725)
	Increase/(Decrease) in Deferred Tax	343
	Increase/(Decrease) in VAT	426
	Increase/(Decrease) in Payments made in Advance	17
	Short-Term Accumulated Absence Accrual	(19)
(1,782)	Carrying amount of Long-Term Assets and Assets Held For Sale, sold or derecognised	(1,011)
(11,540)	**Adjustments to Net (Surplus) or Deficit on the Provision of Services for Non-Cash Movements**	**15,494**

G 7.0 Cash Flow Statement – Adjust for Items Included in the Net (Surplus) or Deficit on the Provision on Services that are Investing and Financing Activities

2023/24		2024/25
£'000		£'000
0	Short Term Investments	67,525
0	**Investing and Financing Activities**	**67,525**

G 8.0 Cash Flow Statement – Interest within Operating Activities

The cash flows for operating activities include the following items:

2023/24		2024/25
£'000		£'000
(4,349)	Interest received	(6,050)
0	Interest paid	378
(4,349)	**Interest within Operating Activities**	**(5,672)**

G 9.0 Cash Flow Statement – Investing Activities

2023/24		2024/25
£'000		£'000
2,285	Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	1,965
9,991	Purchase and Redemption of Short-Term and Long-Term Loans	20,593
14,058	Purchase and Redemption of Short-Term and Long-Term Equity Investment	7,200
0	Proceeds from the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	0
1,672	Other receipts from Investing Activities	(1,019)
28,006	**Net Cash Flows from Investing Activities**	**28,739**

G 10.0 Cash Flow Statement – Financing Activities

2023/24		2024/25
£'000		£'000
0	Cash Receipts of Short-Term and Long-Term Borrowing	(10,000)
(7,943)	Partnership Contributions	0
(7,943)	**Net Cash Flows from Financing Activities**	**(10,000)**

G 11.0 Adjustments between Group Accounts and CCR's Accounts in the Group Movements in Reserve Statement

The adjustments between Group Accounts and the CCR's Accounts in the Group Movements in Reserves Statement relate to sales and purchases between CCR and its subsidiaries.

2023/24		2024/25
£'000		£'000
	Capital Adjustment Account	
82,890	Single Entity	116,153
71,645	Restatement Capital Adjustment Account	103,537
(11,245)	Less CSC Foundry movement	(12,616)
	Company Group Reverses	
(204)	CCR Energy	(598)
(2,034)	IIC	(5,617)
5,861	CSC Foundry	6,932
3,623	Company Group Reverses	717
(7,622)	**Net Expenditure**	**(11,899)**

G 12.0 Debtors

An analysis of Short-Term and Long-Term Debtors in the Group Balance Sheet is as follows:

2023/24 (Restated)		2024/25
£'000		£'000
	Short Term Debtors	
3,548	Central Government Bodies	527
802	Other Local Authorities	10
3,215	Other Entities and Individuals	1,973
7,565	**Total**	**2,510**
	Long Term Debtors	
9,466	Other Entities and Individuals	7,692
9,466	**Total**	**7,692**
17,031	**Total Debtors**	**10,202**

G 13.0 Creditors

An analysis of Short-Term and Long-Term Creditors in the Group Balance Sheet is as follows:

Short-Term Creditors

2023/24		2024/25
£'000		£'000
(4,335)	Central Government Bodies	(363)
(8,621)	Other Local Authorities	(8,606)
(134)	NHS Bodies	(40)
(12,613)	Other Entities and Individuals	(9,139)
(25,703)	**Total**	**(18,148)**

Long-Term Creditors

2023/24		2024/25
£'000		£'000
(34,193)	Central Government Bodies	(30,306)
(2,414)	Other Entities and Individuals	(586)
(36,607)	**Total**	**(30,892)**

G 14.0 Provisions

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.

Provisions are amounts set-aside for specific future costs, which are likely to be incurred, but the amount or timing of which cannot be determined accurately. Provisions for bad debts are shown as a deduction from debtors.

Movements in provisions during the year were:

Long Term Provision

Long-Term Provision	**Provision for Tax Liabilities - CSC Foundry Ltd**	**Provision for Liabilities - CCR Energy Ltd**	**Total**
	£'000	**£'000**	**£'000**
Balance at 1 April 2024	**(3,511)**	**(24,708)**	**(28,219)**
Additional provisions made in 2024/25	(700)	0	(700)
Unused amounts reversed in 2024/25	0	10,864	10,864
Balance at 31 March 2025	**(4,211)**	**(13,844)**	**(18,055)**

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 CCR'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 CCR 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 CCR 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 CCR 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.

/nvestments

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 CCR.

Treasury Management

The process by which the CCR manages and controls its cash flow and lending activities.