



Uchelgais Gogledd Cymru
Ambition North Wales

Statement of Accounts 2025/26 –
North Wales Corporate Joint Committee

Subject to Audit

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NARRATIVE REPORT

INTRODUCTION

The North Wales Corporate Joint Committee (brand name Ambition North Wales), which is regarded as an independent legal entity, was formally constituted on 14 January 2022, which became fully operational on 30 June 2022 and this was a result of the Local Government and Elections (Wales) Act 2021 creating a framework to have a consistent mechanism for regional collaboration between local government.

The North Wales Corporate Joint Committee's (CJC) duties are strategic planning, regional transport and economic well-being. The CJC comprises six constituent councils: Conwy County Borough Council, Denbighshire County Council, Flintshire County Council, Cyngor Gwynedd, Isle of Anglesey County Council and Wrexham County Borough Council. Eryri National Park Authority is also a member of the CJC in relation to the exercise of strategic planning functions.

The CJC's accounts for the year 2025/26 are presented here on pages 9 to 45. 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 consist of:

- **Expenditure and Funding Analysis** - Whilst this is not a statutory statement, it shows how annual expenditure is used and funded in accordance with generally accepted accounting practices.
- **Comprehensive Income and Expenditure Statement** - This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.
- **Movement in Reserves Statement** - This statement shows the movement in year on the different reserves held by the Corporate Joint Committee, analysed into 'usable reserves' and 'unusable reserves'.
- **The Balance Sheet** - Sets out the financial position of the Corporate Joint Committee on 31 March 2026.
- **The Cash Flow Statement** - This statement summarises the flow of cash to and from the Corporate Joint Committee during 2025/26 for revenue and capital purposes.

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.

North Wales Corporate Joint Committee

The North Wales Economic Ambition Board partnership was established in 2012 to develop a regional approach to economic growth and to address the challenges and barriers facing the North Wales economy. The partnership covered the six constituent councils of North Wales and also included Bangor University, Wrexham University, Coleg Cambria and Grŵp Llandrillo Menai.

On 1 April 2025, the Portfolio Management Office and the North Wales Growth Deal were transferred into the North Wales Corporate Joint Committee now known as Ambition North Wales. The Regional Skills Partnership also transferred to the CJC from Cyngor Gwynedd on the same date.

The key functions of the CJC are:

1. Strategic Planning – leading on developing a Strategic Development Plan for North Wales.
2. Regional Transport – developing a Regional Transport Plan for North Wales as a strategy to achieve accessible, sustainable, affordable and integrated transport system for the region.
3. Economic Well-being – enhancing the region's economy, with key initiatives including the North Wales Growth Deal and the Flintshire and Wrexham Investment Zone.

Ambition North Wales's vision

The vision is to build a more vibrant, sustainable and resilient economy for North Wales to:

- Focus on improving the region's economic, social and environmental well-being.
- See the region develop in a sustainable way, with opportunities for people to gain new skills for the future and develop rewarding careers, seeing businesses grow and communities prosper.
- Champion our language, culture and heritage, in line with the well-being goals for Wales.

Strategic Planning

The Strategic Development Plan (SDP) will provide a regional framework for planning across North Wales, recognising that communities, markets and infrastructure needs extend beyond individual local authority boundaries. It will support a cohesive long-term vision for sustainable economic growth, infrastructure, quality of life and balanced development, while aligning with Welsh Government statutory requirements and national priorities. The CJC has submitted its Delivery Agreement, including the statement of community involvement and timetable, and work to deliver the SDP over the next five years has now commenced.

Regional Transport

The North Wales Regional Transport Plan (RTP) sets out a vision for a safe, sustainable, affordable and integrated transport network that supports economic growth, improves connectivity and reduces reliance on private vehicles. Developed by Ambition North Wales with local authorities, Transport for Wales and Welsh Government, the plan will be delivered by Local Authorities through Regional Transport Fund schemes, with oversight from the CJC's Transport Sub-Committee. By prioritising public transport, active travel and innovative mobility solutions, the RTP aims to improve access to jobs and services, reduce environmental impact and create a more connected and resilient transport system for North Wales.

North Wales Growth Deal

The Growth Deal aims to bring over £1 billion of investment to north Wales in order to generate over 4,000 new jobs and an increase in Gross Value Added (GVA) of £2.4 billion. The UK and Welsh governments have committed to jointly investing £240 million capital over a 15-year period, with the remainder leveraged from private and public sources. The desired outcomes of this investment are to be delivered through the delivery of a portfolio of five separate programmes which:

- Build on our regional strengths in manufacturing and low carbon energy
- Target digital innovation and infrastructure to better connect the region
- Invest in key sites and premises for the developer market
- Enable innovation to boost productivity
- Support our key industries in tourism and agriculture to develop for the future

Flintshire and Wrexham Investment Zone

The investment zone is a collaborative project expected to attract £1 billion of private sector investment and create 6,000 new jobs during the next 10 years. It's backed by £160 million in funding from the Welsh Government and UK Government and will focus primarily on advanced manufacturing, with the Investment Zone targeting 5.5 million square feet of new capacity for the sector.

Regional Skills Partnership

The North Wales Skills Partnership operates within the structure of Ambition North Wales. This enables work strategically across sectors, ensuring that skills development is embedded in major investment programmes including the Growth Deal and the Investment Zone. It strengthens our ability to coordinate across local authorities, industry, and providers.

The North Wales Regional Skills Partnership’s vision is for North Wales to be a region where people’s skills and talents drive a thriving economy and strong communities. A skilled workforce enables local employers to grow and succeed, whilst attracting new businesses that recognise the value of the region’s potential.

2025/26 Budget

The Corporate Joint Committee adopted its budget for 2025/26 at its meeting on 17 January 2025 and is available at: [Agenda for North Wales Corporate Joint Committee on Friday, 17th January, 2025, 1.30 pm](#)

The North Wales Growth Deal’s budget for 2025/26 was approved by the North Wales Economic Ambition Board prior to its transfer on 14 February 2025:

[Agenda for North Wales Economic Ambition Board on Friday, 14th February, 2025, 9.30 am](#)

2025/26 Performance

The North Wales Corporate Joint Committee have robust performance reporting arrangements for each of its responsibilities, including:

- Quarterly performance reporting on the North Wales Growth Deal, with performance and risk reports presented to the Economic Well-being Sub-Committee and then submitted to UK and Welsh Government alongside Local Authority Scrutiny Committees.
- A North Wales Corporate Joint Committee Annual Report is presented to the CJC annually.
- Quarterly update on the Investment Zone to the Advisory Board and Economic Well-being Sub-Committee.
- Quarterly reporting on progress against the Strategic Development Plan to the Strategic Planning Sub-Committee.
- Bi-annual reporting on performance, outcomes and resource requirements to the Strategic Transport Sub Committee

These reports are available at [North Wales Corporate Joint Committee](#)

2025/26 Financial Performance

- The Comprehensive Income and Expenditure Statement on page 10 shows that the Corporate Joint Committee’s gross revenue expenditure on ‘cost of services’ level was £9,383k during 2025/26, with a net position of £49k.
- The financial out-turn position for 2025/26 was reported to the North Wales Corporate Joint Committee on 19 June 2026 and is available at: [Agenda for North Wales Corporate Joint Committee on Friday, 19th June, 2026, 1.30 pm](#)
- The Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement on pages 10 and 11 detail the analysis in movements for the year.

TABLE I - Budget and Actual Comparison Summary (Net)

Table I 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	5,389	6,282	893
Financed by-			
Partners' Contributions	(818)	(818)	0
Levy	(902)	(902)	0
Grants, contributions and other income	(2,619)	(5,467)	(2,848)
Contribution from reserve	(1,050)	(705)	345
Net (Underspend)/Overspend	0	(1,610)	(1,610)

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

	Performance Report (Out-turn) £'000	Transposition Adjustment £'000	Net Position to be funded by / (transferred to) the General Fund £'000	Adjustments between Funding and Accounting Basis £'000	Income & Expenditure Statement £'000
Expenditure	6,282	(1,988)	4,294	5,089	9,383
Income	(7,892)	3,911	(3,981)	(5,353)	(9,334)
Net Cost of Services	(1,610)	1,923	313	(264)	49

Transposition Adjustment - Adjustments in the transposition column relate to the net contribution to and from reserves, the interest on balances received during the financial year, the levy from constituent authorities and the reduction to the Growth Deal Grant required in year.

Material Items of Income and Expenditure

Related Items include :-

- £2,225k in interest and similar income (Note 11)
- £902k in levies from constituent authorities (Note 12)
- £18,199k in grants and contributions (Note 24)
- £5,230k in Revenue Expenditure Funded from Capital under Statute (Note 20)

Other Issues

- Economic instability and financial risks continue in the UK and globally, especially considering the situation in the Middle East that has increased energy and fuel prices, and so is pushing up overall inflation. Whilst inflation levels are still higher than the 2% target at present, the Office for Budget Responsibility (OBR) in its ‘Economic and Fiscal Outlook’ report dated March 2026 predicts that inflation rates will go down and reach the target by 2027.
- Cost inflation is a risk for the North Wales Growth Deal's capital projects and the Corporate Joint Committee has allocated additional funding for the most mature projects and established a Cost Inflation Reserve in 2026/27 to reduce this risk.

Capital Projects in 2025/26

Capital expenditure for 2025/26 amounted to £5.2m and a loan of £8.9m was granted during the year. The £14.1m was financed by the North Wales Growth Deal grant.

TABLE 3 - SUMMARY OF CAPITAL PROJECTS AND FINANCING

	2025/26 £'000
Revenue Expenditure Funded from Capital Under Statute	5,230
Loan	8,865
	14,095
FINANCED BY -	
Grants and Contributions	14,095
	14,095

The £5,230k Revenue Expenditure Funded from Capital under Statute in the above table has been charged to the Income and Expenditure Statement in the year. The expenditure relates to:

- Enterprise Engineering & Optics Centre and Society 5.0 projects by Wrexham University;
- Digital Signal Processing Centre and the Centre of Environmental Biotechnology projects by Bangor University;
- Academi Croeso (Tourism Talent Network) project by Grŵp Llandrillo Menai;
- Parc Bryn Cegin project by Welsh Government and Ambition North Wales; and
- Clean Energy Fund, 4G+ (Connected Key Sites and Corridors), LPWAN (Connected Campuses) and Advanced Wireless (Connected Campuses) projects by Ambition North Wales.

The £8,865k loan is shown as a long-term debtor on the Balance Sheet. This relates to the Cydnerth project by Menter Môn.

Reserves

The Corporate Joint Committee has usable reserves of £12,073k. These are detailed in the Balance Sheet and the Movement in Reserves Statement.

Pension Fund

An assessment has been carried out by Gwynedd Pension Fund's Actuary, Hymans Robertson, of the Corporate Joint Committee's actuarial position. In order to comply with International Accounting Standard 19, the Corporate Joint Committee has shown a nil net liability as at 31 March 2026 on its Balance Sheet. Refer to Note 27 for further information.

The net pension liability is a position at one point in time. Market prices can move substantially up or down in the short-term and it is therefore not possible to quantify the long-term effect such movements in market prices will have on the Pension Fund. The accounts are based on the valuation held on 1 April 2025.

Risk and Governance

The Corporate Joint Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Governance and Audit Sub-Committee was established during 2025/26. Key documents such as the Forward Work Programme and the Risk Management Strategy have been presented to the sub-committee and can be viewed at [Browse meetings - North Wales CJC Governance & Audit Sub-committee](#).

The North Wales Growth Deal risk register is presented quarterly to the Economic Well-being Sub-Committee. The quarter 4 risk register was presented on 15 May 2026: [Agenda for North Wales CJC Economic Well-being Sub-committee on Friday, 15th May, 2026, 9.30 am](#)

The Governance and Audit Sub-Committee reviews the movement in the CJC's strategic risks and the effectiveness of mitigation and escalation arrangements.

The Corporate Joint Committee has taken the risks identified into account in its financial plans, maintaining a prudent level of reserves.

Further information on governance is also included within the Annual Governance Statement.

Accounting Policies

The accounting policies adopted on behalf of the Corporate Joint Committee comply with all relevant recommended accounting practices and are fully explained in the Accounting Policies set out in Note 1 of the Accounts commencing on page 14.

Changes in Accounting Policies and to the Accounts

The Corporate Joint Committee's existing 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 (www.gwynedd.llyw.cymru) and on the CJC's website (www.ambitionnorth.wales).

Further information relating to the accounts is available from:

Sian Pugh
Assistant Head of Finance -
Sustainability and Developments
sianpugh@gwynedd.llyw.cymru

Finance Department
Cyngor Gwynedd
Council Offices
Caernarfon
Gwynedd
LL55 1SH

This is part of the Corporate Joint Committee's policy of providing full information relating to the Corporate Joint Committee's 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 Corporate Joint Committee's website at the appropriate time.

NORTH WALES CORPORATE JOINT COMMITTEE

STATEMENT OF ACCOUNTS

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE CORPORATE JOINT COMMITTEE'S RESPONSIBILITIES

The North Wales Corporate Joint Committee 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. The Statutory Finance Officer of Cyngor Gwynedd is the responsible financial officer of the Corporate Joint Committee. It is the Corporate 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.

THE STATUTORY FINANCE OFFICER'S RESPONSIBILITIES

The Corporate Joint Committee's Statutory Finance Officer is responsible for the preparation of the North Wales Corporate Joint Committee's 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 Statutory Finance Officer 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 Statutory Finance Officer 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 North Wales Corporate Joint Committee at 31 March 2026 and the Corporate Joint Committee's income and expenditure for the year then ended.



Dewi Aeron Morgan CPFA
Statutory Finance Officer, North Wales Corporate Joint Committee

3 July 2026

EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual 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		
Net Expenditure Chargeable to the General Fund £'000	Adjustments between the Funding and Accounting Basis (Note 9) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000		Net Expenditure Chargeable to the General Fund £'000	Adjustments between the Funding and Accounting Basis (Note 9) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
325	0	325	Corporate Joint Committee	415	(7)	408
34	0	34	Strategic Planning	(6)	(1)	(7)
160	0	160	Regional Transport	65	(1)	64
0	0	0	Growth Deal	(54)	(241)	(295)
83	0	83	Investment Zone	(12)	(1)	(13)
0	0	0	Regional Skills Partnership	(95)	(13)	(108)
602	0	602	Cost of Services	313	(264)	49
(57)	0	(57)	Financing and Investment Income and Expenditure	(2,347)	412	(1,935)
(765)	0	(765)	Taxation and Non-Specific Grant Income	(902)	(8,865)	(9,767)
(220)	(0)	(220)	(Surplus)/ Deficit on Provision of Services	(2,936)	(8,717)	(11,653)
(893)			Opening Balance	(1,113)		
0			Transfer Adjustment	(8,024)		
(893)			Restated Opening Balance	(9,137)		
(220)			(Surplus)/ Deficit in Year	(2,936)		
(1,113)			Closing Balance	(12,073)		

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

2024/25				2025/26		
Gross Expenditure	Gross Income	Net Expenditure	Note	Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
325	0	325	Corporate Joint Committee	608	(200)	408
34	0	34	Strategic Planning	193	(200)	(7)
341	(181)	160	Regional Transport	264	(200)	64
0	0	0	Growth Deal	7,599	(7,894)	(295)
83	0	83	Investment Zone	442	(455)	(13)
0	0	0	Regional Skills Partnership	277	(385)	(108)
783	(181)	602	Cost of Services	9,383	(9,334)	49
0	(57)	(57)	Financing and Investment Income and Expenditure	295	(2,230)	(1,935)
0	(765)	(765)	Taxation and Non-Specific Grant Income	0	(9,767)	(9,767)
783	(1,003)	(220)	(Surplus) / Deficit on Provision of Services	9,678	(21,331)	(11,653)
		0	Remeasurement of the net pension defined benefit liability/(asset)			150
		0	Other Comprehensive Income and Expenditure			150
		(220)	Total Comprehensive Income and Expenditure			(11,503)

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 Corporate 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 Corporate 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 Partner' contributions and levy). The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

	Movement in Reserves Statement				
	General Reserve	Earmarked Reserves	Total Usable Reserves	Unusable Reserves	Total CJC's Reserves
	£'000	£'000	£'000	£'000	£'000
Balance 31 March 2024 carried forward	0	(893)	(893)	0	(893)
<u>Movement in reserves during 2024/25</u>					
Total Comprehensive Income and Expenditure	(220)	0	(220)	0	(220)
Adjustments between accounting basis and funding basis under regulations	0	0	0	0	0
Net (Increase)/Decrease before Transfers to Earmarked Reserves	(220)	0	(220)	0	(220)
Transfers to / from Earmarked Reserves	220	(220)	0	0	0
(Increase)/Decrease in 2024/25	0	(220)	(220)	0	(220)
Balance 31 March 2025 carried forward	0	(1,113)	(1,113)	0	(1,113)
Transfer Adjustment	0	(8,024)	(8,024)	42	(7,982)
Balance 1 April 2025 carried forward	0	(9,137)	(9,137)	42	(9,095)
<u>Movement in reserves during 2025/26</u>					
Total Comprehensive Income and Expenditure	(11,653)	0	(11,653)	150	(11,503)
Adjustments between accounting basis and funding basis under regulations	9	8,717	8,717	(8,717)	0
Net (Increase)/Decrease before Transfers to Earmarked Reserves	(2,936)	0	(2,936)	(8,567)	(11,503)
Transfers to / from Earmarked Reserves	10	1,869	(1,869)	0	0
(Increase)/Decrease in 2025/26	(1,067)	(1,869)	(2,936)	0	(2,936)
Balance 31 March 2026 carried forward	(1,067)	(11,006)	(12,073)	(8,525)	(20,598)

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Corporate Joint Committee. The net assets of the Corporate Joint Committee (assets less liabilities) are matched by the reserves held by the Corporate Joint Committee. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Corporate Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Corporate 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 Revaluation 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 March 2026 £'000
0	Long-term Debtors	13	8,877
0	Long-term Assets		8,877
0	Short-term Investments	13	34,089
86	Short-term Debtors	14	23,538
1,426	Cash and Cash Equivalents	15	22,262
1,512	Current Assets		79,889
(399)	Short-term Creditors	16	(5,525)
0	Capital and Revenue Grants Receipts in Advance	24b	(62,643)
(399)	Current Liabilities		(68,168)
0	Pension Liability	27	0
0	Long-term Liabilities		0
1,113	Net Assets		20,598
(1,113)	Usable Reserves		(12,073)
0	Unusable Reserves	17	(8,525)
(1,113)	Total Reserves		(20,598)

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Corporate Joint Committee during the reporting period. The statement shows how the Corporate 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 Corporate Joint Committee are funded by way of grant income or from the recipients of services provided by the Corporate Joint Committee. Investing Activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Corporate Joint Committee's future service delivery.

2024/25		Note	2025/26
£'000			£'000
(220)	Net (Surplus) / Deficit on the Provision of Services		(11,653)
(354)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	<i>18a</i>	3,851
0	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	<i>18b</i>	6,942
(574)	Net cash flows from Operating Activities		(860)
0	Investing Activities	<i>19</i>	34,000
0	Financing Activities		0
(574)	Net (Increase)/Decrease in cash and cash equivalents		33,140
(852)	Cash and cash equivalents at the beginning of the reporting period	<i>15</i>	(1,426)
0	Transfer Adjustment		(53,976)
(852)	Restated cash and cash equivalents at the beginning of the reporting period		(55,402)
(1,426)	Cash and cash equivalents at the end of the reporting period	<i>15</i>	(22,262)

NOTES TO THE ACCOUNTS

NOTE I – ACCOUNTING POLICIES

I.1 General Principles

The Statement of Accounts summarises the Corporate Joint Committee’s transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Corporate 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.

On 1 April 2025, the North Wales Growth Deal, its funding and the Portfolio Management Office transferred from the North Wales Economic Ambition Board to the North Wales Corporate Joint Committee (CJC). The Regional Skills Partnership also transferred from Cyngor Gwynedd to the CJC on the same date. The assets, liabilities and reserves were transferred at their carrying amounts and the principles of absorption accounting have been applied. The comparative figures for 2024/25 therefore only include the CJC prior to the transfer of the Growth Deal and the Regional Skills Partnership.

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

I.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 is accounted for as income on the basis of the effective interest rate for the relevant financial instruments 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.

I.3 Cash and Cash Equivalents

Where the Corporate Joint Committee has short-term investments readily convertible into known amounts of cash and subject to insignificant risk of changes in value, these are classified as cash equivalents and included in Cash and Cash Equivalents on the Balance Sheet. The investments included in this definition are short-term deposits with financial institutions which are immediately available at the Balance Sheet date.

I.4 Employee Benefits

I.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 the employee renders service to the Corporate 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.

NOTE I – ACCOUNTING POLICIES (continued)

1.4.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Corporate Joint Committee 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 to the service in the Comprehensive Income and Expenditure Statement at the earlier of when the Corporate Joint Committee can no longer withdraw the offer of those benefits or when the Corporate Joint Committee recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Corporate 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 Corporate 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 Corporate Joint Committee.

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 Corporate Joint Committee's accounts is 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 Corporate 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 projections of earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 6.35% calculated as a weighted average of 'spot yields' on AA rated corporate bonds.

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

When the calculation results in a net asset for the Corporate Joint Committee, the net asset must be recognised at the lower of that net asset and the asset ceiling, which is calculated as the net present value of future service costs less net present value of future contributions over the future working lifetime. Where the asset ceiling is the lower, an adjustment will be required which is included as a remeasurement.

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 – allocated in the Comprehensive Income and Expenditure Statement to the service for which the employees worked.
- 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.

NOTE I – ACCOUNTING POLICIES (continued)

- Net interest on the net defined benefit liability/(asset), i.e. the net interest expense for the Corporate Joint Committee – the change during the period in the net defined benefit 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 obligation at the beginning of the period to the net defined benefit liability/(asset) at the beginning of the period – taking into account any changes in the net defined benefit 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 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 Corporate 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 Corporate Joint Committee 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 Corporate Joint Committees) in Wales and England are required to produce their financial statements in accordance with IAS 19.

1.4.5 Discretionary Benefits

The Corporate 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 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.

NOTE I – ACCOUNTING POLICIES (continued)

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 Corporate 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 Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Corporate Joint Committee becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost.

The Corporate Joint Committee currently has no borrowings.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The Corporate Joint Committee holds financial assets measured at:

- amortised cost, and
- fair value through profit or loss (FVPL)

The Corporate Joint Committee's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Corporate Joint Committee becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Corporate Joint Committee, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The Corporate Joint Committee recognises expected credit losses on all of its financial assets held at amortised costs, either on a 12 month or lifetime basis. Only lifetime losses are recognised for trade receivables held by the Corporate Joint Committee. Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations.

Financial Assets Measured at Fair Value through Profit and Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Corporate Joint Committee becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the Surplus or Deficit on the Provision of Services.

NOTE 1 – ACCOUNTING POLICIES (continued)

Fair Value Measurements of Financial Assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the Corporate Joint Committee's financial assets are based on the following techniques:

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

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

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

Any gains and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

1.8 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 relevant service line in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the Corporate Joint Committee has not satisfied.

Grants and contributions funding capital expenditure that have been credited to the Comprehensive Income and Expenditure Statement are not proper income charges due to the capital control regime requirements to finance capital expenditure as part of the Capital Financing Requirement. Therefore, the Corporate Joint Committee accounts for these amounts as follows:

- Where a capital grant or contribution has been received, and conditions remain outstanding at the Balance Sheet date, the grant is recognised as a Capital Grant Receipt in Advance on the Balance Sheet. Once the condition has been met, the grant or contribution is transferred to the Comprehensive Income and Expenditure Statement.
- Where a capital grant or contribution has been recognised as income in the Comprehensive Income and Expenditure Statement, and the expenditure to be financed from that grant or contribution has been incurred at the Balance Sheet date, the grant or contribution is transferred from the General Fund to the Capital Adjustment Account, reflecting the application of capital resources to finance expenditure. This transfer is reported in the Movement in Reserves Statement.

1.9 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 and actual recorded staff time.

1.10 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 and employee benefits. These do not represent the usable resources of the Corporate Joint Committee.

1.11 Revenue Expenditure Funded from Capital Under Statute

Legislation allows some expenditure to be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as an asset. The purpose of this is to enable it to be funded from capital resources rather than be charged to the General Fund. This type of expenditure is valued at historical cost and written down over a year.

1.12 Value Added Tax

Only in a situation when VAT is irrecoverable will VAT be included or charged as 'irrecoverable VAT' in capital and revenue expenditure. Since the Corporate Joint Committee has not registered for VAT, the VAT is recovered through VAT126.

NOTE 1 – ACCOUNTING POLICIES (continued)

1.13 Debtors and Creditors

The Corporate 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.

1.14 Long-Term Contracts

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

1.15 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 Corporate 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 Corporate Joint Committee as a joint operator recognises its share of assets, liabilities, revenue and expenses.

NOTE 2 - CHANGE IN ACCOUNTING POLICY

The Corporate 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.

NOTE 3 - PRIOR PERIOD ADJUSTMENTS

There are no prior period adjustments, however, the Corporate Joint Committee is required for the first time in 2025/26 to prepare a Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended) due to the transfer of the North Wales Growth Deal on 1 April 2025. The Corporate Joint Committee's Annual Return for 2024/25 has therefore been converted to the appropriate format for the Statement of Accounts.

The balances of the North Wales Growth Deal and the Regional Skills Partnership at 31 March 2026 are shown below and these were the basis used for the transfer to the North Wales Corporate Joint Committee:

	Growth Deal	Regional Skills Partnership	Total
	£'000	£'000	£'000
Long-term Debtors	2	0	2
Long-term Assets	2	0	2
Short-term Debtors	133	0	133
Cash and Cash Equivalents	53,716	260	53,976
Current Assets	53,849	260	54,109
Short-term Creditors	(4,540)	(9)	(4,549)
Capital and Revenue Grants Receipts in Advance	(30,787)	0	(30,787)
Current Liabilities	(35,327)	(9)	(35,336)
Capital and Revenue Grants Receipts in Advance	(10,793)	0	(10,793)
Pension Liability	0	0	0
Long-term Liabilities	(10,793)	0	(10,793)
Net Assets	7,731	251	7,982
Usable Reserves	(7,773)	(251)	(8,024)
Unusable Reserves	42	0	42
Total Reserves	(7,731)	(251)	(7,982)

The relevant balances are shown as a 'Transfer Adjustment' in statements and notes that show the movement in balances in order to provide the new opening position of the North Wales Corporate Joint Committee as at 1 April 2025.

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. This applies to the following new or amended standards within the 2026/27 Code:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024.
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024.
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024.
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

The Code requires implementation from 1 April 2026 and therefore there is no impact on the 2025/26 Statement of Accounts. It is not anticipated that the other items above will have a significant impact on the information provided in the 2026/27 financial statements.

NOTE 5 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Corporate 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 assessment, current trends, and local factors that are considered to be relevant.

All available and related information is sourced and applied in assessing and determining the position, which is particularly critical when considering such matters as actuarial valuation of pension fund assets and liabilities, earmarked reserves, long term loans and revenue expenditure funded from capital under statute. 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 Corporate 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 Corporate Joint Committee’s Balance Sheet at 31 March 2026 may be considered to be a significant risk (in terms of certainty in estimation of value), with the possibility of material adjustment in the forthcoming financial year:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Corporate Joint Committee with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions are set out in Note 27.

NOTE 7 – MATERIAL ITEMS OF INCOME AND EXPENSE

Related items include:-

- £2,225k in interest and similar income (Note 11)
- £902k in levies from Constituent Authorities (Note 12)
- £18,199k in grants and contributions (Note 24)
- £5,230k in Revenue Expenditure Funded from Capital under Statute (Note 20)

NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

2025/26	ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS			
	Adjustments for Capital Purposes (i) £'000	Net change for the Pensions Adjustments (ii) £'000	Other Differences (iii) £'000	Total Adjustments £'000
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts				
Corporate Joint Committee	0	(15)	8	(7)
Strategic Planning	0	(1)	0	(1)
Regional Transport	0	(1)	0	(1)
Growth Deal	(123)	(108)	(10)	(241)
Investment Zone	0	(4)	3	(1)
Regional Skills Partnership	0	(16)	3	(13)
Cost of Services	(123)	(145)	4	(264)
Financing and Investment Income and Expenditure	417	(5)	0	412
Taxation and Non-Specific Grant Income	(8,865)	0	0	(8,865)
(Surplus) / Deficit on Provision of Services	(8,571)	(150)	4	(8,717)

There were no adjustments between funding and accounting basis in 2024/25.

(i) Adjustments for Capital Purposes

- For **Services**, this column adds in revenue expenditure funded from capital under statute.
- For **Financing and Investment Income and Expenditure**, the statutory charges for capital financing and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices. This line also recognises adjustments to the General Fund for the loss allowance of a capital loan.

(ii) 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 Corporate 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.

(iii) 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.

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 Corporate Joint Committee in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Corporate Joint Committee to meet future expenditure.

2025/26	Usable Reserve General Fund Balance	Movement in Unusable Reserves
ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS	£'000	£'000
Adjustments involving the Capital Adjustment Account		
Capital grants and contributions applied	14,218	(14,218)
Revenue expenditure funded from capital under statute	(5,230)	5,230
Capital expenditure financed from revenue balances	(123)	123
Loss allowances on capital loans	(294)	294
Adjustments primarily involving the Pensions Reserve		
Reversal of items relating to retirement benefits debited/credited to the Comprehensive Income and Expenditure Statement (Note 27)	(128)	128
Employer's pensions contributions and direct payments to pensioners payable in the year	278	(278)
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	(4)	4
Total Adjustments	8,717	(8,717)

There were no adjustments between funding and accounting basis in 2024/25.

NOTE 10 – TRANSFERS TO/FROM EARMARKED RESERVES

The note below sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans, with a net increase during the financial year of £1,869k.

Note	2025/26	Balance	Transfer	Balance	Transfers		Balance	
		31 March 2025 £'000	Adjustment £'000	1 April 2025 £'000	between reserves £'000	in out £'000	31 March 2026 £'000	
10.1	CJC	(1,113)	0	(1,113)	0	(21)	565	(569)
10.2	Growth Deal - Earmarked Reserve	0	(211)	(211)	0	0	0	(211)
10.3	Growth Deal - Projects Reserve	0	(29)	(29)	0	(123)	0	(152)
10.4	Growth Deal - Interest Reserve	0	(4,733)	(4,733)	0	(331)	0	(5,064)
10.5	Growth Deal - Resources Reserve	0	(2,800)	(2,800)	0	(1,636)	79	(4,357)
10.6	Growth Deal - Interest Holding Reserve	0	0	0	0	(307)	0	(307)
10.7	Regional Skills Partnership	0	(251)	(251)	0	(95)	0	(346)
	Total	(1,113)	(8,024)	(9,137)	0	(2,513)	644	(11,006)

- 10.1 CJC - to support future years' budgets for the Corporate Joint Committee, Regional Transport and Strategic Planning functions.
- 10.2 Growth Deal - Earmarked Reserve - to support future years' budgets and staffing structure of the Portfolio Management Office.
- 10.3 Growth Deal - Projects Reserve - to fund expenditure that supports the delivery of Regional Economic Framework priorities.
- 10.4 Growth Deal - Interest Reserve - to fund the cost of borrowing in future years.
- 10.5 Growth Deal - Resources Reserve - to fund government requirements, project development costs and retain the Portfolio Management Office's capacity.
- 10.6 Growth Deal - Interest Holding Reserve - to hold interest accrued on loans that are payable in the long term.
- 10.7 Regional Skills Partnership - to support budgets and commitments in the skills field in subsequent years.

NOTE 11 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2024/25	2025/26
£'000	£'000
0 Net interest on the net pension defined benefit liability/(asset)	(5)
(57) Interest receivable and similar income	(2,225)
0 Loss allowances on financial instruments	295
(57) Total	(1,935)

NOTE 12 – TAXATION AND NON-SPECIFIC GRANT INCOME

2024/25		2025/26
£'000		£'000
(124)	Conwy County Borough Council	(147)
(121)	Cyngor Gwynedd	(145)
(107)	Denbighshire County Council	(127)
(173)	Flintshire County Council	(203)
(77)	Isle of Anglesey County Council	(90)
(150)	Wrexham County Borough Council	(177)
(13)	Eryri National Park Authority	(13)
(765)	Levies from Constituent Authorities	(902)
0	Capital Grants and Contributions (Note 24)	(8,865)
(765)	Taxation and Non-Specific Grant Income	(9,767)

NOTE 13a – FINANCIAL INSTRUMENTS

(i) Financial Instruments - Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Corporate Joint Committee and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Corporate Joint Committee.

The Corporate Joint Committee's financial liabilities held during the year are measured at amortised cost and comprised:

- trade payables for goods and services received

Financial Assets

A financial asset is a right to future economic benefits controlled by the Corporate Joint Committee that is represented by cash, equity instruments or a contractual right to receive cash or another financial asset or a right to exchange financial assets and liabilities with another entity that is favourable to the Corporate Joint Committee. The financial assets held by the Corporate Joint Committee during the year are accounted for under the following two classifications:

Amortised cost (where cash flows are solely payments of principal and interest and the Corporate Joint Committee's business model is to collect those cash flows) comprising:

- bank accounts
- fixed term deposits with UK Government
- loans to other local authorities
- loans to small companies
- trade receivables for goods and services delivered

Fair value through profit and loss (all other financial assets) comprising:

- money market funds

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Corporate Joint Committee.

NOTE 13a – FINANCIAL INSTRUMENTS (continued)

(ii) Financial Instruments - Balances

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories:

Financial Liabilities	Long-Term		Short-Term	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£'000	£'000	£'000	£'000
<i>Liabilities at amortised cost:</i>				
Trade payables	0	0	305	805
Included in Creditors *	0	0	305	805
Total Financial Liabilities	0	0	305	805

* The short-term creditors line on the Balance Sheet includes £4,720,000 (2024/25: £94,000) creditors (Note 16) that do not meet the definition of a financial liability.

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

Financial Assets	Long-Term		Short-Term	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£'000	£'000	£'000	£'000
<i>At amortised cost:</i>				
Principal	0	0	0	34,000
Accrued interest	0	0	0	89
Loss allowance	0	0	0	0
Total Investments	0	0	0	34,089
<i>At amortised cost:</i>				
Principal	0	0	1,421	2,260
Accrued interest	0	0	5	3
Loss allowance	0	0	0	(1)
<i>At fair value through profit and loss:</i>				
Fair value	0	0	0	20,000
Total Cash and Cash Equivalents	0	0	1,426	22,262
<i>At amortised cost:</i>				
Principal	0	8,865	0	0
Accrued interest	0	306	0	0
Loss allowance	0	(294)	0	0
Trade receivables	0	0	0	37
Included in Debtors *	0	8,877	0	37
Total Financial Assets	0	8,877	0	56,388

* The short-term debtors line on the Balance Sheet includes £23,501,000 (2024/25: £0) debtors (Note 14) that do not meet the definition of a financial asset. The £8,877,000 long-term debtors balance relates to a loan provided as part of the Cydnerth Growth Deal project.

NOTE 13a – FINANCIAL INSTRUMENTS (continued)

(iii) Financial Instruments - Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

	Financial Assets			
	Amortised Cost	Fair Value through Profit & Loss	2025/26	2024/25
	£'000	£'000	Total £'000	Total £'000
Interest income	(1,657)	0	(1,657)	(57)
Dividend income	0	(568)	(568)	0
Interest and investment income	(1,657)	(568)	(2,225)	(57)
Loss allowance	295	0	295	0
Adjustments to provisions and the fair value of financial instruments	295	0	295	0
Net impact on surplus/ deficit on provision of services	(1,362)	(568)	(1,930)	(57)
Net (gain)/loss for the year	(1,362)	(568)	(1,930)	(57)

(iv) Financial Instruments - Fair Values

The fair value of a financial instrument is the price that would be received when selling an asset, or the price that would be paid when transferring a liability, to another market participant in an arm's-length transaction.

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including shares in money market funds, the fair value is taken from the market price.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2026, using the following methods and assumptions:

- The fair values of long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs that are observable for the asset or liability, other than quoted prices in active markets, e.g. interest rates or yields for similar instruments, or quoted prices in inactive markets.
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

NOTE 13a – FINANCIAL INSTRUMENTS (continued)

	Fair Value Level	Balance Sheet 31 March 2025 £'000	Fair Value 31 March 2025 £'000	Balance Sheet 31 March 2026 £'000	Fair Value 31 March 2026 £'000
<i>Financial assets held at fair value:</i>					
Money market funds	1	0	0	20,000	20,000
<i>Financial assets held at amortised cost:</i>					
Long-term loans to companies	3	0	0	8,877	6,760
TOTAL		0	0	28,877	26,760
Assets for which fair values are not disclosed *		1,426		36,388	
TOTAL FINANCIAL ASSETS		1,426		65,265	
<i>Recorded on Balance Sheet as:</i>					
Long-term debtors		0		8,877	
Short-term debtors		0		37	
Short-term investments		0		34,089	
Cash and cash equivalents		1,426		22,262	
TOTAL FINANCIAL ASSETS		1,426		65,265	

* The fair value of short-term financial assets held at amortised cost, including trade receivables, is assumed to approximate to the carrying amount.

The fair value of financial assets held at amortised cost is lower than their balance sheet carrying amount because the interest rate on similar loans is higher than that obtained when the loan was originally made.

NOTE 13b – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Corporate Joint Committee complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2021.

In line with the Treasury Management Code, the Corporate Joint Committee approves a Treasury Management Strategy. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Corporate Joint Committee also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks. The Corporate Joint Committee's Treasury Strategy, together with its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

NOTE 13b – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

The main risks are:

- *Credit Risk*: The possibility that one party to a financial instrument will fail to meet its contractual obligations, causing a loss to the Corporate Joint Committee.
- *Liquidity Risk*: The possibility that the Corporate Joint Committee might not have the cash available to make contracted payments on time.
- *Market Risk*: The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk: Investments

The Corporate Joint Committee manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK Government, and other local authorities without credit ratings upon which the Corporate Joint Committee has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Corporate Joint Committee has regard to other measures including credit default swap and equity prices when selecting commercial organisations for investment.

A limit of £5m of the total portfolio is placed on the amount that can be invested with a single counterparty (other than UK government). For unsecured investments in banks, building societies and registered providers, a smaller limit of £3m applies.

The Corporate Joint Committee does not hold collateral security against any investments.

The table below summarises the credit risk exposures of the Corporate Joint Committee’s treasury investment portfolio by credit rating:

Credit Rating	Short-Term	
	31 March 2025 £'000	31 March 2026 £'000
AAA (Money Market Funds)	0	20,000
A+	1,421	2,255
UK Government	0	3,000
Local authorities	0	31,000
Total Investments (Principal)	1,421	56,255

Loss allowances on treasury investments and cash and cash equivalents have been calculated by reference to historic default data published by credit rating agencies, multiplied by 110% to adjust for current and forecast economic conditions. A two-year delay in cash flows is assumed to arise in the event of default. Investments are determined to have suffered a significant increase in credit risk where they have been downgraded by three or more credit rating notches or equivalent since initial recognition, unless they retain an investment grade credit rating. They are determined to be credit-impaired when awarded a “D” credit rating or equivalent. At 31 March 2026, £792 of loss allowances related to treasury investments.

Liquidity Risk

At 31 March 2026, the Corporate Joint Committee held £22.3m (2024/25: £1.4m) of liquid financial assets that can be withdrawn or sold at short notice if required to meet cash outflows on financial liabilities.

NOTE 13b – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Market Risk: Interest Rate Risk

The Corporate Joint Committee is exposed to risk in terms of its exposure to interest rate movements on borrowings and investments. Movements in interest rates have a complex impact on the Corporate Joint Committee. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense will rise.
- Borrowings at fixed rates – the fair value of the liabilities will fall.
- Investments at variable rates – the interest income will rise.
- Investments at fixed rates – the fair value of the assets will fall.

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	31 March 2026 £'000
Increase in interest receivable on variable rate investments	(196)
Decrease in fair value of investments held at FVPL	26
Impact on Surplus or Deficit on the Provision of Services	(170)
Decrease in fair value of loans and investments at amortised cost *	18

* No impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure.

NOTE 14 – SHORT-TERM DEBTORS

	31 March 2025 £'000	31 March 2026 £'000
Trade Receivables	0	3
Prepayments	0	34
Other Receivable Amounts *	86	23,501
Total	86	23,538

* £22.5m of the North Wales Growth Deal Grant was due from Welsh Government at 31 March 2026.

NOTE 15 – CASH AND CASH EQUIVALENTS

	31 March 2025 £'000	31 March 2026 £'000
Bank Current Accounts	0	5
Call Accounts	1,426	22,257
Cash and Cash Equivalents	1,426	22,262

NOTE 16 – SHORT-TERM CREDITORS

	31 March 2025	31 March 2026
	£'000	£'000
Trade Payables	305	805
Receipts in advance	90	0
Other Payables	4	4,720
Total	399	5,525

NOTE 17 – UNUSABLE RESERVES

31 March 2025		31 March 2026
£'000		£'000
0	Capital Adjustment Account	8,571
0	Pensions Reserve	0
0	Accumulated Absences Account	(46)
0	Total Unusable Reserves	8,525

17.1 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation; impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Corporate Joint Committee as finance for the costs of acquisition, construction and enhancement.

Note 9 provides details of the source of all the transactions posted to the Account.

2024/25		2025/26
£'000		£'000
0	Balance 1 April	0
0	Transfer Adjustment	0
0	Restated Balance 1 April	0
	<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</u>	
0	Revenue Expenditure funded from Capital under Statute	(5,230)
0	Loss allowances on capital loans	(294)
	<u>Capital financing applied in the year:</u>	
0	Grants and contributions credited to Comprehensive Income and Expenditure Statement that have been applied to capital financing	14,218
0	Revenue provision for the financing of supported capital investment	(123)
0	Balance 31 March	8,571

NOTE 17 – UNUSABLE RESERVES (continued)

17.2 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 Corporate 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 Corporate 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
0 Transfer Adjustment	0
0 Restated Balance 1 April	0
0 Re-measurements of the net pension defined benefit (liabilities) / assets	(150)
0 Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(128)
0 Employer's pensions contributions and direct payments to pensioners payable in the year	278
0 Balance 31 March	0

17.3 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise appear 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 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2024/25 £000	2025/26 £000
0 Balance 1 April	0
0 Transfer Adjustment	(42)
0 Restated Balance 1 April	(42)
0 Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(4)
0 Balance 31 March	(46)

NOTE 18a – CASH FLOW STATEMENT – ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH MOVEMENTS

2024/25 £'000	2025/26 £'000
(145) (Increase)/Decrease in Creditors	(19,714)
(209) Increase/(Decrease) in Debtors	23,713
0 Pension Liability	150
0 Other non-cash items charged to net surplus/deficit on the provision of services	(298)
(354)	3,851

NOTE 18b – CASH FLOW STATEMENT – ADJUST FOR ITEMS INCLUDED IN THE NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES THAT ARE INVESTING AND FINANCING ACTIVITIES

2024/25 £'000	2025/26 £'000
0 Grant received for the financing of loan advanced	6,942
0	6,942

NOTE 18c – CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following item:

2024/25 £'000	2025/26 £'000
(4) Dividends and interest received	(1,780)

NOTE 19 – CASH FLOW STATEMENT – INVESTING ACTIVITIES

2024/25 £'000	2025/26 £'000
0 Purchase of short-term investments	569,080
0 Loan advanced	6,942
0 Proceeds from short-term investments	(535,080)
0 Grant received for the financing of loan advanced	(6,942)
0	34,000

NOTE 20 – EXPENDITURE AND INCOME ANALYSED BY NATURE

The Corporate Joint Committee's expenditure and income is analysed as follows:

2024/25		2025/26
£'000	<u>Expenditure / Income</u>	£'000
	Expenditure	
104	Employee benefits expenses	1,963
0	Premises	59
0	Transport	5
610	Supplies and Services	1,604
69	Third Party	522
0	Loss allowances on financial instruments	295
0	Revenue Expenditure Funded From Capital Under Statute	5,230
783	Total Expenditure	9,678
	Income	
0	Partner Contributions	(818)
(765)	Levy	(902)
(57)	Interest and investment income	(2,230)
(181)	Grants and other contributions	(17,381)
(1,003)	Total Income	(21,331)
(220)	(Surplus) / Deficit on the Provision of Services	(11,653)

NOTE 21 – OFFICERS' REMUNERATION

21a. The Accounts and Audit (Wales) Regulations 2014 (as amended) require the Corporate Joint Committee to disclose the following information relating to employees appointed as Senior Officers, and whose salary is between £60,000 and £150,000. 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 remuneration paid to the Corporate Joint Committee's senior officers is as follows:

Chief Officers	2025/26		Total £
	Salary £	Employer's Pension Contribution £	
Chief Executive*	125,900	22,447	148,347
Head of Operations**	97,028	19,017	116,045
Regional Skills Manager	63,273	12,402	75,675

* The Chief Executive was appointed in June 2025 and was previously in the Portfolio Director role. Whilst in the Portfolio Director role, they undertook the Chief Executive role for 2 days a week and received an honorarium in relation to this role. The figures above include the remuneration received whilst in both posts. Prior to the transfer, the CJC recompensated the NWEAB for all employment and associated costs related to the Chief Executive post, salary costs were £26,302 and employer's pension contribution was £5,050.

** The Head of Operations undertook the role of Portfolio Director for three days a week and therefore remuneration received was based on two pay scales.

NOTE 21 – OFFICERS’ REMUNERATION (continued)

21b. Other Corporate Joint Committee employees receiving more than £60,000 remuneration for the year (excluding employer’s pension and national insurance contributions) were paid the following amounts. Termination benefits are to be included in the figures; however, there were no cases in 2025/26 and 2024/25.

Number of other employees who received more than £60,000 and includes remuneration and termination benefits:	Number in 2025/26 Total
£60,000 - £64,999	3

21c. The Accounts and Audit (Wales) Regulations 2014 (as amended) require the Corporate Joint Committee to include a ratio of remuneration. The ratio of the Chief Executive’s remuneration to the median remuneration of all the Corporate Joint Committee’s employees for 2025/26 is 2.75:1, which corresponds to a median salary of £46,142.

NOTE 22 – 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 related package cost to the employer, rather than the actual value of the payments to the individuals. In accordance with the requirements the related commitments as known to the Corporate Joint Committee as at 31 March 2026 are included. Included below are the related gross costs but not the financial savings to the Corporate Joint Committee, where appropriate.

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	0	1	0	0	0	1	0	10
Total	0	1	0	0	0	1	0	10

NOTE 23 – EXTERNAL AUDIT COSTS

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

2024/25 £'000	2025/26 £'000
(5) Fees payable to the auditor appointed by the Auditor General for Wales with regard to external audit services	55
(5) Net Fees	55

*The audit costs are showing as negative in 2024/25 due to an overaccrual that was made in the previous year. The true fee for the 2024/25 audit was £1,909.

NOTE 24 – GRANT INCOME

24a. The Corporate 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				
North Wales Growth Deal Grant	0		5,353	
Local Energy Grant	0		177	
CJC Implementation Grant	0		200	
Strategic Development Plan Grant	0		200	
Regional Transport Plan Grant	181		200	
Investment Zone Consultancy Support Grant	0		25	
Flintshire and Wrexham Investment Zone Grant	0		430	
Regional Skills Partnership Grant	0		290	
		<u>181</u>		<u>6,875</u>
Other Grants and Contributions				
Partners' Contributions				
Conwy County Borough Council	0		112	
Denbighshire County Council	0		111	
Flintshire County Council	0		118	
Cyngor Gwynedd	0		113	
Isle of Anglesey County Council	0		107	
Wrexham County Borough Council	0		122	
Bangor University	0		29	
Wrexham University	0		39	
Coleg Cambria	0		29	
Grŵp Llandrillo Menai	0		38	
		<u>0</u>		<u>818</u>
Cyngor Gwynedd				
North Wales Growth Deal Grant	0		1,108	
UK Shared Prosperity Fund	0		321	
		<u>0</u>		<u>1,429</u>
Other				
Welsh Local Government Association - Regional Skills Partnership Grant	0		95	
Grŵp Llandrillo Menai - Access to Funding Charges	0		25	
Wrexham County Borough Council - UK Shared Prosperity Fund	0		91	
Public Health Wales NHS Trust and Social Care Wales	0		1	
		<u>0</u>		<u>212</u>
Total		<u>181</u>		<u>9,334</u>
Credited to Taxation and Non-specific Grant Income				
Welsh Government				
North Wales Growth Deal Grant		0		8,865
Total		<u>0</u>		<u>8,865</u>

* The North Wales Growth Deal Grant is funded 50% by Welsh Government and 50% by UK Government.

NOTE 24 – GRANT INCOME (continued)

24b. The Corporate Joint Committee has received grants, contributions or donations that have yet to be recognised as income as they have conditions attached that could require the monies to be returned to the giver. The balance at the year-end are as follows:

	31 March 2025 £'000	31 March 2026 £'000
Grants and Contributions Received in Advance		
<u>Short Term</u>		
Capital Grants		
North Wales Growth Deal Grant	0	48,756
Flintshire and Wrexham Investment Zone Grant	0	7,800
	<hr/>	<hr/>
		56,556
Revenue Grants and Contributions		
Flintshire and Wrexham Investment Zone Grant	0	6,070
Agri-Food Status Research Contributions	0	17
	<hr/>	<hr/>
	0	6,087
Total	<hr/> 0 <hr/>	<hr/> 62,643 <hr/>

NOTE 25 – RELATED PARTIES

The Corporate Joint Committee is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Corporate 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 Corporate 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 Corporate 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.

Summarised below are the payments and income between the Corporate Joint Committee, the Local Authorities, Further and Higher Education Establishments and Eryri National Park Authority for the 2025/26 financial year. Cyngor Gwynedd provides the support services for the Corporate Joint Committee.

	Payments made	Amounts owed by the CJC	Income Received	Amounts owed to the CJC
	£'000	£'000	£'000	£'000
Conwy County Borough Council	1	0	(259)	0
Denbighshire County Council	0	0	(238)	0
Flintshire County Council	70	130	(321)	0
Cyngor Gwynedd	100	505	(1,600)	(185)
Isle of Anglesey County Council	0	0	(197)	0
Wrexham County Borough Council	0	128	(364)	(26)
Bangor University	1,571	343	(29)	0
Wrexham University	930	577	(39)	0
Coleg Cambria	0	0	(29)	0
Grŵp Llandrillo Menai	837	1,205	(38)	(25)
Eryri National Park Authority	0	0	(13)	0

Welsh Government

Welsh Government has effective control over the general operations of the Corporate Joint Committee, and is responsible for providing the statutory framework and provides the majority of its funding in the form of grants. Grants received from Welsh Government are set out in the subjective analysis in Note 20 which analyses expenditure and income by nature. The position as at 31 March is detailed in Note 24.

Board Members, Advisers and Officers

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

All Board Members, Advisers and Senior Officers of the Corporate Joint Committee have completed declaration forms to declare their interest or relationship in companies, voluntary, charitable or public bodies that have dealings with the Corporate Joint Committee.

A breakdown of the payments made to these bodies under this heading during 2025/26 and balances at 31 March 2026 is as follows:

Payments made	Amounts owed by the CJC	Income Received	Amounts owed to the CJC
£'000	£'000	£'000	£'000
53	19	0	0

One of the voting members of the CJC is also a member of the Gwynedd Pension Fund Pensions Committee. Details of transactions with the Pension Fund are shown in Note 27.

A Senior Officer is a Non-Executive Director of Menter Môn. Details of the CJC's balances with Menter Môn are shown in Note 13a.

NOTE 26 – CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Corporate Joint Committee, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Corporate Joint Committee that has yet to be financed.

The movement in the year is explained as follows:

	2025/26 £'000
Capital Financing Requirement 1 April	0
Transfer Adjustment	0
Restated Capital Financing Requirement 1 April	0
Capital investment in the year	
Capital loans	8,865
Funded from capital under statute	5,230
Sources of finance	
Government Grants and other contributions	(14,095)
Capital Financing Requirement 31 March	0

NOTE 27 – PENSION COSTS

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

The CJC 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 Corporate 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 Corporate 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 Corporate 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

NOTE 27 – PENSION COSTS (continued)

required to make is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of 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.

Change in the Fair Value of Net Liability	Net (liability) /asset
	31 March 2026
	£'000
Fair value of plan assets	3,046
Present value of funded liabilities	(2,072)
Effect of the asset ceiling	(974)
Opening Position at 1 April	0
Service cost	
- Current service cost*	(133)
Total Service Cost	(133)
Net interest	
- Interest income on plan assets	189
- Interest cost on defined benefit liability	(127)
- Interest on the effect of the asset ceiling	(57)
Total Net Interest	5
Total Defined Benefit Cost Recognised in Profit/(Loss)	(128)
Cash flows	
- Employer contributions	275
Expected Closing Position	147
Remeasurements	
- Change in demographic assumptions	(5)
- Change in financial assumptions	123
- Other experience**	(17)
- Return on assets excluding amounts included in net interest	150
- Changes in the effect of the asset ceiling	(398)
Total remeasurements recognised in Other Comprehensive Income (OCI)	(147)
Fair Value of Plan Assets	3,764
Present Value of Funded Liabilities	(2,335)
Effect of the asset ceiling	(1,429)
Closing Position at 31 March	0

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

** The other experience includes an allowance of £17,000 for the April 2026 pension increase order impact.

Pensions assets and liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Corporate Joint Committee's liability in respect of its defined benefit plan is as follows:

	31 March 2026
	£'000
Fair value of plan assets	3,764
Present value of funded liabilities	(2,335)
Sub-total	1,429
Effect of IAS 19/ IFRIC 14	(1,429)
Net Asset/ (Liability) Arising From Defined Benefit Liability	0

NOTE 27 – PENSION COSTS (continued)

The actuarial valuation of the Corporate Joint Committee’s pension scheme liabilities and pensions reserve shown on the Balance Sheet reports a net asset or liability of zero. The Corporate Joint Committee’s Actuary, Hymans Robertson LLP, determined that the fair value of the Corporate Joint Committee’s pension plan assets outweighed the present value of the plan liabilities at 31 March 2026 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 Corporate 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 for 2025/26 results in greater future service contributions than future service costs so the economic benefit is limited to zero. The Corporate Joint Committee relies and places assurance on the professional judgement of the Actuary and the assumptions used to calculate this actuarial valuation.

The Major Categories of Plan Assets as a Percentage of Total Plan Assets

The Actuary has provided a detailed breakdown of Fund assets in accordance with the requirements of IAS 19. This analysis distinguishes between the nature and risk of those assets, and to further break them down between those with a quoted price in an active market, and those that are not quoted. The asset split for the Corporate Joint Committee is assumed to be in the same proportion to the Fund’s asset allocation as at 31 March 2026. The split is shown in the table below. The value of the Fund’s assets as at 31 March 2026 was £3.59bn. Only a portion of the Fund is relevant to the Corporate Joint Committee.

Fair Value of Employer Assets

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

Asset Category	At 1 April 2025				At 31 March 2026			
	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	%
Private Equity								
All	0	156	156	5	0	173	173	5
Real Estate								
UK Property	0	166	166	5	0	183	183	5
Investment Funds and Unit Trusts								
Equities	0	1,619	1,619	54	0	1,833	1,833	49
Bonds	0	889	889	29	0	1,295	1,295	34
Infrastructure	0	183	183	6	0	221	221	6
Cash and Cash Equivalents								
All	0	33	33	1	0	59	59	1
Total	0	3,046	3,046	100	0	3,764	3,764	100

NOTE 27 – 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 2025 model, with core parameterisation, 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. 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:

	1 April 2025	31 March 2026
Financial Assumptions	% p.a.	% p.a.
Pensions Increase Rate	2.70	3.00
Salary Increase Rate	3.20	3.50
Inflation Rate	2.70	3.00
Discount Rate	5.85	6.35
Long-term expected rate of return on all categories of assets	5.85	6.35
Take-up option to convert annual pension into retirement lump sum		
for pre-April 2008 service		65
for post-April 2008 service		65
Mortality assumptions		Years
Longevity at 65 for current pensioners		
Men		20.9
Women		23.8
Longevity at 65 for future pensioners		
Men		21.9
Women		25.4

The estimation of the defined benefit liabilities 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 liabilities as at 31 March 2026 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 Corporate Joint Committee of a one-year increase in life expectancy. For sensitivity purposes this is assumed to be an increase in the defined benefit liability 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 27 – PENSION COSTS (continued)

The figures in the table below have been derived based on the membership profile of the Corporate Joint Committee as at 1 April 2025.

Impact on the Defined Benefit Liability in the Scheme Change in assumption	Approximate increase to	Approximate monetary
	Defined Benefit Liability	amount
	31 March 2026	31 March 2026
	%	£'000
0.1% decrease in real discount rate	3	62
1 year increase in member life expectancy	4	93
0.1% increase in the salary increase rate	0	4
0.1% increase in the pension increase rate	2	58

Impact on the Corporate 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. The Corporate Joint Committee has agreed a strategy with the fund's Actuary to achieve a funding level of 100% over the next 17 years. Funding levels are monitored on an annual basis.

The contributions paid by the Corporate 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 employer contributions rate payable over the period to 31 March 2026 was 19.6%.

Information about the Defined Benefit Liability

	Liability Split	
	31 March 2026	
	£'000	%
Active Members	2,335	100.0
Deferred Members	0	0.0
Pensioner Members	0	0.0
Total	2,335	100.0

The above figures are for funded liabilities only and do not include unfunded pensioner liabilities. As at the date of the most recent valuation, the duration of the Employer's funded liabilities is 29 years.

Impact in Future Years

The total contributions expected to be made to the Local Government Pension Scheme by the Corporate Joint Committee in the year to 31 March 2027 is £191k.

As the Actuary's report is based on estimates and due to timing issues, an adjustment of -£3,362 has been made in 2025/26, to bring the position in the Scheme based on the Actuarial figures in line with the closing position as at 31 March 2026. This variance has been treated as Actuarial Gains and Losses on Pension Assets and Liabilities.

NOTE 28 – JOINT VENTURES

The Corporate Joint Committee has entered into a joint venture with Welsh Government for the development of land for new build employment and business premises at Parc Bryn Cegin, with construction commencing in 2025/26. The Corporate Joint Committee's capital contribution to the project is 83% and Welsh Government's capital contribution is 17%. The distribution of receipts will be split between the Corporate Joint Committee and Welsh Government based on their percentage of capital contributions.

The Corporate Joint Committee's accounts for 2025/26 include its actual transactions and balances in respect of the joint venture.

NOTE 29 – EVENTS AFTER THE REPORTING PERIOD

The Statement of Accounts was authorised by the responsible financial officer on 3 July 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 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect its impact.

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 Corporate 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 Corporate Joint Committee. Some balances (reserve) may be earmarked for specific purposes for funding future defined initiatives or meeting identified risks or liabilities.

Capital Adjustment Account - A reserve set aside from revenue resources or capital receipts to fund capital expenditure or the repayment of external loans and certain other capital financing transactions.

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.

Capital Financing - Funds obtained to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

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

Creditors - Amounts owed by the Corporate 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 Corporate 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.

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 Corporate Joint Committee and it includes the net cost of all services financed by partners' contributions and levies and Government grants.

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.

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.