GwE Joint Committee
(Conwy, Denbighshire, Flintshire, Gwynedd, Anglesey and Wrexham councils)

STATEMENT OF ACCOUNTS 2025/26 (for the two months up to 31 May 2025)

Finance Department
Cyngor Gwynedd
www.gwynedd.llyw.cymru

INDEX

	Page
Narrative Report	2 – 6
Statement of Responsibilities	7
Expenditure and Funding Analysis	8
Comprehensive Income and Expenditure Statement	9
Movement in Reserves Statement	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Accounts	13 – 35
Glossary	36 – 37
Auditor's Report	38 – 40

NARRATIVE REPORT

INTRODUCTION

The Regional School Effectiveness and Improvement Service (GwE) was established as a partnership between the six north Wales authorities, being Conwy County Borough Council, Denbighshire County Council, Flintshire County Council, Cyngor Gwynedd, Isle of Anglesey County Council and Wrexham County Borough Council, to be accountable to the councils and undertake the statutory function of the councils in respect of school improvement and effectiveness. This included the duty to monitor, challenge, provide support services for curriculum continued professional development and management of schools, and in addition to providing services to be commissioned by schools and local authorities.

Cyngor Gwynedd has been appointed as host authority in implementing and maintaining the service, and the Joint Committee of all the partners oversees the management of the service.

On 31 January 2024, Jeremy Miles, Minister for Education and Welsh Language, published a written statement: "The next stage in the review of school improvement - the roles and responsibilities of education partners in Wales" https://www.gov.wales/written-statement-next-stage-review-school-improvement-roles-and-responsibilities-education. This statement outlined changes to school improvement arrangements in Wales with the regional consortia model to be replaced by partnership models between two or more local authorities during 2025/26. As a result, the 6 authorities decided to bring GwE to an end on 31 May 2025, with all education services previously provided by GwE were transferred to the six north Wales local authorities with effect from 1 June 2025.

The GwE Joint Committee accounts for the two month period that GwE was operating during 2025/26 i.e. from 1 April 2025 to 31 May 2025 are presented here on pages 8 to 35. The Statements of Accounts are prepared in accordance with CIPFA's *Code of Practice on Local Authority Accounting in the United Kingdom 2025/26*.

The Statement of Accounts consists of:

- **Expenditure and Funding Analysis** – Whilst this is not a statutory statement, it shows how annual expenditure for the two months up to 31 May 2025 is used and funded in accordance with generally accepted accounting practices.

- **Comprehensive Income and Expenditure Statement** - This statement shows the accounting cost in the two months up to 31 May 2025 of providing services in accordance with generally accepted accounting practices.

- **Movement in Reserves Statement** – This statement shows the movement in year for the two months up to 31 May 2025 on the different reserves held by the Joint Committee, analysed into 'usable reserves' and 'unusable reserves'.

- **The Balance Sheet** - Sets out the financial position of the Joint Committee to the end of the financial year, which for 2025/26 is 31 May 2025.

- **The Cash Flow Statement** - This statement summarises the flow of cash to and from the Joint Committee during the period of two months up to 31 May 2025.

These accounts have been prepared on a going concern basis and are supported by this Narrative Report, the Accounting Policies and various notes to the accounts.

The period 2025/26 as stated in these accounts covers a period of two months, from 1 April 2025 to 31 May 2025, while the previous period stated in the accounts, i.e. 2024/25 includes a full financial year. The previous figures are included for information, as a fair comparison is difficult as the accounts are not comparing similar periods of twelve months.

GwE's Vision and Priorities

GwE was the north Wales regional school improvement service that worked alongside and on behalf of the north Wales local authorities – Conwy, Denbighshire, Flintshire, Gwynedd, Anglesey and Wrexham.

Their work was driven by an ambition to see the schools and organisations they worked with achieve their aspirations, and to see all learners succeed. GwE supported schools to become successful and confident learning organisations by working together to ensure that all learners have the education they deserved in a caring environment, so that they can be capable and resilient individuals who achieved their full potential whatever their race, gender, background and creed.

The Business Plan spanned a three-year period from 2023 onwards, and set out GwE's strategic objectives and the priorities for improvement and work programmes which were to be undertaken. The Business Plan is available at:
https://democracy.gwynedd.llyw.cymru/ielistdocuments.aspx?cid=243&mid=4879&ver=4

Following the announcement by Welsh Government that the regional consortia's arrangement was to end, 2024/25 and the two months relevant to 2025/26 was a transitional period. The priority was to continue supporting schools, until the establishment of the new way of working.

Financial Strategy

The Joint Committee's Financial Strategy and 2025/26 Budget that was adopted by the Joint Committee at its meeting on 19 February 2025 set out the foundation to achieve the improvement priorities. The strategy is available at:
https://democracy.gwynedd.llyw.cymru/ielistdocuments.aspx?mid=5005&x=1

2025/26 Financial Performance

- The Comprehensive Income and Expenditure Statement on page 9 shows that the Joint Committee's gross revenue expenditure on 'Cost of Services' level was £13,290k during 2025/26, with a net position of £12,152k.
- The 2025/26 financial outturn position is reported to the Cyngor Gwynedd Governance and Audit committee as a separate appendix to these accounts.
- The Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement on pages 9 and 10 detail the analysis in movements for the year.

TABLE 1 - Budget and Actual Comparison Summary (Net)

Table 1 provides a budgetary performance comparison at a summary level, which is detailed further in Table 2.

	Budget	Actual	Variance
	£'000	£'000	£'000
Expenditure on Operations	1,279	1,138	(141)
Income			
Council contributions			
Conwy	(111)	(90)	21
Denbighshire	(117)	(94)	23
Flintshire	(185)	(155)	30
Gwynedd	(136)	(111)	25
Anglesey	(58)	(43)	15
Wrexham	(152)	(125)	27
Other Income	(520)	(520)	0
Net (Underspend)/Overspend	**0**	**0**	**0**

TABLE 2 –Transposition movement between 'Budget and Actual Comparison Summary (Net)' (Table 1) to the Income and Expenditure format

	Performance Report (Out-turn)	Adjustments between Funding and Accounting Basis (Note 8)	Income & Expenditure Statement
	£'000	£'000	£'000
Expenditure	1,138	12,152	13,290
Income	(1,138)	0	(1,138)
Net Cost of Services	**0**	**12,152**	**12,152**

Material Items of Income and Expenditure

Related Items include:-

- (£12,313k) on pensions, being the remeasurement of the net defined benefit liability/(asset) relating to pensions, in line with Gwynedd Pension Fund's Actuary's assessment (Note 15).
- £11,623k being the Effect of Settlement in regards to pension within "Un-apportioned Expenses" in line with Gwynedd Pension Fund's Actuary's assessment (Note 22).

Other Issues

- On 31 January 2024, Jeremy Miles, Minister for Education and Welsh Language, published a written statement: "The next stage in the review of school improvement - the roles and responsibilities of education partners in Wales" https://www.gov.wales/written-statement-next-stage-review-school-improvement-roles-and-responsibilities-education. This statement outlined changes to school improvement arrangements in Wales with the regional consortia model to be replaced by partnership models between two or more local authorities during 2025/26. As a result, the 6 authorities decided to bring GwE to an end on 31 May 2025.
- As GwE had come to an end on 31 May 2025, the 2025/26 accounts include the appropriate financial arrangements for closing the Joint Committee. All education services previously provided by GwE were transferred to the six north Wales local authorities with effect from 1 June 2025, and as such the accounts have been prepared on a going concern basis.

Reserves

The Joint Committee did not have usable reserves during 2025/26.

Pension Fund

After GwE came to an end, The Joint Committee (as an employer) has a nil net liability from its share of the assets and liabilities of the Gwynedd Pension Fund as recognised on its Balance Sheet at 31 May 2025. This has been calculated in line with International Accounting Standard 19 by the Fund's Actuary, Hymans Robertson. Refer to Note 22 for further information.

Governance

GwE was responsible for ensuring proper governance arrangements, facilitating the effective exercise of its functions, which included arrangements for the management of risk. Further information is included within the Annual Governance Statement.

Accounting Policies

The Joint Committee's existing accounting policies are amended only insofar as to reflect the guidance in the 2025/26 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

Changes in Accounting Policies and to the Accounts

The Joint Committee's accounting policies have been amended to reflect only the changes required in accordance with proper accounting practices, following adjustments for the 2025/26 financial year to the Code of Practice on Local Authority Accounting in the United Kingdom.

Further Information

The Statement of Accounts is available on Cyngor Gwynedd's website
https://www.gwynedd.llyw.cymru/en/Council/Performance-and-spending/Budgets-and-finance/Statement-of-Accounts/GwE-Joint-Committee.aspx

Further information relating to the accounts is available from:

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This is part of the Council's policy of providing full information relating to the Council and the Joint Committees' affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Council's website at the appropriate time.

Accessibility Statement

We are aware that, owing to the nature and format of the disclosures that are required to be included in this document, not all of the tables are fully compatible with accessibility standards. Should you have any questions regarding this statement of accounts or require any of the tables or disclosures to be provided in a more accessible format please contact Trysorydd@gwynedd.llyw.cymru.

GwE JOINT COMMITTEE

STATEMENT OF ACCOUNTS

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE COUNCIL'S RESPONSIBILITIES

Cyngor Gwynedd as host authority bears the responsibility for the arrangements and administration of the Joint Committee's financial affairs.

Cyngor Gwynedd is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In Cyngor Gwynedd, that "Section 151 Officer" is the Head of Finance. It is the Joint Committee's responsibility to manage its affairs to secure economic, efficient and effective use of its resources, to safeguard its assets, and to approve the Statement of Accounts.



22 October 2026

Carys Edwards
Vice Chair of Governance and Audit Committee, Cyngor Gwynedd

THE HEAD OF FINANCE'S RESPONSIBILITIES

The Head of Finance is responsible for the preparation of the GwE Joint Committee Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* ("the Code").

In preparing the statement of accounts, the Head of Finance has selected suitable accounting policies and then applied them consistently; has made judgements and estimates that were reasonable and prudent and complied with the Code.

The Head of Finance has also kept proper accounting records which were up to date, and has taken reasonable steps for the prevention and detection of fraud and other irregularities.

RESPONSIBLE FINANCIAL OFFICER'S CERTIFICATE

I certify that the Statement of Accounts has been prepared in accordance with the arrangements set out above, and presents a true and fair view of the financial position of the GwE Joint Committee at 31 May 2025 and the Joint Committee's income and expenditure for the two months then ended.



18 September 2026

Dewi Aeron Morgan CPFA
Head of Finance, Cyngor Gwynedd

EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how expenditure is used and funded from resources in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2024/25				2025/26 (two months up to 31 May 2025)		
Net Expenditure to be Funded by Usable Reserve balances	Adjustments between the Funding and Accounting Basis (see Note 8)	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure to be Funded by Usable Reserve balances	Adjustments between the Funding and Accounting Basis (see Note 8)	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
8,751	(1,775)	6,976	Employees	931	(210)	721
415	0	415	Property	33	0	33
150	0	150	Transport	20	0	20
448	0	448	Supplies and Services	58	0	58
1,191	0	1,191	Third Parties	96	0	96
0	807	807	Un-apportioned Expenses	0	12,362	12,362
(10,253)	0	(10,253)	Income	(1,138)	0	(1,138)
702	**(968)**	**(266)**	**Cost of Services**	**0**	**12,152**	**12,152**
(25)	0	(25)	Other Income and Expenditure	0	(1)	(1)
677	**(968)**	**(291)**	**(Surplus) / Deficit on Provision of Services**	**0**	**12,151**	**12,151**
(677)			Opening Balances of Usable Reserves	0		
677			(Surplus)/Deficit on Usable Reserves in Year	0		
0			Closing Balances of Usable Reserves	**0**		

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost of providing the Joint Committee service in accordance with generally accepted accounting practices.

2024/25					2025/26 (two months up to 31 May 2025)		
Gross Expenditure	Gross Income	Net Expenditure		Note	Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000			£'000	£'000	£'000
6,976	0	6,976	Employees		721	0	721
415	0	415	Property		33	0	33
150	0	150	Transport		20	0	20
448	0	448	Supplies and Services		58	0	58
1,191	0	1,191	Third Parties		96	0	96
807	0	807	Un-apportioned Expenses		12,362	0	12,362
0	(10,253)	(10,253)	Income		0	(1,138)	(1,138)
9,987	**(10,253)**	**(266)**	**Cost of Services**		**13,290**	**(1,138)**	**12,152**
0	(25)	(25)	Financing and Investment Income and Expenditure	*11*	0	(1)	(1)
9,987	**(10,278)**	**(291)**	**(Surplus) / Deficit on Provision of Services**		**13,290**	**(1,139)**	**12,151**
		821	Remeasurement of the net defined benefit liability/(asset)	*15*			(12,313)
		821	**Other Comprehensive Income and Expenditure**				**(12,313)**
		530	**Total Comprehensive Income and Expenditure**				**(162)**

MOVEMENT IN RESERVES STATEMENT

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Joint Committee, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other 'unusable reserves'. The Statement shows how the movements in year of the Joint Committee's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (via the councils' contributions). The Net Increase/Decrease line shows the statutory General Fund Balance movements in the period following those adjustments.

		Movement in Reserves Statement		
	Note	**Total Usable Reserves**	**Unusable Reserves**	**Total Joint Committee's Reserves**
		£'000	**£'000**	**£'000**
Balance 31 March 2024 carried forward		**(677)**	**309**	**(368)**
Movement in reserves during 2024/25				
(Surplus)/Deficit on provision of services		**(291)**	**0**	**(291)**
Other Comprehensive Income and Expenditure		**0**	**821**	**821**
Total Comprehensive Income and Expenditure		**(291)**	**821**	**530**
Adjustments between accounting basis and funding basis under regulations	*9*	**968**	**(968)**	**0**
Net (Increase)/Decrease before Transfers to Usable Reserves		**677**	**(147)**	**530**
(Increase)/Decrease in 2024/25		**677**	**(147)**	**530**
Balance 31 March 2025 carried forward	*10+15*	**0**	**162**	**162**
Movement in reserves during 2025/26				
(Surplus)/Deficit on provision of services		**12,151**	**0**	**12,151**
Other Comprehensive Income and Expenditure		**0**	**(12,313)**	**(12,313)**
Total Comprehensive Income and Expenditure		**12,151**	**(12,313)**	**(162)**
Adjustments between accounting basis and funding basis under regulations	*9*	**(12,151)**	**12,151**	**0**
Net (Increase)/Decrease before Transfers to Usable Reserves	*10+15*	**0**	**(162)**	**(162)**
(Increase)/Decrease in 2025/26		**0**	**(162)**	**(162)**
Balance 31 May 2025 carried forward		**0**	**0**	**0**

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held by the Joint Committee. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Joint Committee may use to provide services. The second category of reserves is those that the Joint Committee is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Pension Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2025 £'000		***Note***	**31 May 2025 £'000**
1,325	Short-term Debtors	*12*	0
605	Cash and Cash Equivalents	*13*	0
1,930	**Current Assets**		**0**
(2,092)	Short-term Creditors	*14*	0
(2,092)	**Current Liabilities**		**0**
0	Pension Liability	*22*	0
0	**Long-term Liabilities**		**0**
(162)	**Net Assets**		**0**
0	Usable Reserves	*10*	0
162	Unusable Reserves	*15*	0
162	**Total Reserves**		**0**

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses cash and cash equivalents by classifying cash flows as operating and investing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Joint Committee are funded by way of contributions from the authorities, grant income or from the recipients of services provided by the Joint Committee.

2024/25 £'000		Note	2025/26 £'000
(291)	Net (Surplus)/Deficit on Provision of Services		12,151
1,808	Adjustments to net surplus or deficit on the provision of services for non-cash movements	*16*	(11,546)
1,517	Net cash flows from Operating Activities		605
0	Investing Activities		0
0	Financing Activities		0
1,517	Net (Increase)/Decrease in cash and cash equivalents		605
(2,122)	Cash and cash equivalents at the beginning of the reporting period	*13*	(605)
(605)	**Cash and cash equivalents at the end of the reporting period**		**0**

NOTES TO THE ACCOUNTS

NOTE 1 – ACCOUNTING POLICIES

1.1 General Principles

The Statement of Accounts summarises the Joint Committee's transactions for the two months up to 31 May 2025 and its position at the end of that period. The Joint Committee is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended), in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2025/26,* supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is historical cost. The accounts have been prepared on a going concern basis.

The Joint Committee's practice was to operate on the basis that all items of expenditure are treated as revenue in the first instance. Whether any items of a capital nature (e.g. IT equipment, furniture) prove to have a material significance on the true and fair presentation of the financial position then the items would be treated according to proper practices.

The nature of the Joint Committee's transactions is limited and only the relevant policies can be seen below.

1.2 Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

1.3 Cash and Cash Equivalents

The Joint Committee does not have its own bank account and cash is administered by Cyngor Gwynedd within its own accounts.

NOTE 1 – ACCOUNTING POLICIES (continued)

1.4 Employee Benefits

1.4.1 Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Joint Committee. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs. With GwE having ended on 31 May 2025 there is no balance on the accumulated absences account at the date of the accounts.

1.4.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision to terminate an officer's employment before the normal retirement date or an officer's decision to accept redundancy voluntarily and are charged on an accruals basis in the Comprehensive Income and Expenditure Statement at the earlier of when the offer of those benefit can no longer be withdrawn or when the restructuring costs are recognised.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Joint Committee Fund balance to be charged with the amount payable by the Joint Committee to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

1.4.3 Post-employment Benefits

Employees of the Joint Committee are members of one pension scheme:

- The Local Government Pensions Scheme, administered by the Gwynedd Pension Fund at Cyngor Gwynedd.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees when they worked for the Joint Committee and their previous employers.

1.4.4 The Local Government Pension Scheme

All staff, subject to certain qualifying criteria, are entitled to become members of the Local Government Pension Scheme. The pension costs charged to the Joint Committee's accounts in respect of these employees are determined by the fund administrators and represent a fixed proportion of employees' contributions to this funded pension scheme.

The Local Government Scheme is accounted for as a defined benefit scheme.

The liabilities of the Gwynedd Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions such as mortality rates, employee turnover rates, etc., and projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 5.90% calculated as a weighted average of 'spot yields' on AA rated corporate bonds.

The assets of the Gwynedd Pension Fund attributable to the Joint Committee are included in the Balance Sheet at their fair value as determined by the Fund's Actuary.

NOTE 1 – ACCOUNTING POLICIES (continued)

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – this is shown in the Comprehensive Income and Expenditure Statement.

- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

- Net interest on the net defined benefit pension liability/(asset), i.e. the net interest expense for the Joint Committee – the change during the period in the net defined benefit pension liability/(asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit pension obligation at the beginning of the period to the net defined benefit pension liability/(asset) at the beginning of the period – taking into account any changes in the net defined benefit pension liability/(asset) during the period as a result of contributions and benefit payments.

Remeasurements comprising:

- The return on plan assets – excluding amounts included in net interest on the net defined benefit pension liability/(asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

- Asset ceiling adjustment – reduces to the calculated asset ceiling if this is lower than the asset position.

- Contributions paid to the Gwynedd Pension Fund – cash paid as employer's contributions to the Pension Fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Joint Committee to the Pension Fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The balance that arises on the Pensions Reserve thereby measures the impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

International Accounting Standard (IAS) 19 governs how the long-term liabilities which exist in relation to pension costs should be reported. Local councils (including Joint Committees) in England and Wales are required to produce their financial statements in accordance with IAS 19.

NOTE 1 – ACCOUNTING POLICIES (continued)

1.4.5 Discretionary Benefits

The Joint Committee also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.5 Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.6 Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change, and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Joint Committee's financial position or financial performance. Where a change is made, it is applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.7 Government Grants and Other Contributions

Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis, and recognised immediately in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the Joint Committee has not satisfied.

1.8 Overheads and Support Services

Charges for services provided by the Central Support Departments within Cyngor Gwynedd are derived from a combination of pre-determined fixed charges, actual recorded staff time, transaction logging and pre-determined formulae.

1.9 Reserves

Specific reserves are created to set aside amounts for future spending schemes. This is done through transfers out of the General Fund Balance in the Movement in Reserves Statement.

Certain reserves, namely "unusable reserves", are kept for the technical purpose of managing the accounting processes for non-current assets, financial instruments and employee benefits. These do not represent the usable resources of the Joint Committee.

NOTE 1 – ACCOUNTING POLICIES (continued)

1.10 Value Added Tax

Only in a situation when VAT is irrecoverable will VAT be included or charged as 'irrecoverable VAT'. Since the Joint Committee has not registered for VAT, the VAT is recovered through Cyngor Gwynedd's VAT registration.

1.11 Debtors and Creditors

The Joint Committee's Accounts are maintained on an accruals basis in accordance with the Code of Accounting Practice. The accounts reflect actual expenditure and income relating to the year in question irrespective of whether the payments or receipts have actually been paid or received in the year.

1.12 Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangements. The activities undertaken by the Joint Committee in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Joint Committee as a joint operator recognises its share of assets, liabilities, revenue and expenses.

The GwE Joint Committee has been categorised as a Joint Operation, making use of the assets and resources of the operators rather than the establishment of a separate entity.

NOTE 2 – CHANGE IN ACCOUNTING POLICY

The Joint Committee's accounting policies are amended only insofar as to reflect the guidance in the 2025/26 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

NOTE 3- PRIOR PERIOD ADJUSTMENTS

There are no prior period adjustments during 2025/26.

NOTE 4 – ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom requires the expected impact of any accounting standards that have been issued but not yet adopted to be disclosed.

A review of the accounting standards has been carried out this year, but none of the standards in question will have a material impact on GwE.

NOTE 5 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Joint Committee has had to make judgements, estimates and assumptions relating to complex transactions, those involving uncertainty about future events and also the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The judgements, estimates and associated assumptions applied are based on current proper practices, historical experience, and other factors that include historical and current assumptions and projections, and actual future projections, professional assessments, current trends, and local factors that are considered to be relevant.

In recent years there had been some uncertainty about levels of funding and distribution of Welsh Government grants, with these grants being paid directly to the authorities, who then commissioned GwE services. This issue formed an important part of the Joint Committee's financial strategy, and all known factors were given due consideration.

All available and related information is sourced and applied in assessing and determining the position, which is particularly critical when considering such matters as the actuarial valuation of pension fund assets and commitments. However, because these issues cannot be determined with certainty, actual results may subsequently differ from those estimates. The estimates and underlying assumptions are continually reviewed.

NOTE 6 – ASSUMPTIONS MADE ABOUT FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because certain balances cannot be determined with certainty, actual results could be different from the assumptions and estimates.

The following item in the Joint Committee's Balance Sheet at 31 May 2025 may be considered to be a significant risk (in terms of certainty in estimation of value), with the possibility of material adjustment.

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability	Estimating the net liability to pay pensions depends on a number of complex judgments relating to the discount rate used, the rate at which wages are expected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries are involved in giving expert advice to the council about the assumptions to be used. Brexit and Covid had negative effects on the UK economy and pension asset values, but inflation and interest rates have decreased, and the market seems to be improving and stabilizing. However, a pandemic or other global crisis could have a detrimental effect on asset returns, as well as an increase in interest rates to curb the rise of inflation as a result of the recovery.	The effects on the net pension liability of changes in individual assumptions are set out in Note 22.

NOTE 7 – MATERIAL ITEMS OF INCOME AND EXPENSE

Related items include:-

- (£12,313k) on pensions, being the remeasurements of the net defined benefit liability/(asset) relating to pensions, in line with Gwynedd Pension Fund's Actuary's assessment (Note 15).
- £11,623k being the Effect of Settlement within "Un-apportioned Expenses" in line with Gwynedd Pension Fund's Actuary's assessment (Note 22).

NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

2025/26	ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS			
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes £'000	Net change for the Pensions Adjustments (i) £'000	Other Differences (ii) £'000	Total Adjustments £'000
Employees	0	(48)	(162)	(210)
Property	0	0	0	0
Transport	0	0	0	0
Supplies and Services	0	0	0	0
Third Party	0	0	0	0
Un-apportioned Expenses	0	12,362	0	12,362
Income	0	0	0	0
Cost of Services	**0**	**12,314**	**(162)**	**12,152**
Other Operating Expenditure	0	0	0	0
Financing and Investment Income and Expenditure	0	(1)	0	(1)
Taxation and non-specific grant income	0	0	0	0
(Surplus) / Deficit on Provision of Services	**0**	**12,313**	**(162)**	**12,151**

2024/25	ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS			
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes £'000	Net change for the Pensions Adjustments (i) £'000	Other Differences (ii) £'000	Total Adjustments £'000
Employees	0	(1,628)	(147)	(1,775)
Property	0	0	0	0
Transport	0	0	0	0
Supplies and Services	0	0	0	0
Third Party	0	0	0	0
Income	0	807	0	807
Cost of Services	0	0	0	0
	0	**(821)**	**(147)**	**(968)**
Other Operating Expenditure				
Financing and Investment Income and Expenditure	0	0	0	0
Taxation and non-specific grant income	0	0	0	0
(Surplus) / Deficit on Provision of Services	0	0	0	0

NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS (continued)

(i) Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* for pension-related expenditure and income:

- For **Services,** this represents the removal of the employer pension contributions made by the Joint Committee as allowed by statute and the replacement with current service costs and past service costs.
- For **Financing and Investment Income and Expenditure,** the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

(ii) Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For **Services,** this represents an adjustment for accumulated absences earned but not taken during the year.
- For **Financing and Investment Income and Expenditure,** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

NOTE 9 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

2025/26 **ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS**	**Usable Reserve General Fund Balance**	**Movement in Unusable Reserves**
	£'000	**£'000**
Adjustments primarily involving the Pensions Reserve:		
Reversal of items relating to retirement benefits debited/credited to the Comprehensive Income and Expenditure Statement (Note 22)	(12,445)	12,445
Employer's pensions contributions and direct payments to pensioners payable in the year	132	(132)
Adjustment primarily involving the Accumulated Absences Account		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements (Note 8)	162	(162)
Total Adjustments	**(12,151)**	**12,151**

2024/25 **ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS**	**Usable Reserve General Fund Balance**	**Movement in Unusable Reserves**
	£'000	**£'000**
Adjustments primarily involving the Pensions Reserve:		
Reversal of items relating to retirement benefits debited/credited to the Comprehensive Income and Expenditure Statement (Note 22)	(1,609)	1,609
Employer's pensions contributions and direct payments to pensioners payable in the year	2,430	(2,430)
Adjustment primarily involving the Accumulated Absences Account		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements (Note 8)	147	(147)
Total Adjustments	**968**	**(968)**

NOTE 10 – TRANSFERS TO/FROM USABLE RESERVES

The Joint Committee's usable reserves were used fully during the 2024/25 financial year and there were no transfers during 2025/26, and therefore there is no balance at 31 May 2025.

NOTE 11 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2024/25		2025/26
£'000		£'000
0	Net interest on the net defined benefit liability/(asset)	(1)
(25)	Interest Receivable	0
(25)	**Total**	**(1)**

NOTE 12 – SHORT-TERM DEBTORS

	31 March 2025	31 May 2025
	£'000	£'000
Trade Receivables	35	0
Prepayments	54	0
Other Receivable Amounts	1,236	0
Total	**1,325**	**0**

NOTE 13 – CASH AND CASH EQUIVALENTS

The Joint Committee does not have its own bank account and cash is administered by Cyngor Gwynedd within its own accounts. The figure shown in the table each year is the net cash sum held on behalf of the Joint Committee within the Cyngor Gwynedd amounts.

	31 March 2025	31 May 2025
	£'000	£'000
Cash in bank held by host authority	605	0
Cash and Cash Equivalents	**605**	**0**

NOTE 14 – SHORT-TERM CREDITORS

	31 March 2025	31 May 2025
	£'000	£'000
Trade Payables	268	0
Other Payables	1,824	0
Total	**2,092**	**0**

NOTE 15 – UNUSABLE RESERVES

31 March 2025		31 May 2025
£'000		£'000
0	Pensions Reserve	0
(162)	Accumulated Absences Account	0
(162)	**Total Unusable Reserves**	**0**

15.1 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Joint Committee accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible, with funding requirements set aside by the time the benefits are to be paid.

2024/25 £000			2025/26 £000
0	**Balance 1 April**		**0**
(821)	Re-measurements of the net defined benefit (liability) / asset (Note 22)		12,313
(1,609)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement		(12,445)
2,430	Employer's pensions contributions and direct payments to pensioners payable in the year		132
0	**Balance 31 March 2025**	**Balance 31 May 2025**	**0**

15.2 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at the end of the period. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account. There was no balance on the accumulated absence account at 31 May 2025 since GwE had come to an end.

2024/25 £000			2025/26 £000
(309)	**Balance 1 April**		**(162)**
147	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		162
(162)	**Balance 31 March 2025**	**Balance 31 May 2025**	**0**

NOTE 16 – CASH FLOW STATEMENT: ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH MOVEMENTS

2024/25 £'000		2025/26 £'000
625	(Increase)/Decrease in Creditors	1,930
215	Increase/(Decrease) in Debtors	(1,325)
821	Pension Liability	(12,313)
147	Other non-cash items charged to net surplus/deficit on the provision of services	162
1,808		**(11,546)**

NOTE 17 – OFFICERS' REMUNERATION

17a. The Accounts and Audit (Wales) Regulations 2014 (as amended) require the Joint Committee to disclose the following information relating to employees appointed as Senior Officers. In compliance with the defined requirements, the pensionable pay, employer's pension contributions and other employer costs are included below (including termination benefits), but the employer's national insurance contributions are excluded. The following payments were paid to the Joint Committee's senior officers directly employed by GwE:

2024/25			Senior Officers	2025/26 (two months up to 31 May 2025)		
Salary £	Employer Pension Contributions £	Total £		Salary £	Employer Pension Contributions £	Total £
58,337	10,909	69,246	Head of GwE Service – Professional Learning[1]	14,655	2,740	17,395
60,220	11,261	71,481	Head of GwE Service – School Improvement[1]	15,101	2,824	17,925

1. The officers had been employed throughout 2024/25, but as chief officers from 1 August 2024, with only the cost of the chief officer role included above.

NOTE 17 – OFFICERS' REMUNERATION (continued)

17b. Other Joint Committee employees receiving more than £60,000 remuneration for the year* (excluding employer's pension and national insurance contributions), but including termination benefits. There were no redundancies in 2025/26, with the commitment for redundancies included in 2024/25. The 2024/25 numbers include termination benefits paid in 20 cases in 2024/25, and 4 of these posts would not appear below except for the termination benefits paid in the individual year.
The 2025/26 numbers include 16 members of staff who received a payment for unused holiday leave at the end of their employment with GwE. The holiday payments do not have an effect on the total numbers below, but rather have an effect on the band they are included in.

Number of other employees who would receive more than £60,000 and includes remuneration and termination benefits:		
Number in 2024/25*		**Number in 2025/26***
Total		**Total**
15	£60,000 - £64,999	8
14	£65,000 - £69,999	29
13	£70,000 – £74,999	5
5	£75,000 - £79,999	10
3	£80,000 - £84,999	0
2	£85,000 - £89,999	0
0	£90,000 - £94,999	0
2	£95,000 - £99,999	0
2	£100,000 - £104,999	0
2	£105,000 - £109,999	0
2	£110,000 - £114,999	0
0	£115,000 - £119,999	0
0	£120,000 - £124,999	0
2	£125,000 - £129,999	0
1	£130,000, - £134,999	0

**The numbers for 2025/26 and 2024/25 include staff which have started or finished in their employment during the year, adjusted to a full year of employment as is required.*

NOTE 18 – EXTERNAL AUDIT COSTS

The Joint Committee has incurred the following costs relating to external audit.

2024/25		**2025/26**
£'000		**£'000**
19	Fees payable to the auditor appointed by the Auditor General for Wales with regard to external audit services	20
0	Adjustment of external auditor's fees for the previous year	4
19	**Net Fees**	**24**

GwE's 2025/26 external audit fee budget has been transferred to Cyngor Gwynedd as host authority, to pay the Wales Audit Office, once the costs are final.

NOTE 19 – EXIT PACKAGES

The number of exit packages with total cost per band, and total cost of the compulsory and other redundancies are set out in the table below. The cost in the table below reflects the redundancy costs and pension contribution costs to the employer, rather than the actual value of the payments to the individuals.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
£	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25 £'000	2025/26 £'000
0 - 20,000	5	0	1	0	**6**	**0**	74	0
20,001 - 40,000	4	0	2	0	**6**	**0**	161	0
40,001 - 60,000	3	0	1	0	**4**	**0**	186	0
60,001 - 80,000	0	0	2	0	**2**	**0**	142	0
80,001 – 100,000	3	0	0	0	**3**	**0**	272	0
100,001 – 150,000	3	0	0	0	**3**	**0**	353	0
150,001 – 200,000	1	0	0	0	**1**	**0**	198	0
200,001 – 250,000	1	0	0	0	**1**	**0**	220	0
250,001 – 300,000	0	0	0	0	**0**	**0**	0	0
300,001 – 350,000	0	0	0	0	**0**	**0**	0	0
350,001 – 400,000	1	0	0	0	**1**	**0**	356	0
400,001 – 450,000	0	0	0	0	**0**	**0**	0	0
450,001 – 500,000	1	0	0	0	**1**	**0**	455	0
Total	**22**	**0**	**6**	**0**	**28**	**0**	**2,417**	**0**

NOTE 20 – GRANT INCOME

The Joint Committee credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

	2024/25		2025/26	
	£'000	£'000	£'000	£'000
Grants and Contributions Credited to Services				
Welsh Government	253		29	
		253		**29**
Other Government Grants and Contributions				
Education Workforce Council	229		34	
Welsh Local Government Association	0		446	
		229		**480**
Grants and Contributions from the councils *(includes contributions to Core Service and Commissioning Agreement*)*				
Conwy	1,266		90	
Denbighshire	1,249		94	
Flintshire	1,821		155	
Gwynedd	1,509		111	
Anglesey	972		43	
Wrexham	1,572		125	
		8,389		**618**
Other Grants and Contribution		**198**		**11**
Transition Funding for School Improvement Partnership Programme Grant (£123k from each authority)		**738**		**0**
Contributions from the authorities to fund GwE overspend (£74k from each authority)		**446**		**0**
Total Grants and Contributions Credited to Services		**10,253**		**1,138**

** For the purpose of comparison with 2025/26, the 2024/25 core service and commissioning contributions have been combined.*

NOTE 21 – RELATED PARTIES

The Joint Committee is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Joint Committee or to be controlled or influenced by the Joint Committee. Disclosure of these transactions allows readers to assess the extent to which the Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Joint Committee. To conform to the requirements, this is done by Members and Senior Officers completing a personal declaration, as defined in the CIPFA Code of Practice.

Function of the Joint Committee

The Regional School Effectiveness and Improvement Service (GwE) was established as a partnership between the six north Wales authorities, being Conwy County Borough Council, Denbighshire County Council, Flintshire County Council, Cyngor Gwynedd, Isle of Anglesey County Council and Wrexham County Borough Council, to be accountable to the councils and undertake the statutory function of the councils in respect of school improvement and effectiveness. Summarised below are the payments and income between the Joint Committee and the local authorities during the 2025/26 financial year. Cyngor Gwynedd has been appointed as host authority in implementing and maintaining the service, and the Joint Committee of all the partners oversees the management of the service.

	2025/26 (two months up to 31 May 2025)			
	Payments made	Amounts owed by the Joint Committee	Income Received	Amounts owed to the Joint Committee
Local authority	**£'000**	**£'000**	**£'000**	**£'000**
Conwy County Borough Council	25	0	90	0
Denbighshire County Council	9	0	94	0
Flintshire County Council	16	0	155	0
Cyngor Gwynedd	62	0	111	0
Isle of Anglesey County Council	0	0	43	0
Wrexham County Borough Council	9	0	125	0

Members

Members of the Joint Committee have an influence over the Joint Committee's financial and operating policies.

Members have declared an interest or relationship (as defined) in companies or businesses which may have dealings with the Joint Committee. During the two months up to 31 May 2025, no payments were made or owed by the Joint Committee for the related bodies.

Officers

The Joint Committee's Senior Officers have declared as required and where appropriate an interest or relationship (as defined) in companies, voluntary, charitable, or public bodies which receive payments from the Joint Committee. During the two months up to 31 May 2025 no payments were made or owed by the Joint Committee for the related bodies.

NOTE 22 – PENSION COSTS

As part of the terms and conditions of employment of its officers and other employees, the Joint Committee makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make the payments. These need to be disclosed at the time that employees earn their future entitlement.

GwE participates in two post-employment schemes:

a) **The Local Government Pension Scheme** administered locally by Cyngor Gwynedd. This is a funded defined benefit scheme based on final salary for service up to 31 March 2014 and based on a career average salary from 1 April 2014. The Joint Committee and the employees pay contributions into the fund, calculated at a level intended to balance the pensions liabilities with investment assets.

b) **Arrangements for the award of discretionary post-retirement benefits upon early retirement.** This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Gwynedd Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme, and the governance of the scheme is the responsibility of the Pensions Committee of Cyngor Gwynedd. Policy is determined in accordance with the Local Government Pensions Scheme Regulations.

The principal risks to the Joint Committee from the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (such as large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the amounts required by statute as described in the accounting policies note to the General Fund.

Transactions Relating to Post-employment Benefits

The Joint Committee recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge it is required to make against council tax (via the councils' contributions) is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

NOTE 22 – PENSION COSTS (continued)

Change in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability	Net (liability) /asset	
	31 March 2025	31 May 2025
	£'000	£'000
Fair Value of plan assets	29,888	32,638
Present value of funded obligations	(23,764)	(21,982)
Effect of the asset ceiling	(6,124)	(10,656)
Opening Position as at 1 April	**0**	**0**
Service Cost		
- Current service cost*	(802)	(84)
- Past service cost (including curtailments)	(807)	(739)
- Effect of settlements**	0	(11,623)
Total Service Cost	**(1,609)**	**(12,446)**
Net interest		
- Interest income on plan assets	1,483	308
- Interest cost on defined benefit obligation	(1,186)	(208)
- Interest on the effect of the asset ceiling	(297)	(99)
Total Net Interest	**0**	**1**
Total Defined Benefit Cost Recognised in Profit or (Loss)	**(1,609)**	**(12,445)**
Cash flows		
- Participants' contributions	0	0
- Employer contributions	1,618	950
- Benefits paid	0	0
Expected closing position	**9**	**(11,495)**
Remeasurements		
- Changes in financial assumptions	4,135	400
- Changes in demographic assumptions	44	0
- Other experience	211	0
- Return on assets excluding amounts included in net interest	(164)	340
- Changes in the effect of the asset ceiling	6,421	10,755
Total remeasurements recognised in Other Comprehensive Income (OCI)	**10,647**	**11,495**
Fair value of plan assets	32,638	0
Present value of funded obligations	(21,982)	0
Closing Position at the end of the financial year	**10,656**	**0**

* The current service cost includes an allowance for administration expenses of 0.6% of payroll.

** Notes the financial impact of the end of the agreement between GwE and the Gwynedd Pension Fund on 31 May 2025.

NOTE 22 – PENSION COSTS (continued)

Pensions assets and liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the authority's obligation in respect of its defined benefit plan is as follows:

	31 March 2025 £'000	31 May 2025 £'000
Fair value of plan assets	32,638	0
Present value of obligations	(21,982)	0
Subtotal	**10,656**	**0**
Effect of IAS 19/ IFRIC 14	(10,656)	0
Net Asset/(Liability)arising from Defined Benefit Obligation	**0**	**0**

The actuarial valuation of the Joint Committee's pension scheme liabilities and pension reserve shown on the Balance Sheet reports a net asset or liability of zero.

At 31 May 2025, with GwE having come to an end, there was no liability or asset recognised.

At 31 March 2025, the Joint Committee's Actuary, Hymans Robertson LLP, determined that the fair value of the Joint Committee's pension plan assets outweighed the present value of the plan obligations resulting in a pension plan asset. IFRIC 14 and IAS 19 Employee Benefits require that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling, which is capped at £0

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Joint Committee's actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions. The calculated asset ceiling at 31 March 2025 resulted in greater future service contributions than future service costs so the economic benefit is limited to zero. The Joint Committee relies and places assurance on the professional judgement of the Actuary and the assumptions used to calculate this actuarial valuation.

NOTE 22 – PENSION COSTS (continued)

Fair Value of Employer Assets

The asset values below are at bid value as required under IAS 19.

Asset Category	At 31 March 2025				At 31 May 2025			
	Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total		Quoted Prices in Active Markets	Prices not quoted in Active Markets	Total	
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
Equity Securities								
Consumer	0	0	0	0	0	0	0	0
Manufacturing	0	0	0	0	0	0	0	0
Energy and Utilities	0	0	0	0	0	0	0	0
Financial Institutions	0	0	0	0	0	0	0	0
Health and Care	0	0	0	0	0	0	0	0
Information Technology	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Debt Securities								
Other	0	0	0	0	0	0	0	0
Private Equity								
All	0	1,762	1,762	5	0	0	0	0
Real Estate								
UK Property	0	2,077	2,077	6	0	0	0	0
Overseas Property	0	0	0	0	0	0	0	0
Investment Funds and Unit Trusts								
Equities	0	18,025	18,025	55	0	0	0	0
Infrastructure	0	963	963	3	0	0	0	0
Other	0	9,592	9,592	29	0	0	0	0
Derivatives								
Inflation	0	0	0	0	0	0	0	0
Cash and cash equivalents								
All	0	219	219	1	0	0	0	0
Totals	**0**	**32,638**	**32,638**	**100**	**0**	**0**	**0**	**0**

NOTE 22 – PENSION COSTS (continued)

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, life expectancy and salary levels. Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females.

Both the Gwynedd Pension Scheme and Discretionary Benefits liabilities have been estimated by Hymans Robertson, an independent firm of actuaries. Estimates for the Gwynedd Pension Fund were based on the latest full valuation of the scheme as at 31 March 2022. The significant assumptions used by the actuary in the following table have had a significant impact on the values of the assets and liabilities as follows:

	31 March 2025	31 May 2025
Financial Assumptions	**% p.a.**	**% p.a.**
Pensions Increase Rate	2.75	2.75
Salary Increase Rate	3.25	3.25
Inflation Rate	2.75	2.75
Discount Rate	5.80	5.90
Long-term expected rate of return on all categories of assets	5.80	5.90
Take-up option to convert annual pension into retirement lump sum		
for pre-April 2008 service	65	65
for post-April 2008 service	65	65
Mortality assumptions	**Years**	**Years**
Longevity at 65 for current pensioners		
Men	21.6	21.6
Women	24.1	24.1
Longevity at 65 for future pensioners		
Men	22.6	22.6
Women	25.6	25.6

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. In order to quantify the impact of a change in the financial assumptions used, the actuary has calculated and compared the value of the scheme commitments as at 31 May 2025 on varying bases. The approach taken is consistent with that adopted to derive the IAS 19 figures provided in this note.

To quantify the uncertainty around life expectancy, the actuary has calculated the difference in cost to the Joint Committee of a one-year increase in life expectancy. For sensitivity purposes this is assumed to be an increase in the cost of benefits of broadly 3-5%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

NOTE 22 – PENSION COSTS (continued)

Impact on the Joint Committee's Cash Flows

One of the objectives of the scheme is that employer contributions should be kept at as constant a rate as possible. Funding levels are monitored on an annual basis.

The contributions paid by the Joint Committee are set by the Fund Actuary at each triennial valuation, or at any other time as instructed to do so by the administering authority. The contributions payable over the period up to 31 May 2025 are set out in the Rates and Adjustments certificate. For further details on the approach adopted to set contribution rates for the Joint Committee, please refer to the 2022 actuarial report dated 28 March 2023.

Impact on 2025/26

The total contributions from the GwE Joint Committee to the Local Government Pension Scheme in 2025/26 for the two months up to the end of 31 May 2025, when the GwE service ended, was £119k.

As the Actuary's report is based on estimates and due to timing issues, adjustment of £818k in 2025/26, ((£812k) in 2024/25), to bring the position in the Scheme based on the Actuarial figures in line with the closing position as at 31 May 2025. This variance has been treated as Actuarial Gains and Losses on Pension Assets and Liabilities.

NOTE 23 – EVENTS AFTER THE REPORTING PERIOD

The Statement of Accounts was authorised by the Head of Finance on 02 April 2026. Events taking place after this date are not reflected in the financial statements or related notes. Where events taking place before this date provided information about conditions existing at 31 May 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect its impact.

As part of the winding up of GwE, a surplus in the pension fund valuation was identified as of GwE's termination date of 31 May 2025. This amount was calculated to be £9,384k. From this total, the Gwynedd Pension Fund designated that £5,129k was due to the six authorities as an exit credit. The Gwynedd Pension Fund arranged payments to the authorities based on contributions made over the lifetime of the Joint Committee. This matter was unrelated to GwE's operations and, consequently, does not appear in the accounts above.

Glossary

Actuarial Gains and Losses – For a defined benefit pension scheme, the changes in actuarial surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.

Asset – Items of worth that are measurable in terms of value.

- A current asset will be consumed or will cease to have material value within the next financial year.
- A non-current asset provides benefit to the Joint Committee and to the services it provides for a period of more than one year.

Balances (or Reserves) – These represent accumulated funds available to the Joint Committee. Some balances (reserve) may be earmarked for specific purposes for funding future defined initiatives or meeting identified risks or liabilities.

Capital Expenditure – Expenditure on the procurement of a non-current asset, which will be used in providing services beyond the current accounting period or expenditure that adds to, and not merely maintains, value of an existing non-current asset.

CIPFA (Chartered Institute of Public Finance and Accounting) – The professional institute for accountants working in the public sector.

Creditors – Amounts owed by the Joint Committee for work done, goods received or services rendered, for which payments have not been made by the end of that accounting period.

Current Service Cost – The increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period.

Debtors – Amount owed to the Joint Committee for work done, goods received or service rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Defined Benefit Scheme – A pension or other retirement benefit scheme other than a defined contribution scheme.

Defined Contribution Scheme – A pension or other retirement benefit scheme into which an employee pays regular fixed contributions as an amount or as a percentage of pay, and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employees benefits relating to the employee Service in the current and prior periods.

Effect of Settlements – Marks the end of the agreement between GwE and Gwynedd Pension Fund.

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

Financial Instruments – Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives.

General Fund – This is the main revenue fund of the Joint Committee, and it includes the net cost of all services financed by local taxpayers and Government grants.

Impairment – A reduction in the carrying value of a fixed asset below its carrying value (due to obsolescence, damage or an adverse change in the statutory environment).

International Financial Reporting Standards (IFRS) – A suite of accounting standards used across the world. They must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

Inventories – Amounts of unused or unconsumed stocks held in expectation of future use. They are categorised as goods or other assets purchased for resale, consumable stores, raw materials and Components, Products and Services in intermediate stages of completion and finished goods.

Investment Property – Property that is held solely to earn rentals or for capital appreciation, or both.

Liability – Amounts due to individuals or organisations which will have to be paid at some time in the future.

Related Parties – Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

The report of the Auditor General for Wales to the members of Cyngor Gwynedd

Opinion on financial statements

I have audited the financial statements of GwE Joint Committee for the two months ended 31 May 2025 under the Public Audit (Wales) Act 2004.

GwE Joint Committee's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of GwE Joint Committee as at 31 May 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of GwE Joint Committee in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

I note that the GwE Joint Committee formally ceased operations on 31 May 2025, with its functions and services transferred to the six constituent local authorities. In line with Practice Note 10, the continued provision of service approach applies in the public sector context, whereby the going concern basis remains appropriate if the underlying services are expected to continue, even if the entity itself ceases to operate.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters
In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the two-month period to 31 May for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance

Matters on which I report by exception
In the light of the knowledge and understanding of GwE Joint Committee and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements
As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing GwE Joint Committee's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by GwE Joint Committee will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements
My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

- Enquiring of management, the Head of Internal Audit for Cyngor Gwynedd and those charged with governance, including obtaining and reviewing supporting documentation relating to GwE Joint Committee's policies and procedures concerned with:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud management override.
- Obtaining an understanding of GwE Joint Committee's framework of authority as well as other legal and regulatory frameworks that GwE Joint Committee operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of GwE Joint Committee.
- Obtaining an understanding of related party relationships.

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

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

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the GwE Joint Committee's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit
I certify that I have completed the audit of the accounts of GwE Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.



Catherine Mealing-Jones
Auditor General for Wales
26 October 2026

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

The maintenance and integrity of Cyngor Gwynedd's website is the responsibility of the Head of Corporate Services; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.