

Sir Derek Jones KCB  
Ysgrifennydd Parhaol  
Permanent Secretary



Llywodraeth Cymru  
Welsh Government

Darren Millar AM  
Chair of the Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

*Dear Darren,*

22nd October 2015

**Action points from the Public Accounts Committee Scrutiny of the Welsh Government Annual Accounts for 2014-15 on 06 October 2015**

I hope that you and the Committee found the session on the 2014-15 Annual Accounts to be useful. I promised to write to the Committee on a number of points. These are set out below under the headings provided by the Clerk.

**'Details of website traffic and number of hits the Welsh Government Consolidated Accounts receive on the web to give an indication of readership'**

The web page containing the Welsh Government Consolidated Accounts for 2013-14 has been accessed on 882 separate occasions. A breakdown is provided below.

- Internal 359 (269)
- External 523 (280)

Internal refers to Welsh Government staff accessing the accounts via the Welsh Government intranet. The figures in brackets() illustrate the number of different individuals accessing the accounts information rather than the number of times the pages have been accessed.

In line with most other Government departments, the Welsh Government does not actively publicise the publication of the Annual Accounts. However, in the context of the streamlining and simplification agenda, there may well be an opportunity to feature the publication of the Accounts a little more prominently on our website next year to highlight the changes that have been made. On this theme, I have not forgotten Mike Hedges' suggestion of including links to the Accounts of funded bodies on our website. I will investigate this with my communications colleagues.

### **'Reasons why the amount of composting over the Welsh Government's estate has increased from 2013-14'**

The increase in composting in 2014-15 (shown on Page 9 of the Accounts) is not the result of an increase in food waste, but an increase in composting resulting from the extension of food waste separation and collection facilities across the estate. During this period, more and improved bins which enabled staff to separate food waste from other rubbish were installed. Prior to this, cross-contamination had hindered our ability to compost food waste fully and effectively.

The Welsh Government remains committed to improving its waste management performance, and the increase in composting is a contributor to the overall reduction in the amount of waste we send to landfill year-on-year. Overall waste production from our estate decreased by approximately 83 tonnes between 2013-14 and 2014-15, and we will look to further improve the management of our waste through 2015-16 and beyond.

More broadly, the Welsh Government is continuing to implement a carbon management strategy for the whole of our administrative estate which includes a wide range of activities aimed at reducing our carbon footprint. This now includes evaluating the scope for incorporating renewable technology into our administrative buildings and infrastructure where appropriate. Current and planned projects include:

#### **Existing Renewable Energy Sources:**

- Biomass - Sarn Mynach, Llandudno Junction: Welsh Government has its own biomass heating system installed at its Sarn Mynach, Llandudno Junction offices. Our system burns wood pellets to provide heating and hot water to our Llandudno Junction building.
- Biomass – Rhodfa Padarn, Abersytwyth (Ceredigion County Council system – we import/purchase heat): At our Rhodfa Padarn, Aberystwyth offices we import/purchase heat from Ceredigion Council's district biomass system under the terms of a supply agreement.



- Solar Water Heating – Cathays Park; Merthyr Tydfil; Llandrindod Wells; Caernarfon; Picton Terrace and Hill House, Carmarthen; Plas Carew, Nantgarw; and Aberystwyth

**Planned for 2015-16:**

- Solar PV - Rhodfa Padarn Aberystwyth

**Proposed for 2016-17:**

- Solar PV - Cathays Park

**‘Reasons why the NHS risk pool has not been itemised in the consolidated accounts for 2014-15 as it has been in previous years and explain why this information has not been reported in the accounts’**

The NHS risk pool (£674m) represents the majority of the total provision (£707m) for the Welsh Government reported in the Annual Accounts. Consequently, following an initial review of how the Welsh Government could simplify and streamline the Annual Accounts and better align its content to the Whole of Government Accounts, a decision was taken to consolidate all provisions into a single total.

Velindre NHS Trust administers the risk pool on behalf of NHS Wales; Velindre’s full Annual Accounts can be found on the National Assembly’s website:

<http://www.assembly.wales/Laid%20Documents/AGR-LD10268/AGR-LD10268-e.pdf#search=velindre%20annual%20accounts>

Note 1.21 to the account on page 12 refers to the hosting of the Welsh Risk Pool. Note 26.3 on page 48 (3) provides details on the provision.

Further details of the NHS risk pool are included in the Annual Accounts of individual health boards.

**‘Provide a full breakdown on non-cash items and AME and include the figures from 2013-14 for comparison’**

A full breakdown of non cash and AME for 2014-15 and 2013-14 is provided below. Non cash and AME are distinguished as follows:

- Non cash represents elements of the budget that enable the organisation to account for items such as fair value adjustments, depreciation and provisions.

- AME or Annually Managed Expenditure is a term used within Government budgets to describe expenditure in areas which are volatile or demand led and therefore outside the specific organisation's control. For example, student loans issued and repaid, asset impairments and pension valuations.

### 2014-15 Non Cash & AME

Main Expenditure Group	Non Cash			AME		
	Budget	Outturn	Variance	Budget	Outturn	Variance
	£m	£m	£m	£m	£m	£m
Health & Social Services	166.9	160.2	6.7	188.7	94.2	94.5
Local Government	0.2	-	0.2	66.8	21.8	45.0
Communities & Tackling Poverty	0.5	0.3	0.2	-72.6	-72.6	-
Economy, Science & Transport	155.0	152.7	2.3	66.9	57.3	9.6
Education & Skills	116.6	106.9	9.7	309.5	288.1	21.4
Natural Resources	9.7	9.7	-	2.9	-	2.9
Central Services & Administration	16.0	14.8	1.2	32.3	-0.8	33.1
<b>TOTAL</b>	<b>464.9</b>	<b>444.6</b>	<b>20.3</b>	<b>594.5</b>	<b>388.0</b>	<b>206.5</b>

### 2013-14 Non Cash & AME

Main Expenditure Group	Non Cash			AME		
	Budget	Outturn	Variance	Budget	Outturn	Variance
	£m	£m	£m	£m	£m	£m
Health & Social Services	168.1	147.6	20.5	159.3	120.8	38.5
Local Government	0.1	0.1	-	18.5	18.5	-
Economy, Science & Transport	128.5	116.2	12.3	47.4	17.7	29.7
Education & Skills	436.9	462.6	-25.6	241.8	221.3	20.5
Natural Resources & Food	8.8	8.7	0.1	3.6	-	3.6
Housing & Regeneration	-	-1.2	1.2	-73.0	-72.8	-0.2
Culture & Sport	3.7	3.6	0.1	2.7	-	2.7
Central Services & Administration	18.5	16.9	1.6	1.5	1.0	2.5
<b>TOTAL</b>	<b>764.6</b>	<b>754.5</b>	<b>10.2</b>	<b>401.8</b>	<b>304.5</b>	<b>97.3</b>

## 2014-15 Non Cash variances

Health and Social Services (£6.7m): the budget primarily funds the depreciation charges arising on the NHS estate. Forecasts are sensitive to fluctuations in capital schemes progression, valuations and timing of capital additions and disposals.

Economy, Science and Transport (£2.3m): this is related to a lower than anticipated level of capital maintenance expenditure on ancient monuments within Cadw.

Education and Skills (£9.7m): this budget covers the estimated annual charge for the write-off of student loans. The calculated charge is generated by a statistical model developed by the UK Department for Business, Innovation and Skills. The charge is applied to the value of the student loan book. The modelling is complex and takes many social and economic factors into account and as such is difficult to forecast accurately.

Central Services and Administration (£1.2m): this derives from depreciation charges associated with the Welsh Government estate. The estate is subject to an independent five yearly valuation and it is difficult to forecast the outcome.

## 2014-15 AME variances

Health and Social Services (£94.5m): the first element of the underspend is £74.2m on impairments in the value of NHS assets. Of this, £51.6m was as a result of a revised technical accounting treatment agreed with Wales Audit Office. The remaining £22.6m related partly to variations between interim and final District Valuer valuations, and partly to scheme timing for asset completions and disposals.

The second element is £19.8m covering movements on provisions. The Welsh Risk Pool provision movement was £9.6m. The budget is based upon the most likely trend analysis of claims in the pool during the year. Actual out-turn reflects variations in the valuation, timing or probability of individual claims within the pool. A further £10m arose in respect of potential new provisions anticipated relating to legal matters. As at 31 March 2015 it was established that provisions were not required in respect of these matters.

Local Government (£45m): on HM Treasury's advice, officials requested budget cover of £45 million as part of the second Supplementary Budget to cover an on-going legal case at UK Government level. However, this litigation case had not progressed sufficiently to warrant providing for a liability in the accounts.

Economy, Science and Transport (£9.6m): this arose as a result of provisions not being required in respect of potential loan guarantee arrangements and funding set aside for museum and library pension deficits not being required.



Education and Skills (£21.4m): this mainly related to the student loans budgets which are demand-led and difficult to forecast. Loan issues and repayments in the year were less than anticipated.

Natural Resources (£2.9m): this relates to pension liabilities arising from the transfer of staff from the Environment Agency Wales to Natural Resources Wales on 1 April 2013. Whilst the cover has been included in the two years since the transfer it has not been required.

Central Services and Administration (£33.1m): the majority of this variance related to the inclusion in the Second Supplementary Budget for exchange rate losses on funding for future EU projects receivable in Euros. However, it was not possible to calculate a value due to the range of variables (future exchange rates, final claims to be received from projects etc.), the number of possible outcomes for each variable, and the unknown probability of the factors that affect these variables.

### **'How the Welsh Government addresses cash management and in particular the £86.8m underspend relating to health boards'**

#### **Cash Management**

The Welsh Government has been a member of the HM Treasury Cash Management Scheme since it began at the start of the financial year 2001-02. The objectives of the scheme are to obtain reliable forecasts of departmental cashflow to inform the Debt Management Office's operational work of managing the Government's daily cash needs. A subsidiary objective of the scheme is to fund departments through the Supply system in response to departments' forecasts of their monthly Supply need.

The Welsh Government's central finance team is responsible for providing monthly cash management forecasts to HM Treasury. Working closely with Welsh Government departments, the central finance team provides a monthly forecast figure for Welsh Government and also a daily BACS spend forecast. The daily BACS figure is reviewed and can be amended 7 days prior to the date the BACS file is paid. The monthly forecast cannot be amended once submitted.

Within the Cash Management Scheme there are 22 large Government departments including the Welsh Government. A target variance ( $\pm 5\%$ ) is set by HM Treasury and departments are rewarded or penalised depending on how well they perform against each of these. The charges and rebates are calculated on monthly net cashflow, monthly and daily BACS forecasts and daily Clearing House Automated Payment System (CHAPS) forecasts. Treasury provide monthly feedback on performance and maintain monthly league tables for both monthly forecasting and BACS forecasting.



A summary of Welsh Government's performance in the HM Treasury League Tables since 2012 is provided below.

Year	Monthly Forecast		BACS Forecast		Rebate
	League Table	Accuracy %	League Table	Accuracy %	
2012-13	15th	5.47%	5 <sup>th</sup>	2.55%	£164,505
2013-14	9th	2.84%	2 <sup>nd</sup>	0.54%	£184,338
2014-15	5th	1.87%	3 <sup>rd</sup>	0.70%	£151,632
2015-16 (to Aug 15)	6th	1.56%	2 <sup>nd</sup>	0.23%	£43,657

### NHS Ambit underspend

There are two sets of financial controls in operation for the Welsh Government:

- the HM Treasury resource control totals (CTs) which include the Departmental Expenditure Limit (DEL) and Annually Managed Expenditure (AME)
- the Ambit, a large proportion of which comprises the cash paid out by the Welsh Government.

As a result differences arise between the outturn reported for Treasury control totals and Ambit. For example in FY2014-15 the total DEL and AME variance was £106m with AME representing the majority (£94m), whereas the Ambit variance was £87m.

The variance on the Ambit of £87m comprised the following main items:

- £5m on the combined revenue and capital allocations.
- £20m AME in relation to provisions for clinical negligence.
- £55m of resources consumed by the NHS in Wales for which the related cash was not drawn from Welsh Government and, therefore, did not score against the Ambit.

### 'Details of what the £19.6m other liabilities consists of'

This represents the liability arising from repayable loans from the Welsh Government to Finance Wales. Therefore, the liability only appears in the consolidated accounts as money owed by Finance Wales.

### **'When the original receipts were expected in for the special payments relating to Tryst Engineering Company and Desk Link Office'**

The liquidation process for a company can take between 2-6 years to complete. Therefore, it is unlikely that the losses or any recovery will be realised within the same financial years as the company first becoming insolvent. Details for the specific companies reported on in the 2014-15 Annual Accounts are as follows:

- Tryst Engineering Ltd: The Welsh Government was notified in March 2011 that the company had gone into liquidation.
- Desk Link Office Furniture Ltd: The company went into Administration in December 2008 and finally went into Liquidation in June 2010.

### **'Situation regarding restocking of anti-viral drugs for a pandemic influenza outbreak'**

All UK Countries have agreed to maintain a capability to respond to a flu pandemic with a 50% Clinical Attack rate of a pandemic virus. Wales maintains sufficient stock levels to safeguard public health and meet these requirements. The strategic drug stores mainly contain antivirals and antibiotics.

As part of this process stock is purchased and has a finite life. Since 2012, we have had in place an agreement to reprocess antivirals when they reach their expiry date, at much reduced cost. Antibiotic stocks held for this purpose cannot be re-processed and have to be written off and repurchased. The main reason for the increase in write off value is that a large batch of antibiotic stock expired in 2014-15.

### **'The cause of the losses regarding Careers Choices Dewis Gyrfa Ltd'**

The results reported for consolidated wholly owned companies details two separate elements for Careers Choices Dewis Gyrfa Ltd; the profit /loss and share capital and reserves. The explanations for the reductions in both are as follows:

- The loss reported under profit/loss is mainly due to a one off payment of £2.5m for a programme of redundancies.
- The reduction in the value of the share capital and reserves position is due to a revaluation of the existing pension liabilities.

For your reference, I have also enclosed a copy of Careers Choices' Annual Accounts.





## **'Details of the strategy in place to achieve a gender balance of 50:50 by 2020'**

The formal launch of the '50:50 by 2020' campaign took place on 15 July 2014. Organisations were asked to make a pledge to improve gender balance within their organisations by 2020. I set an organisational target to have a gender balance of 50% female in the Welsh Government Senior Civil Service by the year 2020. This is a demanding target to meet during a period of tight public finances, with very limited external recruitment.

Based on September 2015 headcount figures, 43.9% of the 155 members of the Welsh Government Senior Civil Service are female. This shows an increase of 1.9% since July 2014 when the commitment was made. Ongoing work supporting the achievement of the 2020 pledge includes:

**Women Together Network:** a refresh of the staff network *Women Together*. The network will actively support women at all levels on personal and career development, building their networks, and raising confidence levels.

**The Women as Leaders Programme:** the first cohort of Women as Leaders Programme has been designed and centrally funded. The programme is for High Performing/High Potential women currently in Executive Bands within the Welsh Government and aims to provide the opportunity to further develop women into senior leadership roles. The first cohort of 16 delegates started the programme in April 2015 and is due to end in February 2016. Building on the positive feedback already received from these delegates, a second cohort of the programme has been established to run from October 2015 to April 2016, training another 19 delegates.

**Mentoring:** we are working to develop and expand the mentoring opportunities available to women in the organisation, including the investigation of creative approaches such as 'speed mentoring'.

We are also doing more research amongst staff to establish what barriers are faced by women in reaching senior leadership roles to help us further tailor and increase the effectiveness of the programme of activities in place to support the Welsh Government's achievement of the 50:50 by 2020 pledge.



I hope that this response answers the Committee's questions adequately. If you require further information, please do let me know.

Yours,  
Derek

**Derek Jones**

**REGISTERED NUMBER: 07442837 (England and Wales)**

**CAREER CHOICES DEWIS GYRFA LTD  
GROUP STRATEGIC REPORT,  
GROUP DIRECTORS REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

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FOR THE YEAR ENDED 31 MARCH 2015**

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**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**COMPANY INFORMATION**

**DIRECTORS:**

Mr P G Davy  
Mrs M Foster  
Mr N Frow  
Mrs K Lennox  
Ms K Phillips  
Mr I Prys-Jones  
Mrs E Richards  
Mrs S A Roberts-Davies  
Mr R Spear  
Mrs L Somme-Dew  
Mr J Taylor  
Mr R A Wright

**SECRETARY**

Mrs N J Lawrence

**REGISTERED OFFICE:**

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William Brown Close  
Llantarnam Park  
Cwmbran  
NP44 3AB

**REGISTERED NUMBER:**

07442837 (England and Wales)

**AUDITORS:**

Auditor General for Wales

## CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

### GROUP STRATEGIC REPORT

The Directors present their strategic report of the company and the group for the year ended 31 March 2015.

Career Choices Dewis Gyrfa Ltd (CCDG) is a wholly owned subsidiary of the Welsh Government and trades as Gyrfa Cymru Careers Wales. We provide the all age, independent and impartial careers information, advice and guidance service for Wales. The principle risks and uncertainties that face CCDG are covered in the following Report of the Directors.

We deliver a remit set by the Minister for Education and Skills and support the Welsh Government's strategic objectives as identified in the Programme for Government and related Welsh Government policies, such as the Youth Engagement and Progression Framework (YEPF). The overall focus for our service is to help people make effective decisions and become independent in managing their careers. This includes making realistic career decisions and plans, and ensuring successful progression and positive outcomes for individuals, who we support to gain appropriate training, further learning or employment. Our work helps to develop the nation's skills base and to support the effectiveness of expenditure on education and training, thereby contributing to the economic and social well-being of Wales.

CCDG is part of the broader "Careers Family" in Wales which includes the Welsh Higher Education Careers Advisory Services, Secondary Schools, Further Education Institutions, Work Based Learning Providers, Local Authority Youth Services, Learning Coaches, Jobcentre Plus, Probation and Youth Offending Services and others.

The CCDG remit offers adults and young people access to high quality services through face-to-face, online and telephone interactions. Face-to-face guidance is targeted toward those clients who will benefit most from this approach. Developing the online offer has continued to be a key priority in order to extend our services during a time of shrinking resources. In December 2014, a new career search section of the website was launched providing new and additional information on over 1,000 occupational areas. This new feature includes access to real-time information on the labour market, training courses and jobs. In September 2014 the Common Area Prospectus was launched providing learners with the ability to search for local post 16 provision.

CCDG operates a national helpline to access careers information and advice, during 2014-15 over 11,921 individuals used this helpline to access our services. In setting up this new helpline facility in 2012, CCDG operated the service from a number of centres across Wales. However, during 2015-16 CCDG will be centralising the operation of the helpline into one location. CCDG also manages the Welsh Government's Apprenticeship Matching Service (AMS) and the Jobs Growth Wales (JGW) services. During 2014-15 both of these key online services continued to be a focus for our support to both adults and young people.

In September 2014 the Welsh Government announced that the CCDG budget for 2014-15 would be reduced by £2.2m from £29m to £26.8m and the indicative budget for 2015-16 would be £20m. As a result of this reduction in budget, CCDG undertook a voluntary release scheme between December 2014 and March 2015 resulting in a reduction of 88 staff. Additionally, a number of offices across Wales were identified for closure. A staff consultation was held concerning these closures and the list of office closures during the 2015-16 financial year were agreed. The revised remit for CCDG identified a number of changes for the delivery of our services, this included the removal, from September 2015, of the National Work Experience Database and the support for schools in Health and Safety vetting of employers offering work experience opportunities.

Since the announcement from Welsh Government on the reduction in the CCDG 2015-16 budget, additional funding of £2.1m per year has been secured from the Welsh Government for the delivery of a new Individual Skills Gateway. This new service will complement the existing CCDG service by providing additional support to adults who are defined as short term unemployed. The support will involve an assessment of the skills needs of an individual client; provide individual and group guidance to help with development of effective career management and employability skills; and refer individuals to skills training, education or employment opportunities. The additional funding is for face-to-face services for 25+ clients and developing an online prospectus of provision for adults.

## CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

Additionally, in conjunction with the Welsh Government an application has been submitted to the Wales European Funding Office (WEFO), for £3.2m of European Social Fund support for the Activate your Potential project that will provide employer-linked activities and opportunities, supplemented with careers information, advice and guidance to young people aged 11-18 at greatest risk of becoming NEET. CCDG have also secured £0.7m for a strategic project to support Education Business Links from Welsh Government.

CCDG continues to work in partnership with a range of organisations in the Careers Family to contribute to the following outcomes for people in Wales, which support our mission of inspiring individuals for a skilled economy:

1. **Awareness:** Greater understanding and awareness of Labour Market information (LMI) and the learning, training and employment opportunities available to them. Awareness of their own strengths, skills and abilities, where they can improve and who can help them;
2. **Aspiration:** Increased ambition and motivation to participate in employment, education and training;
3. **Ability:** Improve the effective use of skills and competencies to make decisions, resilience to adapt and change to deal with changing circumstances ; and
4. **Action:** Improve the effective use of confidence, skills and ability to use their contacts, to implement plans, make successful applications for, and sustainable employment, learning and training opportunities.

We will develop a set of indicators to monitor progress against these outcomes, which cannot be achieved by one organisation alone. The specific actions that CCDG will make to contribute to these outcomes in 2015-16, for which we alone are accountable, are set out in our 2015-16 Business Plan.

### COMPANY PERFORMANCE 2014-15

Company performance is assessed both internally and externally in relation to business targets, quality standards and financial health. For the 2014-15 year key output data includes:

	2014-15	2013-14
Number of young people in education receiving a guidance interview	63,315	48,425
Number of post education 16 – 24 year olds receiving a guidance interview	27,363	23,506
Number of Adults 25 plus receiving a guidance interview	12,701	10,996
Number of H&S vetting visits completed	4,914	5,952
Number of students placed into work experience via the National Work Experience Database	21,145	22,097
Number of visits (sessions) to careerswales.com	2,304,257	1,790,838
Number of telephone calls to our Freephone helpline – Careers Wales Connect	37,892	27,461
Number of email interactions with clients	110,089	110,814

The output data in the above table demonstrates that CCDG's performance is in line with the Board's expectations.

In 2014-15 the Welsh Government set CCDG three key performance indicators (KPIs):

1. Sustained progression of young people through education and into employment or further training/education;
2. Reductions in the number of young people who are outside the Education, Employment and Training system;
3. Wide scale and effective programme of employer engagement which is shown to improve the learning outcomes from careers and World of Work Curriculum delivery.

## CAREER CHOICES DEWIS GYRFA LTD

### YEAR ENDED 31 MARCH 2015

CCDG were required to track progress against these KPIs and work with Welsh Government to develop further proposals for outcomes based monitoring and the wider performance and value offered through the differentiated service model. CCDG produces annual Destination Report providing information on the destination of pupils in years 11, 12 and 13-14 in schools during the business year. The destinations survey was conducted as at 31 October 2014 and was published as Official Statistics in April 2015. A follow-up on the survey was conducted as at 31 March 2015 and analysis, of this update, is underway to determine the extent to which school leavers have sustained their destinations in the period from 31 October 2014 to 31 March 2015. Achievement against KPI 1 and 2 is taken from this analysis of school leaver data.

In terms of achieving the KPI's the following information is based on results for 2013-14 and are measured by improvements from the prior year. Achievement data for 2014-15 KPI's is currently not available. A report on this data will be presented to Welsh Government later in the financial year.

KPI 1 : Year 11 pupils entering full time education : increased by 1.81% in 2013-14 in comparison to the previous year. Proportionally, slightly fewer learners left full time education prematurely in 2013-14 (2.9%) than in 2012-13 (2.95%), evidencing an increase in the sustainability of learners in full time education over the period. Between October 2013 and March 2014 clients in employment and training rose by 2.67% and notably, more young people leaving their initial destinations in October 2013 (e.g. full time education) had entered employment and training by March 2014 (2.67%).

KPI 2: The Destination Census method of calculation provided evidence that Careers Wales met the requirements of KPI 2 for the 2013-14 business year by a 0.5% drop in the number of NEET's between October 2012 and October 2013.

KPI 3 : This KPI is a populating figure and not something that Careers Wales can achieve on its own without help from partner organisations. Careers Wales commissioned Beaufort Research to look at this area and set a baseline against which improvements could then be measured in the future. The data will be considered on a 2-3 year cycle as the impact of this particular KPI is best measured over a longer period.

### FINANCIAL PERFORMANCE FOR THE YEAR

The results for the financial year are shown on page 20 onwards.

CCDG's Financial Statements currently show that the group has negative reserves of £21.1m. The primary reason for these negative reserves is the net pension deficit of £27.3m. This deficit is an estimate of the expected shortfall of assets over liabilities in the CCDG Local Government Pension Schemes funds.

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

The Framework Document allows CCDG to carry-over from one financial year to the next any drawn but unspent cash balances of up to 2% of the agreed total gross annual budget (as set out in the remit letter and being exclusive of income deemed to be private funds). The table below shows the position for the 2014-15 period:

Item	£m – Oct Est
Agreed total gross budget	26.8
Allowable carry over - 2%	0.5
Year end Cash and cash equivalents	4.6
Year end current liabilities	4.9
Unspent cash balance as at 31 March 2015	(0.3)



## CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

The principle source of income for CCDG is the Welsh Government and during the year the total income from Welsh Government was £29.5m.

During 2014-2015 £0.4m was received from the European Social Funding, this was significantly reduced compared to 2013-14 due to the ending of two ESF supported projects in September 2014.

### FUTURE DEVELOPMENTS

The CCDG Business Plan for 2015-16 expects the Welsh Government income to be £23.9m. As shown in the table below, this includes funding for specified projects to the value of £2.8m. The income from ESF projects is expected to increase to £3.2m during 2015-16 with the Activate your Potential project starting in April 2015.

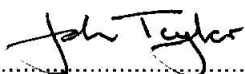
Funding Source	£m	£m
Welsh Government - core	20.0	
Welsh Government – Individual Skills Gateway	£2.1	
Welsh Government – Strategic project	£0.7	
Welsh Government React	£1.1	
Sub-total Welsh Government		£23.9
European Funding - ESF	£3.2	
Other contract Income	£0.7	
Estimated total income 2015/16	£27.8	

### PRINCIPAL RISKS AND UNCERTANTIES

The principal risks that face CCDG are its potential future budget reduction and the development of its website. Following the completion of a comprehensive review of the website during 2014-15, CCDG has concluded that the website requires significant changes in relation to its infrastructure and database management. It is critical to CCDG and the users of its web services that this significant development work is completed with the minimum of disruption to users.

Discussions are continuing with Welsh Government on future budget issues and in line with current best practice CCDG has project management procedures in place to manage the delivery of the web based projects.

### ON BEHALF OF THE BOARD:



Mr J Taylor - Director

Date: 14/7/15

## CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

### GROUP DIRECTORS REPORT

The Directors present their report with the Financial Statements of the company and the group for the year ended 31 March 2015. CCDG has adopted the International Financial Reporting Standards (IFRS).

For this financial year the Career Choices Dewis Gyrfa T/A Gyrfa Cymru Careers Wales Group comprises of eight companies as follows:

Gwent Careers Service Partnership Ltd  
Careers Wales Cardiff and Vale Ltd  
Careers Wales West - Gyrfa Cymru Gorllewin Ltd  
Careers Wales Mid Glamorgan and Powys Ltd  
North East Wales Careers Services Ltd  
Gyrfa Cymru Gogledd Orllewin Cyfyngedig  
Careers Wales Association Ltd  
Career Choices Dewis Gyrfa Ltd

The Welsh Ministers are the sole member of CCDG and CCDG is the sole member of each of the companies within the group. All companies within the group are limited by guarantee with all Directors agreeing to contribute the sum of £1 in the event of the company being wound up. This will be the last year that we will be reporting as a Group following approval from the Welsh Minister the seven subsidiary companies were dissolved at Companies House as at May 25<sup>th</sup> 2015. Note 20 gives an explanation of the final transfer of cash between the subsidiary and the parent.

#### DIVIDENDS

No dividends will be distributed for the year ended 31 March 2015.

#### EVENTS SINCE THE END OF THE YEAR

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

#### DIRECTORS

The Directors shown below have held office during the period from 1 April 2014 to the date of this report:

Ms R H Brookes  
Mr P G Davy  
Mr G L Evans  
Mrs M Foster  
Mr N Frow  
Mr H M Jones  
Mrs K Lennox  
Mr I J Maund  
Mr W H Norris  
Ms K Phillips  
Mr I Prys-Jones  
Mrs E Richards  
Mrs S A Roberts-Davies  
Dr D M Roberts  
Mr R Spear  
Mrs L Somme-Dew  
Mr J Taylor  
Mr R A Wright  
Mr P Westwood

Changes in Directors holding office are as follows:(at Companies House filling date ):

Mr P Westwood – resigned 23 May 2014  
Ms R H Brookes – resigned 23 May 2014  
Mr G L Evans – resigned 01 December 2014

## CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

Mr H M Jones - resigned 01 December 2014  
Mr I J Maund - resigned 04 June 2014  
Mr W H Norris – resigned 23 May 2014  
Dr D M Roberts – resigned 01 December 2014  
Mrs M Foster – appointed 23 May 2014  
Mrs S A Roberts-Davies - appointed 26 June 2014  
Ms K Phillips – appointed 05 December 2014  
Mrs E Richards - appointed 01 December 2014  
Mrs L Somme-Dew - appointed 03 December 2014

All the Directors, other than Mr R Spear, are non-executive Directors and are unpaid. As well as being Directors of CCDG Mr R Spear is also an employee of CCDG.

Mr J Taylor has been appointed as the Chair of CCDG for the period 29 April 2013 to 31 March 2016. The post of Chair is remunerated at £337 per day for attendance at meetings or other agreed activities relating to the work of Careers Wales for up to 40 days per year.

### **GOING CONCERN AND EVENTS AFTER THE REPORTING PERIOD**

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

Following the transfer of ownership to the Welsh Government, on 1 April 2013, CCDG became a public body, funded directly by the Welsh Government. Through the CCDG remit letter the Board of Directors has received confirmation that the Welsh Government will continue to provide both revenue and capital support at a sufficient level to enable CCDG to continue as a going concern until at least 31 March 2016. After making enquiries and having reviewed the group's forecasts the Directors have concluded that there are no material uncertainties which would create any doubts to CCDG's ability to continue in business over the next 12 months. Therefore, the Board will continue to adopt the going concern basis in preparing the annual report and accounts.

The Welsh Minister approved a request to dissolve the subsidiary companies. DS01 forms were signed by the Directors of each of the CCDG subsidiaries and these were submitted to Companies House. As of June 2015, all seven companies have received confirmation that they have been dissolved and the 2015-16 financial statements will be at company rather than group level.

### **NON-CURRENT ASSETS**

Details of non-current assets/PPE are shown in note 8 to the accounts.

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The main financial risks for CCDG are cash flow management and budgeting. The CCDG budget for the 2014-15 period received an in year reduction of £2.2m to £26.8m. Additionally, the Welsh Government has informed CCDG that the Budget for the 2015-16 period will be £20m, a reduction of 25%. Previously, additional funding from Welsh Government has been available to support a number of strategic projects and part of this funding is continuing in 2015-16.

With regard to cash flow management, there is no significant credit risk and CCDG maintains a healthy cash balance on short term deposit. At the end of the 2014-15 period CCDG has a positive cash balance of £4.6m therefore credit, liquidity and cash flow are not considered to be a material risk.

As part of the financial planning for 2015-16 the management team have been able to secure an addition £2.1m from Welsh Government for the new Individual Skills Gateway and work is also progressing with Welsh Government on an application to secure £3.2m of European Social Fund support for the Activate your Potential project for 2015-16.

## CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

### STAFF

#### Policy in respect of disabled persons

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

#### Employee Consultation

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

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

### SUPPLIER PAYMENT POLICY

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

### Environment Report

The purpose of this report is to provide information on the environmental performance of CCDG during April 2014 - March 2015. CCDG recognises that its wide range of activities and services have both positive and negative impacts on the environment and wish to manage and minimise these wherever possible. To help us achieve this aim we have implemented the independently audited Green Dragon Environmental Standard. CCDG currently holds Level 2 of the award. We will complete the roll out of the initiative to all our offices during the 2015/16 financial year, for this year 25 offices will be within audit scope. Where offices are in shared facilities and we do not have full control of the environmental impacts, we have deemed these to be out of scope for audit purposes. Our aim is to continuously improve our environmental performance by the management and monitoring of our environmental impacts. We will be introducing stronger monitoring systems to improve our data capture.

Our overarching principles as detailed within our environmental policy

1. Ensuring that every step is taken to eliminate all sources of pollution from our operations. In doing so we will comply fully with all relevant environmental legislation and regulations by maintaining an environmental register.
2. Reducing our carbon footprint and minimising our adverse impact on the environment in the way we operate by:
  - conducting a regular review of our environmental impacts on at least an annual basis and producing an improvement plan which will be reviewed on a quarterly basis.
  - monitoring our energy, water consumption and our use of consumable materials and setting targets to reduce these.
  - providing training to all staff on environmental awareness.

## CAREER CHOICES DEWIS GYRFA LTD

### YEAR ENDED 31 MARCH 2015

- producing guidance on how to eliminate and/or reduce our waste and improve our recycling of waste to meet our waste hierarchy duty.
  - supporting staff in understanding how to use ICT to reduce business mileage and continuing to encourage car sharing for business travel.
  - setting annual targets to reduce business travel and make available information on the availability and suitability of using public transport.
3. Continuously seeking to improve environmental performance through the introduction of an Environmental Management System to monitor and review our performance.
  4. Raising staff awareness, encouraging their participation in environmental matters and seeking jointly to develop new ideas and initiatives, including the production of an Eco Code for our offices.
  5. Making our Environmental Policy publicly available.

#### **How we manage the process**

The scope of the environmental management system includes all activities and functions of CCDG and each of our offices is audited on a regular basis to ensure all areas meet the requirements at Level 2 of the Green Dragon Standard. CCDG have published our Environment policy on the careerswales.com website.

CCDG have established a green team which meets quarterly to review performance against targets. The group reviews the findings of the internal audit reports and advises corrective actions. Staff can email suggestions to the group and these are reviewed and where appropriate implemented. This group is a key element in embedding sustainable work practices across Careers Wales. They regularly attend our offices giving presentations to staff.

We have a fully documented management system which is located on our intranet system and each office has a combined Health and Safety/ Environmental Manual. We inform staff about our performance and provide information fact sheets on sustainable practices by issuing articles regularly in our weekly staff bulletin.

All legal requirements that are applicable to Careers Wales have been documented in the Environmental Legal Register which is updated every six months. All waste transfer notes, COSHH risk assessments and MSD product sheets are kept at a local level and they are checked during internal audits. The most significant environmental aspects are documented within the Environmental Aspects Register. All staff are encouraged to take ownership of the standard, each office is in the process of designing and implementing their own eco code and have developed a plan to continuously improve their performance. The improvement plan will be reviewed quarterly at local team meetings.

To support the national direction as detailed within The Welsh Government's Sustainable Development scheme, 'One Wales, One Planet' coupled with the Well Being of Future Generations Bill, we have identified the activities that generate greenhouse gases. We have identified two areas: Carbon Dioxide from travel and energy use. We have established reduction targets in both these areas. We have set a target of reducing our travel mileage by 5% and our energy consumption by 3% in 2015-16.

#### **Environmental Performance**

##### **Water Consumption**

The total consumption of water over the last twelve months data held for each of the CCDG sites is 2,990,000 litres. We aim to reduce these figures between Jan 2015-Jan 2016 by undertaking the following initiatives:

- Where appropriate we will reduce water pressure – if the water pressure is over 5 bars in the office we will consider installing a pressure reducing device.
- We will use water efficient maintenance activities when offices are refurbished.
- Where appropriate we will install a special water saving device in the cistern so less water is wasted when you flush the toilet.

## CAREER CHOICES DEWIS GYRFA LTD

### YEAR ENDED 31 MARCH 2015

- Where appropriate we will fit spray inserts in often-used taps. These reduce the amount of water from the faucet but don't reduce washing efficiency.
- Where appropriate we will fit new percussion taps, which turn off after a set period.
- Where appropriate we will fit variable flush handles to all applicable toilet cisterns.

#### **Business Travel**

Transport is a major contributor to air pollution. We have introduced a number of initiatives to help reduce our travel mileage. We have reduced the number of meetings that we hold and we encourage the use of video conferencing. We no longer have company cars, we have brought in new guidance that all travel should be by public transport where appropriate. We also encourage car sharing and restrict travel to necessary journeys only. All travel over 200 miles requires staff members to use a hire car from the lower grade options of energy efficient cars. We have recently adopted a policy of paying 20p a mile for staff who cycle to business meetings. All our offices are accessible through public transport.

Total business mileage by staff in 2014-15 was 1,184,887 miles. We will be updating our record systems to report on rail and air emissions for the next financial year.

#### **Energy Usage**

We use energy-saving devices and equipment to reduce electricity consumption and encourage staff to reduce consumption whenever possible.

Energy consumption KWH – Electricity 1,014,928

Energy consumption KWH – Gas 1,945,909

Greenhouse gas emissions (CO2 Missions) 1,231 CO2 tonnes

Financial Costs : Expenditure

Gas £40,454

Electricity £157,573

Water £20,026

# CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

## ANNUAL CORPORATE GOVERNANCE STATEMENT

### INTRODUCTION

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

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

### CORPORATE GOVERNANCE

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

The Board comprises a Chair, Mr J Taylor and up to 13 other Directors who are appointed by the Welsh Government. The Chair is a remunerated position and the Chief Executive is also a Director. The Board has met five times this year.

Each Director and the members of the Senior Management Team complete a Related Party Declaration form to ensure that potential conflicts of interest are identified. This form was last completed to March 2015. The Directors are reminded to declare any conflicts of interest prior to Board and Committee meeting. Any conflicts are then declared in the minutes and the Director does not take part in that agenda item.

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

- Audit and Risk Committee
- Employee Services and Remuneration Committee
- Finance and Business Development Committee

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

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

**MEMBERSHIP AND ATTENDANCE RECORD 2014-15**

**Meetings of the Board of Directors**

	26/06/14	25/09/14	16/12/14	13/02/15	26/03/15	Attendance
Mr J Taylor (Chair)	√	√	√	√	√	5/5 100%
Mr R A Wright	√	√	√	X	√	4/5 80%
Dr D M Roberts (Vice Chair)	√	√				2/2 100%
Mrs E Richards			√	√	X	2/3 66.6%
Mr G L Evans	X	X				0/2 0%
Mr H M Jones	√	√				2/2 100%
Mr I Prys-Jones	√	X	√	√	√	4/5 80%
Mrs K Lennox	√	√	√	√	X	4/5 80%
Ms K Phillips			√	√	X	2/3 66.6%
Mrs L Somme-Dew			√	√	√	3/3 100%
Mrs M Foster	X	√	√	√	√	4/5 80%
Mr N Frow	√	√	√	√	√	5/5 100%
Mr P G Davy	√	√	√	√	√	5/5 100%
Mrs S Roberts-Davies	√	√	√	√	X	4/5 80%
Chief Executive	√	√	√	√	√	5/5 100%
Director of Resources/Company Secretary	√	√	√	√	√	5/5 100%
WG Observer	√	√	√	√	√	5/5 100%

\*Mr R A Wright was unable to attend the meeting dated 13/02/2015, due to a change in the meeting date.



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**YEAR ENDED 31 MARCH 2015**

**Audit & Risk Committee Meeting**

	16/04/14	14/05/14	16/07/14	31/10/14	10/02/15	Attendance
Mr I Prys-Jones (Chair)	√	√	√	√	√	5/5 100%
Mr I J Maund	√	√				2/2 100%
Mr N Frow	√	√	X	√	√	4/5 80%
Mr P G Davy	√	√	√	√	√	5/5 100%
Chief Executive	√	√	X	√	√	4/5 80%
Director of Resources	√	√	√	√	√	5/5 100%
WAO ( External Auditors)	√	√	√	√	√	5/5 100%
KTS ( Internal Auditors)	√	√	√	√	√	5/5 100%

**Employer Services & Recruitment Committee**

	19/05/14	12/11/14	Attendance
Dr D M Roberts (Chair)	√	√	2/2 100%
Mr G L Evans	√	√	2/2 100%
Mrs K Lennox		√	1/1 100%
Chief Executive	√	√	2/2 100%
Director of Resources	√	X	1/2 50%

**Finance & Business Development Committee**

	04/09/14	04/12/14	05/03/15	Attendance
Mr R A Wright (Chair)	√	√	√	3/3 100%
Mrs L Somme-Dew			√	1/1 100%
Mrs M Foster			√	1/1 100%
Mrs K Lennox	√	√		2/2 100%
Chief Executive	√	X	√	2/3 66.6%
Director of Resources	√	√	√	3/3 100%

\* Mrs K Lennox changed in the financial year from being a member of the Finance and Business Development Committee to the Employer Services and Recruitment Committee.

All Committee meeting minutes are provided to the Board together with a verbal report from the Committee Chair at every Board meeting. The Chief Executive and the Director of Resources are Executive members of each Committee.

## CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

### **Audit & Risk Committee**

The Committee consisted of four Directors until the resignation of Mr I Maund in June 2014. It met five times in the year. The CCDG appointed Internal Auditors, KTS Owens Thomas, and the Auditor General for Wales are invited to attend all meetings of the Committee. The Committee discharges its responsibilities over issues of risk management systems, internal control, internal audit, statutory audit of consolidated accounts and governance through its Terms of Reference:

- i. To ensure that the company has a sound system of financial control, and effective processes for the identification, assessment and management of risk;
- ii. To recommend the appointment of bankers, internal auditors, external auditors and other financial advisers, as required, following due process;
- iii. To establish a sound procedure for procurement, to ensure efficiency and value for money;
- iv. To ensure, in accordance with legislation, that the company has effective policies for dealing with suspected irregularity, fraud or bribery;
- iv. To ensure the company has monitoring systems in place for quality assurance;
- v. To consider such other matters as may be referred to the Committee by the Board; and
- vi. To report to the Board.

Over the year the Committee's areas of focus included:

- Internal audit reports covering specific business areas
- Reviewing any recommendations from internal audit
- Reviewing recommendations from the 2013-2014 external audit
- Reviewing risk management
- Review and recommendation to the Board of amendments to the Financial regulations

### **Employee Services and Remuneration Committee**

The Committee consisted of three Directors and met twice in the year. Their Terms of Reference are:

- i. To promote and support the implementation of the HR strategy and associated action plans;
- ii. To ensure that the Company complies with employment legislation and regulations;
- iii. To promote and support the development of appropriate employment policies, including those for appointment, terms and conditions, discipline, grievance, reward and recognition of employees;
- iv. To ensure that there is an appropriate pay structure and, subject to affordability, to determine pay levels of the Chief Executive and the Senior Management of the Company;
- iv. To consider such matters as may be referred to the Committee by the Board, and
- v. To report to the Board.

### **Finance and Business Development Committee**

The Committee consisted of two Directors until the appointment of two new Directors in January 2015 and met three times in the year. The Committee monitor the financial reporting process. Their Terms of Reference are:

- i. To keep under review the financial health of the company;
- ii. To develop and recommend a viable business plan, and a budget for the company each year;
- iii. To consider and make recommendations on Financial Statements, and in particular the annual accounts of the company;
- iv. To ensure that the company develops policies relating to the health and safety, ICT and premises;
- iv. To consider such other matters as made be referred to the Committee by the Board; and
- v. To report to the Board.

### **Board and Committee Effectiveness**

In December 2013 a questionnaire was completed by the Directors considering the following:

- What information they received
- The finances of the organisation
- Their awareness of legal and ethical laws and regulations relating to CCDG
- The organisations Stakeholders
- The role and responsibilities of Board Directors
- Governance in general
- The Board's position within the organisational structure
- Their understanding of risk management and internal control in CCDG

CCDG's internal auditors reviewed the findings and found in the main they were positive.

## CAREER CHOICES DEWIS GYRFA LTD

### YEAR ENDED 31 MARCH 2015

During 2014-15 the Welsh Government held two recruitment exercises and as a result 5 new Directors were appointed. Additionally the Welsh Government started a further recruitment exercise in February 2015.

The Board is of the view that the findings from the December 2013 review are still relevant, however, a full review of the Board effectiveness will be completed in 2015-16 following the completion of the current Welsh Government recruitment exercise.

#### **The Senior Management Team**

Until December 2014, the Senior Management Team (SMT) consisted of the Chief Executive, Director of Corporate Services and the four Regional Directors. Following the Welsh Government announcement that it was reducing the CCDG Budget, I undertook a review of the SMT. As a result of the review a Regional Director and the Director of Corporate Services applied for early release under the CCDG voluntary early release scheme. In October 2014, the Board agreed to release the two Directors and an additional 77 staff and a further 9 were agreed in January/ February.

The new SMT now consists of the Chief Executive and four Directors with functional based responsibilities covering the whole of Wales.

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

#### **Risk Management**

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

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

As Chief Executive I have responsibility for reviewing the effectiveness of the system of internal control. This review is informed by the work of the appointed internal auditors and the managers within CCDG who have responsibility for the development and maintenance of the internal control framework, together with comments and recommendations made by the external auditors in their management letter and internal auditors in their reports. The internal auditors submit regular reports and provide an independent annual opinion on the adequacy and effectiveness of CCDG's system of internal control, together with recommendations for improvement. The internal auditors operate to standards defined by the Public Sector Internal Audit Standards. They attend Audit and Risk Committees and present their reports to the Committee and progress on the planned work programme. They provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control. The internal audit opinion provided moderate assurance on the adequacy and effectiveness of CCDG's framework of governance, risk management and control in the year. The internal audit identified no significant control weaknesses and therefore nothing to suggest that the organisation was not maintaining a low risk status. The following areas were audited within the year, redundancy, petty cash, procurement, budgetary and control and capital assets.

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

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

The annual audit opinion by the internal auditors was that they were able to provide moderate assurance upon the adequacy and effectiveness of CCDG's framework of governance, risk management and control in the year to 31 March 2015. A number of weaknesses for which they felt that enhancements to the control systems were necessary to improve existing arrangements were identified. They were however satisfied that appropriate action had been identified by management to deal with these issues. No significant control weaknesses were identified and therefore their opinion was there was nothing to suggest that the organisation was not maintaining a low risk status.

I am satisfied that for the 2014-15 financial year a sound governance framework and system of internal controls were in place. They supported the achievement of CCDG's policies, aims and objectives; facilitated effective exercise of CCDG's functions and safeguarded public funds and assets for which the Accounting Officer is personally responsible. These matters of governance and control are in accordance with the responsibilities that had been assigned to me, in the Framework Document issued to us by the Welsh Government.



**Richard Spear**  
**CCDG Chief Executive and Accounting Officer**

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these Financial Statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**



**Mr J Taylor - Director**

Date: .....14/7/15.....

## **CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CAREER CHOICES DEWIS GYRFA LTD**

I have audited the Financial Statements of Career Choices Dewis Gyrfa Ltd for the year ended 31<sup>st</sup> March 2015 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND THE AUDITOR**

As explained more fully in the Statements of Directors' Responsibilities set out on page 17, the Directors are responsible for the preparation of financial statements which give a true and fair view.

My responsibility is to audit the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors and the overall presentation of the Financial Statements.

I am also required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition, I read all the financial and non-financial information in the Career Choices Dewis Gyrfa Ltd Group Strategic and Directors Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **OPINION ON FINANCIAL STATEMENTS**

In my opinion:

- the Financial Statements give a true and fair view of the state of affairs of the group as at 31 March 2015 and of the group's loss for the year then ended;
- the Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON REGULARITY**

In my opinion in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In my opinion:

- the information given in the Strategic Report and Report of the Directors' for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the information given in the Governance Statement with respect to internal control and risk management systems in relation to financial reporting processes is consistent with the Financial Statements.

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**MATTERS ON WHICH I REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the Financial Statements are not in agreement with the accounting records and returns;
- certain disclosures of Directors' remuneration specified by law are not made; or
- I have not received all the information and explanations I require for my audit.

**REPORT**

I have no observations to make on these Financial Statements.



Huw Vaughan Thomas  
Auditor General for Wales  
15<sup>th</sup> July 2015

Auditor General for Wales  
24 Cathedral Road  
Cardiff CF11 9LJ

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £'000	2014 £'000
<b>CONTINUING OPERATIONS</b>			
Revenue	2	30,803	33,751
Administrative expenses		<u>(30,810)</u>	<u>(31,360)</u>
<b>OPERATING PROFIT/(LOSS) BEFORE COST OF FUNDAMENTAL REORGANISATION</b>		(7)	2,391
Cost of fundamental reorganisation	4	<u>(2,485)</u>	-
<b>OPERATING PROFIT/(LOSS)</b>		(2,492)	2,391
Finance costs	5	(6,376)	(6,630)
Finance income	5	<u>5,821</u>	<u>5,383</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>		(3,047)	1,144
Tax expense	7	<u>(9)</u>	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<u>(3,056)</u>	<u>1,144</u>
Profit/(loss) attributable to: Owners of the parent		<u>(3,056)</u>	<u>1,144</u>

The notes from page 28 to page 60 form part of the Financial Statements



**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £'000	2014 £'000
<b>PROFIT/(LOSS) FOR THE YEAR</b>		(3,056)	1,144
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Actuarial Profit/(Loss) on pension scheme	7	(11,723)	18,172
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<u>(11,723)</u>	<u>18,172</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(14,779)</u>	<u>19,316</u>
Total comprehensive income attributable to: Owners of the parent		<u>(14,779)</u>	<u>19,316</u>

The notes from page 28 to page 60 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
31 MARCH 2015

	Notes	2015 £'000	2014 £'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	3,144	2,967
Intangible Assets	9	824	476
		<u>3,968</u>	<u>3,443</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	10	2,641	1,988
Cash and cash equivalents	11	4,600	7,434
		<u>7,241</u>	<u>9,422</u>
<b>TOTAL ASSETS</b>		<u>11,209</u>	<u>12,865</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Pension liability	15	27,317	14,879
Trade and other payables	13	175	-
		<u>27,492</u>	<u>14,879</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	4,855	4,347
Tax payable	7	9	7
		<u>4,864</u>	<u>4,354</u>
<b>TOTAL LIABILITIES</b>		<u>32,356</u>	<u>19,233</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>(21,147)</u>	<u>(6,368)</u>
<b>EQUITY</b>			
Retained earnings	12	<u>(21,147)</u>	<u>(6,368)</u>
<b>TOTAL EQUITY</b>		<u>(21,147)</u>	<u>(6,368)</u>

For the year ended 31 March 2015, the company was entitled to exemption from the requirements of Part 16 of the Companies Act 2006 under section 482 of this Act (non-profit making companies subject to public sector audit).

The Financial Statements were approved by the Board of Directors on 14/7/15 and were signed on its behalf by:

  
.....  
Mr J Taylor - Director  
Registered company number: 07442837

The notes from page 28 to page 60 form part of the Financial Statements

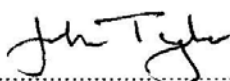
CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

COMPANY STATEMENT OF FINANCIAL POSITION  
31 MARCH 2015

	Notes	2015 £'000	2014 £'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	3,144	2,967
Intangible assets	9	824	476
		<u>3,968</u>	<u>3,443</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	10	2,641	3,003
Cash and cash equivalents	11	4,600	5,763
		<u>7,241</u>	<u>8,766</u>
<b>TOTAL ASSETS</b>		<u>11,209</u>	<u>12,209</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Pension liability	15	27,317	14,879
Trade and other payables	13	175	-
		<u>27,492</u>	<u>14,879</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	4,855	4,347
Tax payable	7	9	6
		<u>4,864</u>	<u>4,353</u>
<b>TOTAL LIABILITIES</b>		<u>32,356</u>	<u>19,232</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>(21,147)</u>	<u>(7,023)</u>
<b>EQUITY</b>			
Retained earnings	12	<u>(21,147)</u>	<u>(7,023)</u>
<b>TOTAL EQUITY</b>		<u>(21,147)</u>	<u>(7,023)</u>

The Financial Statements were approved by the Board of Directors on 14/1/15 and were signed on its behalf by:



Mr J Taylor - Director  
Registered company number: 07442837

The notes from page 28 to page 60 form part of the Financial Statements

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2015**

	Retained earnings £'000	Revaluation reserve £'000	Total equity £'000
<b>Balance at 1 April 2013</b>	(25,856)	172	(25,684)
<b>Changes in Equity</b>			
Total comprehensive income	<u>19,488</u>	<u>(172)</u>	<u>19,316</u>
<b>Balance at 31 March 2014</b>	<u>(6,368)</u>	<u>-</u>	<u>(6,368)</u>
<b>Changes in equity</b>			
Total comprehensive income	<u>(14,779)</u>	<u>-</u>	<u>(14,779)</u>
<b>Balance at 31 March 2015</b>	<u>(21,147)</u>	<u>-</u>	<u>(21,147)</u>

The notes from page 28 to page 60 form part of the Financial Statements

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2015**

	Retained earnings £'000	Total equity £'000
<b>Balance at 1 April 2013</b>	(349)	(349)
<b>Changes in equity</b>		
Total comprehensive income	<u>(6,674)</u>	<u>(6,674)</u>
<b>Balance at 31 March 2014</b>	(7,023)	(7,023)
<b>Changes in equity</b>		
Total comprehensive income	(14,124)	(14,124)
<b>Balance at 31 March 2015</b>	<u>(21,147)</u>	<u>(21,147)</u>

The notes from page 28 to page 60 form part of the Financial Statements

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £'000	2014 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(1,249)	964
Interest paid	5	(6)	-
Tax paid		(7)	(18)
Net cash from operating activities		<u>(1,262)</u>	<u>946</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets	9	(1,315)	(951)
Purchase of property, plant and equipment	8	(303)	(127)
Sale of tangible fixed assets		-	-
Interest received	5	46	26
Net cash from investing activities		<u>(1,572)</u>	<u>(1,052)</u>
<b>Cash flows from financing activities</b>			
Net cash from financing activities		-	-
<b>Decrease in cash and cash equivalents</b>		(2,834)	(106)
<b>Cash and cash equivalents at beginning of year</b>	11	<u>7,434</u>	<u>7,540</u>
<b>Cash and cash equivalents at end of year</b>	11	<u>4,600</u>	<u>7,434</u>

The notes from page 28 to page 60 form part of the Financial Statements

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2015**

**1. RECONCILIATION OF PROFIT/(LOSS) BEFORE CORPORATION TAX TO CASH GENERATED FROM OPERATIONS**

	Note	2015 £'000	2014 £'000
Profit/(Loss) before corporation tax		(3,047)	1,144
Depreciation charges	8	126	68
Amortisation charge	9	967	476
De-recognition charge		-	17
Movement in provision		-	(95)
Finance costs	5	6,376	6,630
Finance income	5	(5,821)	(5,383)
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
		(1,399)	2,857
Decrease/(increase) in trade and other receivables	10	(653)	824
(Decrease)/increase in trade and other payables	13	683	(3,221)
Difference between pension charge and cash contributions		120	504
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
<b>Cash generated from operations</b>		<b>(1,249)</b>	<b>964</b>

# CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 1. ACCOUNTING POLICIES

#### **Basis of preparation**

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

References to the Group in the notes to the accounts refer to CCDG and its subsidiaries. Reference to Company refers to CCDG, the parent company.

The accounts for the year ending the 31 March 2015 have been prepared in £000's and the comparative figures for 2014 have been restated from £'s to £000's.

#### **Basis of consolidation**

The consolidated accounts for the group incorporate the accounts of the parent company and its subsidiary undertakings, all of which were prepared to 31 March 2015. Entities over which the group has the ability to exercise control are accounted for as subsidiaries.

Transactions and balances between group companies are eliminated. No profit is taken on transactions between group companies. Uniform accounting policies are applied.

#### **Revenue recognition**

Revenue is recognised in the year to which the work is done. Income received in advance of the work being done is classified as deferred income.

#### **Provisions**

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation.

#### **Cash and Cash equivalent**

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

#### **Property, plant and equipment**

Land and Buildings are valued at fair value, on the basis of open market value for existing use, and are subject to independent professional revaluation in accordance with the RICS valuation standards every five years. They were valued on this basis on the 29 March 2013 by Hirons, Morgans & Yapp, RICS registered valuers. The valuers have assumed that the properties are free from structural or design defects, rot, infestation and that they comply with all necessary statutory requirements. The valuers have also assumed that the properties are free from mortgages and charges. No environmental matters were considered to have a significant bearing on value. The properties were physically inspected in February 2012 and for this valuation exercise the valuers relied on floor areas provided by CCDG and did not undertake a detailed measuring exercise. The next revaluation will take place in March 2018, and thereafter at five year intervals.

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

Only individual items over £2,500 are classified as fixed assets. CCDG do not group assets for capitalisation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

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

#### **Intangible Assets**

Software Licenses with a finite useful life will be amortised over that life on a straight line basis.



## CAREER CHOICES DEWIS GYRFA LTD

### YEAR ENDED 31 MARCH 2015

Internet web development will be amortised over two years, from the date the development went live on the website. In the first year a full year of amortised costs are included in the statement of profit and loss.

The amortisation costs of intangible assets are included in administrative expenses within the Consolidated Statement of Profit and Loss.

#### **Taxation**

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

#### **Employee benefit costs**

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

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

#### **Operating Leases**

Operating lease rentals are charged in the profit and loss account. The company aim to have break clauses built into their leases to reduce company commitment. An assessment of leases is undertaken to ensure they are operating and not finance leases.

#### **Government Grants**

Revenue grants are released to income and expenditure over the life of the project to which they relate.

#### **Use of estimates and judgements**

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

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

Note 15 - The measurement of defined benefit contributions depends on the selection of certain assumptions which include the discount rate, salary growth, rate of increase in deferred pensions and expected return on scheme assets.

Other significant areas of estimates and critical judgements are:-

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

#### **Going concern**

The Directors are aware that in 2015-16 the Welsh Government funding will reduce for CCDG. However the Directors do not consider this will affect the going concern of the company as the company have managed to secure other sources of income from Welsh Government and ESF funds.

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**

**FOR THE YEAR ENDED 31 MARCH 2015**

**2. REVENUE**

	2015 £'000	2014 £'000
Welsh Government	29,470	31,185
ESF projects	378	1,312
Other contracts	955	1,254
	<u>30,803</u>	<u>33,751</u>

**3. EMPLOYEES AND DIRECTORS**

	2015 £'000	2014 £'000
Wages and salaries	20,586	19,759
Social security costs	1,390	1,498
Other pension costs	5,218	3,997
	<u>27,194</u>	<u>25,254</u>

The average monthly number of employees during the year was as follows:

	2015	2014
Management and Administration	99	111
Service delivery	652	664
	<u>751</u>	<u>775</u>

	2015 £'000	2014 £'000
Directors' remuneration	<u>120</u>	<u>95</u>

The remuneration of Directors includes salary, NI and relevant pension costs.

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

Final Salary scheme	<u>1</u>	<u>1</u>
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**4. COSTS OF FUNDAMENTAL REORGANISATION**

As a result of a large reduction in the CCDG Budget for 2015-16, the company undertook a voluntary release scheme between December 2014 and March 2015 resulting in a reduction of 88 staff. The associated costs of this exercise, including actuarial pension strains, was £2.485m.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

5. NET FINANCE INCOME

	2015 £'000	2014 £'000
Finance income:		
Deposit account interest	46	26
Expected return on pension scheme assets	<u>5,775</u>	<u>5,357</u>
	<u>5,821</u>	<u>5,383</u>
Finance costs:		
Bank interest	6	-
Interest on pension scheme liabilities	<u>6,370</u>	<u>6,630</u>
	<u>6,376</u>	<u>6,630</u>
Net finance income	<u>(555)</u>	<u>(1,247)</u>

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**6. PROFIT/(LOSS) BEFORE TAX**

The profit/(loss) before tax is stated after charging:

	2015 £'000	2014 £'000
Other operating leases	1,045	957
Depreciation	126	67
De-recognition charged to profit and loss	-	17
Amortisation	967	476
Auditors' remuneration - External	80	140
Internal	33	32
ESF Internal Grant Certificate	6	5
	2,257	1,694

**7. CORPORATION TAX**

**Analysis of tax expense**

	2015 £'000	2014 £'000
Release of accrual in year	-	(4)
Charge in year	9	4
	9	-
Total tax expense in consolidated income statement	9	-

CCDG only pays corporation tax on interest receivable and non-core activities at the UK corporation tax rate of 20%. Tax charge for 2014-15 based on bank deposit interest of £46k at 20% (2013-14: £20k at 20%)

**Tax effects relating to effects of other comprehensive income**

	Gross £'000	2015 Tax £'000	Net £'000
Actuarial (losses) on pension scheme	(11,723)	-	(11,723)
	(11,723)	-	(11,723)
	Gross £'000	2014 Tax £'000	Net £'000
Actuarial gains on pension scheme	18,172	-	18,172
	18,172	-	18,172

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**8. PROPERTY, PLANT AND EQUIPMENT**

**Group 2014-15**

	Leasehold Improvements	Land and Buildings	Fixtures and Fittings	Computer Equipment	Totals
	£'000	£'000	£'000	£'000	£'000
<b>COST OR VALUATION</b>					
At 1 April 2014	109	2,885	10	31	3,035
Additions: during the year	172	-	14	117	303
Disposals: during the year	-	-	(3)	(2)	(5)
At 31 March 2015	<u>281</u>	<u>2,885</u>	<u>21</u>	<u>146</u>	<u>3,333</u>
<b>DEPRECIATION</b>					
At 1 April 2014	11	43	4	10	68
Charge for year	48	42	2	34	126
Disposals: during the year	-	-	(3)	(2)	(5)
At 31 March 2015	<u>59</u>	<u>85</u>	<u>3</u>	<u>42</u>	<u>189</u>
<b>NET BOOK VALUE</b>					
At 31 March 2015	<u>222</u>	<u>2,800</u>	<u>18</u>	<u>104</u>	<u>3,144</u>
At 31 March 2014	<u>98</u>	<u>2,842</u>	<u>6</u>	<u>21</u>	<u>2,967</u>

Notes relating to PPE:-

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

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

8. PROPERTY, PLANT AND EQUIPMENT – continued

Company 2014-15

	Leasehold Improvements £'000	Land and Buildings £'000	Fixtures and Fittings £'000	Computer Equipment £'000	Totals £'000
<b>COST OR VALUATION</b>					
At 1 April 2014	109	2,885	10	31	3,035
Additions: during the year	172	-	14	117	303
Disposals during the year	-	-	(3)	(2)	(5)
At 31 March 2015	<u>281</u>	<u>2,885</u>	<u>21</u>	<u>146</u>	<u>3,333</u>
<b>DEPRECIATION</b>					
At 1 April 2014	11	43	4	10	68
Charge for year	48	42	2	34	126
Disposal during the year	-	-	(3)	(2)	(5)
At 31 March 2015	<u>59</u>	<u>85</u>	<u>3</u>	<u>42</u>	<u>189</u>
<b>NET BOOK VALUE</b>					
At 31 March 2015	<u>222</u>	<u>2,800</u>	<u>18</u>	<u>104</u>	<u>3,144</u>
At 31 March 2014	<u>98</u>	<u>2,842</u>	<u>6</u>	<u>21</u>	<u>2,967</u>

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**8. PROPERTY, PLANT AND EQUIPMENT – continued**

**Group 2013-14**

	Leasehold Improvements	Land and Buildings	Fixtures and Fittings	Computer Equipment	Deferred Revenue Expenditure	Freehold Property Improvements	Leasehold Property Improvements	Totals
<b>COST OR VALUATION</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2013	258	3,576	531	1,059	403	198	492	6,517
Additions: during the year	108	-	5	14	-	-	-	127
Additions: due to Intercompany transfers	-	2,850	10	17	1	35	-	2,913
Disposals: during the year	-	-	(1)	-	-	-	-	(1)
Disposals: due to Intercompany transfers	(750)	(3,576)	(531)	(1,046)	(403)	(198)	-	(6,504)
De-recognition-charge to Statement of Profit and Loss	-	-	(4)	(13)	-	-	-	(17)
Re-classification	493	35	-	-	(1)	(35)	(492)	-
At 31 March 2014	109	2,885	10	31	-	-	-	3,035
<b>DEPRECIATION</b>								
At 1 April 2013	258	726	520	1,032	402	163	492	3,593
Charge for year	11	43	4	8	-	-	-	66
Disposals: during the year	-	-	-	-	-	-	-	-
Disposals: due to Intercompany transfers	(750)	(726)	(520)	(1,030)	(402)	(163)	-	(3,591)
Re-classification	492	-	-	-	-	-	(492)	-
At 31 March 2014	11	43	4	10	-	-	-	68

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

**NET BOOK VALUE**

At 31 March 2014

<u>98</u>	<u>2,842</u>	<u>6</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,967</u>
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At 31 March 2013

<u>-</u>	<u>2,850</u>	<u>11</u>	<u>27</u>	<u>1</u>	<u>35</u>	<u>-</u>	<u>2,924</u>
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**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**8. PROPERTY, PLANT AND EQUIPMENT – continued**

**Company 2013-14**

	Leasehold Improvements	Land and Buildings	Fixtures and Fittings	Computer Equipment	Deferred Revenue Expenditure	Freehold Property Improvements	Totals
<b>COST OR VALUATION</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2013	-	-	-	13	-	-	13
Additions: during the year	108	-	5	14	-	-	127
Additions: due to Intercompany transfers	-	2,850	10	17	1	35	2,913
Disposals: during the year	-	-	(1)	-	-	-	(1)
De-recognition-charge to Statement of Profit and Loss	-	-	(4)	(13)	-	-	(17)
Re-classification	1	35	-	-	(1)	(35)	-
At 31 March 2014	<u>109</u>	<u>2,885</u>	<u>10</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>3,035</u>
<b>DEPRECIATION</b>							
At 1 April 2013	-	-	-	2	-	-	2
Charge for year	11	43	5	8	-	-	67
Disposals: during the year	-	-	(1)	-	-	-	(1)
At 31 March 2014	<u>11</u>	<u>43</u>	<u>4</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>68</u>

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015

**NET BOOK VALUE**

At 31 March 2014

<u>98</u>	<u>2,842</u>	<u>6</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>2,967</u>
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At 31 March 2013

<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>11</u>
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**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**9. INTANGIBLE ASSETS**

	Restated Software Licences £'000	Restated Website Development £'000	Total £'000
<b>COST</b>			
At 1 April 2014		951	951
Additions	575	740	1,315
At 31 March 2015	575	1,691	2,266
<b>AMORTISATION</b>			
At 1 April 2014		475	475
Charge for the year	121	846	967
At 31 March 2015	121	1,321	1,442
<b>NET BOOK VALUE</b>			
At 31 March 2015	454	370	824
At 31 March 2014		476	476

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**10. TRADE AND OTHER RECEIVABLES**

	2015 £'000	2014 £'000
Current:		
Trade receivables	1,250	750
Other receivables	766	305
Prepayments and accrued income	625	933
	<u>2,641</u>	<u>1,988</u>

**Company**

	2015 £'000	2014 £'000
Current:		
Trade receivables	1,250	750
Amounts owed by group undertakings	-	1,015
Other receivables	766	305
Prepayments and accrued income	625	933
	<u>2,641</u>	<u>3,003</u>

**11. CASH AND CASH EQUIVALENTS**

**Group**

	2015 £'000	2014 £'000
Cash in hand	2	3
Bank accounts	4,598	7,431
	<u>4,600</u>	<u>7,434</u>

**Company**

	2015 £'000	2014 £'000
Cash in hand	2	3
Bank accounts	4,598	5,760
	<u>4,600</u>	<u>5,763</u>

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**12. RESERVES**

<b>Group</b>	Retained earnings £'000	Revaluation reserve £'000	Totals £'000
At 1 April 2013	(25,856)	172	(25,684)
Profit for the year	1,144	-	1,144
Transfer to retained earnings	172	(172)	-
Pension Actuarial Gain	<u>18,172</u>	<u>-</u>	<u>18,172</u>
At 31 March 2014	(6,368)	-	(6,368)
(Loss) for the year	(3,056)	-	(3,056)
Pension Actuarial Loss	<u>(11,723)</u>	<u>-</u>	<u>(11,723)</u>
At 31 March 2015	<u>(21,147)</u>	<u>-</u>	<u>(21,147)</u>
<b>Company</b>			
	Retained earnings £'000	Totals £'000	
At 1 April 2013	(349)	(349)	
(Loss) for the year	(24,846)	(24,846)	
Pension actuarial gain	<u>18,172</u>	<u>18,172</u>	
At 31 March 2014	(7,023)	(7,023)	
(Loss) for the year	(2,401)	(2,401)	
Pension Actuarial Loss	<u>(11,723)</u>	<u>(11,723)</u>	
At 31 March 2015	<u>(21,147)</u>	<u>(21,147)</u>	

**13. TRADE AND OTHER PAYABLES**

	<b>Group</b>	
	2015 £'000	2014 £'000
Current liabilities:		
Trade payables	763	484
Social security and other taxes	513	1,038
Other payables	340	602
Holiday Pay Accrual	318	239
Accruals and deferred income	1,873	995
VAT	992	989
Computer Licenses	<u>56</u>	<u>-</u>
	<u>4,855</u>	<u>4,347</u>
Non-current liabilities:		
Computer Licenses	<u>175</u>	<u>-</u>
	<u>175</u>	<u>-</u>
Aggregate amounts	<u>5,030</u>	<u>4,347</u>

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**13. TRADE AND OTHER PAYABLES - continued**

	<b>Company</b>	
	2015 £'000	2014 £'000
Current		
Trade payables	763	484
Other payables	853	1,640
Accruals and deferred income	1,873	995
Holiday Pay Accrual	318	239
VAT	992	989
Computer Licenses	56	
	<u>4,855</u>	<u>4,347</u>
Non-current liabilities:		
Computer Licenses	175	-
	<u>175</u>	<u>-</u>
Aggregate amounts	<u>5,030</u>	<u>4,347</u>

**14. LEASING AGREEMENTS**

**Group**

Minimum lease payments under operating leases fall due as follows:

	<b>Operating lease</b>	
	2015 £'000	Restated 2014 £'000
Net obligations repayable		
Within one year	886	948
Between one and five years	2,739	2,874
In more than five years	3,038	3,250
	<u>6,663</u>	<u>7,072</u>

The 2014 figures have been restated following a review of all premises leases. It was discovered that the leases for the premises at Newport and Llantarnam had fixed increases every five years and these increases were not included in last year's calculations. This has resulted in an increased lease commitment of £629k over the lifetime of the leases.

## CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

#### 15. EMPLOYEE BENEFIT OBLIGATIONS

Each of the companies within the group contributes to the Local Government Pension Scheme (LGPS) a defined benefit pension scheme being the following:

<b>Company</b>	<b>Fund</b>
Gwent Careers Service Partnership Ltd Careers Wales Cardiff and Vale Ltd	Greater Gwent (Torfaen) Pension Fund Cardiff and Vale of Glamorgan Pension Fund (C&V)
Careers Wales West - Gyrfa Cymru Gorllewin Ltd	Dyfed Pension Fund which is operated by Carmarthenshire County Council (Dyfed)
Careers Wales Mid Glamorgan and Powys Ltd	Rhondda Cynon Taf Pension Fund and the Powys County Council Pension Fund
North East Wales Careers Services Ltd	Clwyd Pension Fund
Gyrfa Cymru Gogledd Orllewin Cyfyngedig	Gwynedd Council Pension Fund
Careers Wales Association	Rhondda Cynon Taf Pension Fund (RCT)

The date of the most recent full actuarial valuation of the above funds was carried out on the 31 March 2013 by the following Actuaries. The qualified Actuaries are not employees of any of the companies within the group.

<b>Company</b>	<b>Actuary</b>
Gwent Careers Service Partnership Ltd	Mercer
Careers Wales Cardiff and Vale Ltd	Aon Hewitt
Careers Wales West - Gyrfa Cymru Gorllewin Ltd	Mercer
Careers Wales Mid Glamorgan and Powys Ltd - RCT & Powys	Aon Hewitt
North East Wales Careers Services Ltd	Mercer
Gyrfa Cymru Gogledd Orllewin Cyfyngedig	Hymans Robertson
Careers Wales Association	Aon Hewitt

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

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

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

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**15. EMPLOYEE BENEFIT OBLIGATIONS - continued**

The FSS is produced in accordance with Regulation 35 of the Local Government Pension Scheme (Administration) Regulations 2008 (as amended) and the guidance paper issued in October 2012 by the Chartered Institute of Public Finance and Accountancy (CIPFA) Pensions Panel.

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

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

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



**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**15. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

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

	<b>Present Value of funded obligations</b>	<b>Fair Value of plan assets</b>	<b>Sub - total</b>	<b>Present Value of unfunded obligations</b>	<b>Surplus / (Deficit)</b>	<b>Net Asset / Net Liability</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Gwent Careers Service Partnership Ltd	(27,039)	20,082	(6,957)	-	(6,957)	(6,957)
Careers Wales Cardiff and Vale Ltd	(19,260)	23,630	4,370	(70)	4,300	4,300
Careers Wales West Gyrfa Cymru Gorllewin Ltd	(44,176)	36,802	(7,374)	(254)	(7,628)	(7,628)
Careers Wales Mid Glamorgan and Powys Ltd – RCT	(32,604)	28,252	(4,352)	-	(4,352)	(4,352)
Careers Wales Mid Glamorgan and Powys Ltd – Powys	(7,710)	6,220	(1,490)	-	(1,490)	(1,490)
North East Wales Careers Services Ltd	(20,072)	14,693	(5,379)	-	(5,379)	(5,379)
Gyrfa Cymru Gogledd Orllewin Cyfyngedig	(24,243)	18,091	(6,152)	(34)	(6,186)	(6,186)
Careers Wales Association (CWA)	(1,428)	1,803	375	-	375	375
	<u>(176,532)</u>	<u>149,573</u>	<u>(26,959)</u>	<u>(358)</u>	<u>(27,317)</u>	<u>(27,317)</u>

**Duration Information as at the end of the accounting period**

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

LGPS Fund	C&V	CWA	Flintshire	Gwent	Dyfed	RCT	Powys
Years	20.8	24.5	21	22	21	20.4	18.8

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

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**15. EMPLOYEE BENEFIT OBLIGATIONS - continued**

**The aggregated impact on the Financial Statements is as follows**

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

	Defined benefit pension plans	
	2015 £'000	2014 £'000
Present value of funded obligations	(176,532)	(144,799)
Fair value of plan assets	<u>149,573</u>	<u>130,255</u>
	(26,959)	(14,544)
Present value of unfunded obligations	<u>(358)</u>	<u>(335)</u>
Deficit	<u>(27,317)</u>	<u>(14,879)</u>
Net liability	<u>(27,317)</u>	<u>(14,879)</u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2015 £'000	2014 £'000
Current service cost	3,385	3,857
Interest cost	6,370	6,630
Expected return	(5,775)	(5,357)
	<u>3,980</u>	<u>5,130</u>
Actual return on plan assets	<u>17,351</u>	<u>7,355</u>

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

	Defined benefit pension plans	
	2015 £'000	2014 £'000
Opening defined benefit obligation	145,134	153,135
Current service cost	3,385	3,791
Contributions by scheme participants	1,095	1,073
Interest cost	6,370	6,630
Actuarial losses/(gains)	23,983	(16,174)
Benefits paid	(3,096)	(3,321)
Curtailments	19	-
	<u>176,890</u>	<u>145,134</u>

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**15. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Opening fair value of scheme assets	130,255	121,861
Contributions by employer	3,350	3,353
Contributions by scheme participants	1,095	1,073
Assets administration expenses	(76)	(66)
Expected return	5,775	5,357
Actuarial profit/(loss)	12,260	1,998
Benefits paid	(3,086)	(3,321)
	149,573	130,255

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

	Defined benefit pension plans	
	2015	2014
	£'000	£'000
Actuarial profit/(loss)	(11,723)	18,172
	(11,723)	18,172
Cumulative amount of actuarial profit/(loss)	(25,740)	(14,017)

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

**Careers Wales Mid Glamorgan and Powys - RCT**

<b>Principal Financial Assumptions</b>	31.03.15	31.03.14
	(%)	(%)
Discount rate	3.3	4.3
RPI Inflation	3.0	3.4
CPI Inflation	1.9	2.4
Rate of increase to deferred pensions	1.9	2.4
Rate of increase to pensions in payment	1.9	2.4
Rate of general increase in salaries	3.4	3.9

**Mortality assumptions**

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

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**15. EMPLOYEE BENEFIT OBLIGATIONS - continued**

	31.03.15	31.03.14
Males		
Future lifetime from age 65 ( aged 65 at accounting date)	23	22.9
Future lifetime from age 65 ( aged 45 at accounting date)	25.2	25.1
 Females		
Future lifetime from age 65 ( aged 65 at accounting date)	25.9	25.8
Future lifetime from age 65 ( aged 45 at accounting date)	28.3	28.2
	31.03.15	31.03.14
	(%)	(%)
<b>Asset allocation</b>		
Equities	69.0	71.0
Property	5.6	5.9
Gov Bonds	9.7	8.5
Corporate Bonds	11.7	11.7
Cash	4.0	2.9
Total	100	100

Expected contribution for accounting period ending 31 March 2016 - £0.982M

**Sensitivity analysis**

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2015 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

**Funded LGPS benefits**

**Discount rate assumption**

	+0.1% p.a.	-0.1% p.a.
Adjustment to discount rate		
Present value of total obligation (£M's)	31.946	33.275
% change in present value of total obligation	-2.0%	2.1%

**Rate of general increase in salaries**

	+0.1% p.a.	-0.1% p.a.
Adjustment to salary increase rate		
Present value of total obligation (£M's)	32.764	32.446
% change in present value of total obligation	0.5%	-0.5%

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**15. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

Adjustment to pension increase rate	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£M's)	33.131	32.087
% change in present value of total obligation	1.6%	-1.6%

**Post retirement mortality assumption**

Adjustment to mortality age rating assumption *	<b>-1 year</b>	<b>+1 year</b>
Present value of total obligation (£M's)	33.459	31.749
% change in present value of total obligation	2.6%	-2.6%

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

**Careers Wales Mid Glamorgan and Powys - Powys**

	31.03.15 (%)	31.03.14 (%)
<b>Principal Financial Assumptions</b>		
Discount rate	3.2	4.3
RPI Inflation	2.9	3.4
CPI Inflation	1.8	2.4
Rate of increase to deferred pensions	1.8	2.4
Rate of increase to pensions in payment	1.8	2.4
Rate of general increase in salaries	3.3	3.9

**Mortality assumptions**

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

	31.03.15	31.03.14
<b>Males</b>		
Future lifetime from age 65 ( aged 65 at accounting date)	23.0	22.9
Future lifetime from age 65 ( aged 45 at accounting date)	25.2	25.1
<b>Females</b>		
Future lifetime from age 65 ( aged 65 at accounting date)	25.5	25.4
Future lifetime from age 65 ( aged 45 at accounting date)	27.8	27.7

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**15. EMPLOYEE BENEFIT OBLIGATIONS - continued**

	31.03.15 (%)	31.03.14 (%)
<b>Asset allocation</b>		
Equities	53.0	52.3
Property	7.4	6.1
Gov Bonds	16.3	16.1
Corporate Bonds	8.6	13
Cash	5.2	2.5
Other	9.5	10
<b>Total</b>	100	100

Expected contribution for accounting period ending 31 March 2016 - £0.12M

**Sensitivity analysis**

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2015 and the projected service cost for the year ending 31 March 2016 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same

**Funded LGPS benefits**

	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
<b>Discount rate assumption</b>		
Adjustment to discount rate		
Present value of total obligation (£M's)	7.57	7.86
% change in present value of total obligation	-1.9%	1.9%
Projected service cost (£M's)	0.15	0.15
Approximate % change in projected service cost	-3.0%	3.0%
<b>Rate of general increase in salaries</b>		
Adjustment to salary increase rate	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£M's)	7.74	7.68
% change in present value of total obligation	0.4%	-0.4%
Projected service cost (£M's)	0.15	0.15
Approximate % change in projected service cost	0.0%	0.0%

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

	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Adjustment to pension increase rate		
Present value of total obligation (£M's)	7.83	7.60
% change in present value of total obligation	1.5%	-1.5%
Projected service cost (£M's)	0.15	0.15
Approximate % change in projected service cost	3.0%	-3.0%

**Post retirement mortality assumption**

	<b>-1 year</b>	<b>+1 year</b>
Adjustment to mortality age rating assumption *		
Present value of total obligation (£M's)	7.91	7.51
% change in present value of total obligation	2.6%	-2.6%
Projected service cost (£M's)	0.16	0.14
Approximate % change in projected service cost	3.4%	-3.4%

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**15. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

**Careers Wales Cardiff and Vale Ltd**

<b>Principal Financial Assumptions</b>	31.03.15 (%)	31.03.14 (%)
Discount rate	3.2	4.3
RPI Inflation	2.9	3.4
CPI Inflation	1.8	2.4
Rate of increase to deferred pensions	1.8	2.4
Rate of increase to pensions in payment	1.8	2.4
Rate of general increase in salaries	2.8	3.4

**Mortality assumptions**

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

	31.03.15	31.03.14
<b>Males</b>		
Future lifetime from age 65 (aged 65 at accounting date)	23.8	23.7
Future lifetime from age 65 (aged 45 at accounting date)	25.8	25.7
<b>Females</b>		
Future lifetime from age 65 (aged 65 at accounting date)	26.7	26.6
Future lifetime from age 65 (aged 45 at accounting date)	29.0	28.9

	31.03.15 (%)	31.03.14 (%)
<b>Asset allocation</b>		
Equities	77.4	78.3
Property	5.9	5.4
Gov Bonds	6.8	6.9
Corporate Bonds	7.9	8
Cash	1.7	1.3
Other	0.3	0.1
<b>Total</b>	100	100

Expected contribution for accounting period ending 31 March 2016 - £0.41M

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**15. EMPLOYEE BENEFIT OBLIGATIONS - continued**

**Sensitivity analysis**

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2015 and the projected service cost for the year ending 31 March 2016 is set out below. In each case, only the assumption mentioned is altered. We have not included sensitivity of unfunded benefits on materiality grounds.

**Funded LGPS benefits**

<b>Discount rate assumption</b>		
Adjustment to discount rate	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£M's)	18.86	19.66
% change in present value of total obligation	-2.1%	2.1%
Projected service cost (£M's)	0.60	0.64
Approximate % change in projected service cost	-3.4%	3.5%
<b>Rate of general increase in salaries</b>		
Adjustment to salary increase rate	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£M's)	19.38	19.14
% change in present value of total obligation	0.6%	-0.6%
Projected service cost (£M's)	0.62	0.62
Approximate % change in projected service cost	0.0%	0.0%
<b>Rate of increase to pensions in payment and deferred pensions assumption</b>		
Adjustment to pension increase rate	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£M's)	19.55	18.97
% change in present value of total obligation	1.5%	-1.5%
Projected service cost (£M's)	0.64	0.60
Approximate % change in projected service cost	3.5%	3.4%
<b>Post retirement mortality assumption</b>		
Adjustment to mortality age rating assumption *	<b>-1 year</b>	<b>+1 year</b>
Present value of total obligation (£M's)	19.77	18.75
% change in present value of total obligation	2.6%	-2.6%
Projected service cost (£M's)	0.64	0.60
Approximate % change in projected service cost	3.2%	-3.36%

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



**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**15. EMPLOYEE BENEFIT OBLIGATIONS - continued**

**Careers Wales Association**

<b>Principal Financial Assumptions</b>	31.03.15 (%)	31.03.14 (%)
Discount rate	3.3	4.4
RPI Inflation	3.0	3.4
CPI Inflation	1.9	2.4
Rate of increase to deferred pensions	1.9	2.4
Rate of increase to pensions in payment	1.9	2.4
Rate of general increase in salaries	3.4	3.9

**Mortality assumptions**

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

	31.03.15	31.03.14
<b>Males</b>		
Future lifetime from age 65 (aged 65 at accounting date)	23	22.9
Future lifetime from age 65 (aged 45 at accounting date)	25.2	25.1
<b>Females</b>		
Future lifetime from age 65 (aged 65 at accounting date)	25.9	25.8
Future lifetime from age 65 (aged 45 at accounting date)	28.3	28.2

	31.03.15 (%)	31.03.14 (%)
<b>Asset allocation</b>		
Equities	69.0	70.7
Property	5.6	5.8
Gov Bonds	9.7	9.5
Corporate Bonds	11.7	10.8
Cash	4.0	3.2
Other	0	0
<b>Total</b>	100	100

Expected contribution for accounting period ending 31 March 2016 - £0.036M

**Sensitivity analysis**

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2015 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**15. EMPLOYEE BENEFIT OBLIGATIONS - continued**

**Funded LGPS benefits**

<b>Discount rate assumption</b>	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Adjustment to discount rate		
Present value of total obligation (£M's)	1.393	1.463
% change in present value of total obligation	-2.4%	2.5%
Projected service cost (£M's)	0.047	0.051
Approximate % change in projected service cost	-3.7%	3.9%

**Rate of general increase in salaries**

<b>Adjustment to salary increase rate</b>	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£M's)	1.435	1.421
% change in present value of total obligation	0.5%	-0.5%
Projected service cost (£M's)	0.049	0.049
Approximate % change in projected service cost	0.0%	0.0%

**Rate of increase to pensions in payment and deferred pensions assumption**

<b>Adjustment to pension increase rate</b>	<b>+0.1% p.a.</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£M's)	1.457	1.399
% change in present value of total obligation	2.1%	-2.0%
Projected service cost (£M's)	0.051	0.047
Approximate % change in projected service cost	3.9%	-3.7%

**Post retirement mortality assumption**

<b>Adjustment to mortality age rating assumption *</b>	<b>-1 year</b>	<b>+1 year</b>
Present value of total obligation (£M's)	1.465	1.391
% change in present value of total obligation	2.6%	-2.6%
Projected service cost (£M's)	0.051	0.047
Approximate % change in projected service cost	3.5%	-3.5%

*\*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 than them*

**Careers Wales West- Gyrfa Cymru Gorllewin**

<b>Financial assumptions</b>	<b>Beginning of period (%)</b>	<b>End of period (%)</b>
Rate of CPI inflation	2.4	2.0
Rate of increase in salaries	3.9	3.5
Rate of increase in pensions	2.4	2.0
Discount rate	4.5	3.3

**Mortality assumptions**

Non Retired members	95% male	95% males
	94% females	94% females
Retired members	95% male	95% males
	94% females	94% females

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**15. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Life expectancy of a male (female)

Future pensioner aged 65	25.4 (28) years	25.5 (28.1) years
Current pensioner aged 65	23.2 (25.7) years	23.3 (25.8) years

Expected contribution for accounting period ending 31 March 2016 - £654k

**Sensitivity analysis**

<b>Disclosure item</b>	<b>Central</b>	<b>Sensitivity 1</b>	<b>Sensitivity 2</b>	<b>Sensitivity 3</b>	<b>Sensitivity 4</b>
		+ 0.1% p.a. discount rate	+ 0.1% p.a. inflation	+ 0.1% p.a. pay growth	1 year increase in life expectancy
	£'000	£'000	£'000	£'000	£'000
Liabilities	44,430	43,507	45,372	44,688	45,275
Assets	(36,802)	(36,802)	(36,802)	(36,802)	(36,802)
Deficit/(Surplus)	7,628	6,705	8,570	7,886	8,473
Projected Service Cost for next year	1,096	1,061	1,132	1,096	1,120
Projected Net Interest Cost for next year	241	217	272	250	269

**North East Wales Careers Services**

<b>Financial assumptions</b>	Beginning of period (%)	End of period (%)
Rate of CPI inflation	2.4	2.0
Rate of increase in salaries	3.9	3.5
Rate of increase in pensions	2.4	2.0
Discount rate	4.5	3.3

**Mortality assumptions**

Non Retired members	87% male	87% males
	82% females	82% females
Retired members	94% male	94% males
	93% females	93% females

Life expectancy of a male (female)

Future pensioner aged 65	26.2 (29.2) years	26.3 (29.3) years
Current pensioner aged 65	23.3 (25.8) years	23.4 (25.9) years

Expected contribution for accounting period ending 31 March 2016 - £358k

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**15. EMPLOYEE BENEFIT OBLIGATIONS - continued**

**Sensitivity analysis**

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
		+ 0.1% p.a. discount rate	+ 0.1% p.a. inflation	+ 0.1% p.a. pay growth	1 year increase in life expectancy
	£000s	£000s	£000s	£000s	£000s
Liabilities	20,072	19,661	20,492	20,177	20,453
Assets	(14,693)	(14,693)	(14,693)	(14,693)	(14,693)
Deficit/(Surplus)	5,379	4,968	5,799	5,484	5,760
Projected Service Cost for next year	418	405	432	418	427
Projected Net Interest Cost for next year	172	163	185	175	184

**Gwent Careers Service Partnership Ltd**

Financial assumptions	Beginning of period (%)	End of period (%)
Rate of CPI inflation	2.4	2.1
Rate of increase in salaries	3.9	3.6
Rate of increase in pensions	2.4	2.1
Discount rate	4.6	3.4
<b>Mortality assumptions</b>		
Non Retired members	98% male	98% males
	97% females	97% females
Retired members	98% male	98% males
	97% females	97% females
Life expectancy of a male (female)		
Future pensioner aged 65	25.2 (27.8) years	25.3 (27.9) years
Current pensioner aged 65	23 (25.4) years	23 (25.5) years

Expected contribution for accounting period ending 31 March 2016 - £419k

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**15. EMPLOYEE BENEFIT OBLIGATIONS - continued**

**Sensitivity analysis**

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
	£'000	+ 0.1% p.a. discount rate £'000	+ 0.1% p.a. inflation £'000	+ 0.1% p.a. pay growth £'000	1 year increase in life expectancy £'000
Liabilities	27,039	26,464	27,627	27,200	27,539
Assets	(20,082)	(20,082)	(20,082)	(20,082)	(20,082)
Deficit/(Surplus)	6,957	6,382	7,545	7,118	7,457
Projected Service Cost for next year	592	573	612	592	605
Projected Net Interest Cost for next year	229	216	249	235	246

**Careers Wales North West - Gyrfa Cymru Gogledd Orllewin**

Financial assumptions	31.03.15 % p.a.	31.03.14 % p.a.
Pension increase rate	2.5	2.9
Salary increase rate	4.4	4.7
Discount rate	3.3	4.3

**Mortality**

Average future life expectancy at age 65	Males	Females
Current pensioners	22.0 years	24.0 years
Future pensioners	24.4 years	26.6 years

Expected contribution for accounting period ending 31 March 2016 - £432k

**Sensitivity analysis**

Changes in assumptions at 31.03.15	Approx. % increase to Employer	Approx. monetary amount (£)
0.5% decrease in Real Discount Rate	14%	3,397
1 year increase in member life expectancy	3%	728
0.5% increase in the Salary Increase Rate	5%	1,319
0.5% increase in the Pension Increase Rate	8%	1,977

# CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2015

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2015

### 15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Amounts for the current and previous period are as follows:

	2015 £'000	2014 £'000
<b>Defined benefit pension plans</b>		
Defined benefit obligation	(176,890)	(145,134)
Fair value of scheme assets	149,573	130,255
Deficit	<u>(27,317)</u>	<u>(14,879)</u>

### 16. EVENTS AFTER THE REPORTING PERIOD

The Financial Statements were authorised for issue by the Board of Directors on the 7<sup>th</sup> July 2015. The Welsh Government have the power to amend the Financial Statements after issue.

### 17. ULTIMATE CONTROLLING PARTY

On the 1 April 2013 the members of the company resigned and the Welsh Government was appointed as the sole member. From this date the Welsh Government had ultimate control of the group. During the year CCDG was the ultimate parent undertaking of the group by being the sole member of each of the following companies:

Gwent Careers Service Partnership Ltd	Registered number: 03035717
Careers Wales Cardiff and Vale Ltd	Registered number: 03037730
Careers Wales West - Gyrfa Cymru Gorllewin Ltd	Registered number: 04176235
Careers Wales Mid Glamorgan and Powys Ltd	Registered number: 03026118
North East Wales Careers Services Ltd	Registered number: 03039009
Gyrfa Cymru Gogledd Orllewin Cyfyngedig	Registered number: 03009975
Careers Wales Association Ltd	Registered number: 03955822

All companies have been included in the consolidated accounts. The subsidiaries previously provided careers information, advice and guidance service and the facilitation of education business links.

### 18. SHARE CAPITAL

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

### 19. GOING CONCERN

The group Financial Statements currently show that the company has negative reserves of £21,147k. The primary reason for the negative reserves is the pension deficit of £27,317k. This deficit is an estimate of the expected shortfall of assets over liabilities in the group pension funds.

It is not expected that significant additional pension contributions will be required in the short term and therefore it is the view of the Directors that the company continues to be a going concern.

On the 1 April 2013 CCDG became a wholly owned subsidiary of Welsh Government.

The Directors are aware that in 2015-16 the Welsh Government have indicated that funding will reduce for CCDG. However the Directors do not consider this will affect the going concern of the company.

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**20. RELATED PARTY**

CCDG is a wholly owned subsidiary of the Welsh Government, and therefore the Welsh Government is regarded as a related party. During the year, CCDG received income from the Welsh Government of £29.470m. At the year end, CCDG was owed £886k by the Welsh Government.

During the year the following transactions took place between CCDG and its subsidiaries:

Amounts Received from the subsidiaries by CCDG:

Gwent Careers Service Partnership Ltd	£424,839
Careers Wales Cardiff and Vale Ltd	£766,363
Careers Wales West – Gyrfu Cymru Gorllewin Ltd	£287,481
Careers Wales Mid Glamorgan and Powys Ltd	£191,462
North East Wales Careers Services Ltd	£0
Careers Wales Association Ltd	£0
Gyrfa Cymru Gogledd Orllewin Cyfyngedig	£0

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

Director	Body	Payments Received by CCDG	Nature of link
Mr Iwan Prys Jones	North Wales Economic Ambition Board	£53,629	Programme Director

Director/ Senior Management	Body	Payments Made by CCDG	Nature of link
Mr S Harford	Howells Solicitors	£24,920	Daughter employee
Mr P Davy	Caerphilly County Borough Council - Expenditure	£18,040	Head Of Programmes
Mrs S Finnegan-Dehn	Career Development Institute - Expenditure	£46,825	Board Member of CDI
Dr D M Roberts	Bangor University	£1,500	Director

**CAREER CHOICES DEWIS GYRFA LTD**

**YEAR ENDED 31 MARCH 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2015**

**21. CAPITAL COMMITMENTS**

Purchase orders to the value of £137k have been raised for capital expenditure on various company premises and purchase orders for website development and translation amount to £39k but these have not been provided for in the Financial Statements.

**22. LOSS OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these Financial Statements. The parent company's loss for the financial year was £14,124k (2014 – loss £24,846k).