maethu cymru | foster wales

Gwasanaeth Mabwysiadu Cenedlaethol | National Adoption Service

National Adoption Service and Foster Wales Joint Committee

Unaudited Statement of Accounts Year Ended 31st March 26

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Narrative Report

Background

In October 2021, the Welsh Local Government Association (WLGA) Executive Board approved the formation of a Joint Committee for the National Adoption Service (NAS) and Foster Wales (FW) (the Joint Committee). The formal process of detailed engagement, consultation and development of the Joint Committee with the agreement of all 22 Welsh local authorities was carried out over a period of two and a half years.

Each local authority was required to seek agreement and formally sign up to the Joint Committee via their respective governance arrangements. This involved legal representatives from the WLGA and Cardiff Council to develop a detailed Joint Committee agreement which was then drafted by an independent, external legal company.

The Joint Committee has been established on behalf of the 22 Welsh Local Authorities, to enable them to exercise their joint powers for the provision of the national and co-ordinating functions of the services.

Membership of the Joint Committee is made up of an elected member representative for each of the 22 Local Authorities. It meets twice a year to receive and approve:

- The Mid-Year and Annual Reports of NAS
- The Annual Report of FW
- The annual programmes of work for the NAS and for FW
- The budget for the office of the Director and national work for NAS and for FW
- The agreement, and any changes to the agreement, for the host authority support of the office of the Director and national work for NAS and FW.

THE NATIONAL ADOPTION SERVICE (NAS) was established in 2014 to improve adoption services across Wales by uniting all 22 local authorities under a single, coordinated framework. It operates through a three-tier structure—local, regional, and national—working closely with 5 regional adoption collaboratives, 3 voluntary adoption agencies, health, and education services. This is underpinned by Welsh legal instruments, 'The Adoption and Children Act 2002 and Joint Adoption Arrangements (Wales) Directions 2015'.

NAS focuses on recruiting and assessing adopters to meet the needs of children with a plan for adoption, placing children with adoptive families, supporting birth parents and adopted adults, and delivering adoption support services.

Since 2015, NAS has also operated the Adoption Register for Wales for the Welsh Government. This is a service that provides a matching facility for children and adopters who are not matched by their own services within a set timescale.

Summary of 2025/26

The 'Adopt Cymru 2025 and Beyond….' strategic plan was developed following extensive engagement with children, young people and families, professionals, and service leaders, including via the annual 'Big Adoption Conversation'. For 2025/26, an interim 12-month plan, focussing on the existing priorities, was developed and agreed by the NAS Governance Board. These priorities related to:

- Finding the best families for our adopted children
- Providing great adoption support
- Ensuring healthy contact through better birth family services
- Ensuring better adoption records and access to information at any stage
- Maintaining the infrastructure and sound governance necessary to deliver the service

NAS will be publishing its Annual Report in August 2026, detailing how these priorities have been delivered. During 2025/26, the NAS Governance Board and key stakeholders met to set the priorities for the next adoption services strategy in Wales. As a result, the 'Adopt Cymru 2030: A Plan for Further Progress' was produced and is being implemented from April 2026.

NAS Performance

The 'Directions' underpinning NAS requires it to operate a performance measurement system. This covers all aspects of its child and adopter related activity, plus adoption support.

NAS publishes its performance data as part of its Annual Report, which will be available in August 2026. The draft performance data is not yet validated, and therefore, the following information may be subject to change.

The number of referrals in respect of children with a plan for adoption reduced in 2025/26 for the fourth year running, with a total of 493 referrals received. Despite an increasing trend over time, the number of placement orders made dropped by 11% this year (242) compared to 2024/25. Fewer children were matched (188 compared to 209 in 2024/25) but the number of children placed remained at a similar level (204 compared to 202 in 2024/25). This overall decline reflects systemic challenges, including increasing complexity in children's needs and other factors reported by services, such as perceived changes in legal decision-making. Despite this, the number of children waiting to be placed at the end of the year rose again to 242, a 16% increase on 2024/25 figures, indicative of the lower number of adopters being approved.

Services reported an improvement in the number of enquiries to adopt in 2025/26, increasing to 1,313 compared to 1,191 in 2024/25. However, the conversion rate from enquiry to registration of interest was just 10% as at Q4 and the total number of adopters approved during the year dropped by 13% to 148, compared to 170 in 2024/25. Subsequently, the number of adopters waiting at the end of the year fell to 84 (a reduction of 6 adopters compared to 2024/25).

The number of active adoption support cases receiving a service from the Regional Adoption Collaboratives dropped from 1,048 at year-end in 2024/25 to 954 in 2025/26. This suggests that families are receiving more informal support such as advice, assistance and signposting to other appropriate services, including in some areas through regional adoption advice 'Hubs' and the Voluntary Adoption Agencies (VAAs) also provide support services to their adoptive families or families waiting.

All children placed for adoption continue to receive a plan for contact (direct and/or indirect) with the birth family and significant others (usually former foster carers). As at the end of 2025/26, there were 3,587 active letterbox cases across Wales. Life Journey Materials were available at matching panel for 82% of cases, continuing an improving trend, although the number of cases with materials at the second adoption review dropped to 56%; this is something that the regions are striving to address and improve.

FOSTER WALES (FW) is the national network of all 22 local authority fostering services in Wales, created to improve outcomes for children by providing stable, local foster care. Evolving from the National Fostering Framework, it aims to keep children in their communities, enhance recruitment and retention of foster carers, and ensure consistent support, training and recognition for carers across Wales.

Summary of 2025/26

In 2025/26, Foster Wales continued to develop fostering services through the delivery of the Foster Wales Work Programme 2025-27 which was developed alongside Heads of Service, Service Leads, Team Managers and Foster Carers. The work programme focussed on five key priority areas:

- Recruitment
- Retention
- Placement Stability
- Governance and Communication
- Performance Information

The majority of actions agreed within the work programme were completed or progressed. Foster Wales will be publishing its Annual Report in September 2026, detailing how these priorities have been implemented and the impact they have had.

During 2025/26, the Lead Heads of Children's Services group (LHOCS) met to set the priorities for the next phase of the work programme, which will tie in with the next round of the grant funding period. The Foster Wales work programme 2026-28 was produced and is being implemented from April 2026.

FW Performance

During 2025/26, there was a small decrease in initial enquiries compared with the same period of the previous year. There was a 16% decrease of initial visits taking place in comparison with last year, with 1 region seeing increases. This decrease in initial visits meant that the conversion from enquiry to initial visit decreased from 28% to 24%.

Despite the drop in initial visits, allocations of assessment continued to increase to 307, an increase of 36 (or 23%) on last year, with 73 (24%) being closed prior to completion. This shows a significantly higher conversion rate from initial visit to allocation than in the previous year.

6 less foster carer households were approved than last year, but with significantly more still in the assessment process. The proportion of these assessments that were completed within 6 months has increased from 57% in 2024/25, to 58%.

There were 19 fewer terminations of approval compared with 2024/25 and the net loss of households decreased to -6 from -19.

There was an 8% decrease in the number of children placed into mainstream fostering provision, with 70.6% of children placed into LA fostering provision. This compares with 71.6% in 2024/25.

Interest from transferring carers, particularly those from commercial IFAs, has increased with both enquiries and initial visits of IFA households rising.

Risks

The NAS & FW Risk Register continued to be monitored during 2025–26.

Overall, the register highlighted financial sustainability as continuing to be the most significant and cross-cutting risk, particularly the potential reduction or loss of Welsh Government grant funding. This risk underpins several others, including impacts on staffing, service delivery, marketing capacity, and the ability to meet statutory obligations.

Alongside financial pressures, workforce and capacity challenges were identified, including risks associated with leadership transition and central team resilience. The ability to recruit sufficient adopters and foster carers directly affects service performance, with risks that children may remain in care longer or be placed in less suitable provision if recruitment needs are not met.

Governance, particularly around Joint Committee quoracy, and maintaining effective political and strategic leadership was also seen as risk. Actions to address this included procedural changes and proactive engagement with members to ensure continuity of decision-making.

Finally, the register recognised operational and external risks, including IT security, cyber threats, commissioned service provider failure, and reputational risks arising from serious incidents. These were mitigated through established controls such as compliance with Cardiff Council policies, contract monitoring, and ongoing staff training.

In summary, while many risks were reduced from high to medium through active management and strong governance arrangements, there is a continuing need for sustained funding, workforce stability, and effective partnership working to ensure the delivery of high-quality adoption and fostering services across Wales.

Statement of Responsibilities for the Statement of Accounts for the National Adoption Service and Foster Wales Joint Committee

Cardiff Council (as Host) Responsibilities

The Council is required:

- To make arrangements for the proper administration of its financial affairs and secure that an appropriate officer has the responsibility for the administration of those affairs. This is the Corporate Director Resources Section 151 Officer; and
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Joint Committee's Responsibilities

The Joint Committee is required:

- To approve the Statement of Accounts.

Signature

Date

Chair of the National Adoption Service and Foster Wales Joint Committee

National Adoption Service

Room 475, 4th Floor

County Hall

Cardiff

CF10 4UW

Responsibilities of the Section 151 Officer as Treasurer of the Joint Committee

The Section 151 Officer is responsible for the preparation of the NAS and FW Joint Committee's financial statements in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code).

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

- Selected suitable accounting policies and applied them consistently
- Made judgements and estimations that were reasonable and prudent; and
- Complied with the Code.

The Section 151 Officer has also:

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

The Section 151 Officer Certificate

I certify that the Statement of Accounts of the National Adoption Service and Foster Wales Joint Committee give a true and fair view of the financial position at 31st March 26.

Signature:

Date: 29.06.2026

Christopher Lee

S151 Officer, Cardiff Council

County Hall

Atlantic Wharf

Cardiff

CF10 4UW

Auditor General for Wales report to the members of the National Adoption Service and Foster Wales Joint Committee

National Adoption Service and Foster Wales Joint Committee Expenditure and Funding Analysis 2025/26

The objective of the Expenditure and Funding Analysis is to demonstrate how funding available to the NAS and FW Joint Committee (the Joint Committee) in the year has been used in providing services in comparison with any resources consumed or earned by the service in accordance with generally accepted accounting practices.

Expenditure and Funding Analysis 2025/26	**Net Expenditure Chargeable to General Fund Balances £'000**	**Adjustments Between Accounting and Funding Basis £'000**	**Comprehensive Income and Expenditure £'000**
Core Budget	0	0	0
Net Cost of Services	**0**	**0**	**0**
Financing and Investment Income and Expenditure			
Contribution from other local authorities	0	0	0
Interest receivable	0	0	0
Repayment of prior year underspend	0	0	0
Pensions interest payable	0	0	0
Surplus of Deficit on the Provision of Services	**0**	**0**	**0**
Opening General Fund Balance at 31 March 2025	0	0	0
Less deficit on General Fund Balance in Year	0	0	0
Closing General Fund Balance in Year	0	0	0
Closing General Fund Balance at 31 March 2026	**0**	**0**	**0**

National Adoption Service and Foster Wales Movement in Reserves Statement 2025/26

Movement in Reserves Statement	Notes	Usable Reserves £'000	Accumulated Absences Account £'000	Pensions Reserve £'000	Total Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2025 Carried Forward	14	**(956)**	**0**	**0**	**0**	**(956)**
Movement in reserves during 2025/26		(9)				(9)
Total Comprehensive Income and Expenditure		**0**	**0**	**0**	**0**	**0**
Adjustments between Accounting Basis & Funding Basis		0	0	0	0	0
Increase/(Decrease) In Year		**0**	**0**	**0**	**0**	**0**
Balance at 31 March 2026 Carried Forward		**(965)**	**0**	**0**	**0**	**(965)**

Financial Performance Summary Report 2025/26

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

Table 1: National Adoption Service and Foster Wales Joint Committee Revenue Budget and Outturn 2025/26

NAS & FW Revenue	2025/26 Budget £'000	2025/26 Outturn £'000	2025/26 Variance £'000
Expenditure:			
National Adoption Service	3,514	3,918	404
Foster Wales	3,255	3,649	394
Welsh Adoption Register	222	222	0
Total	**6,991**	**7,789**	**798**
Funded by:			
Welsh Government Grants	(5,908)	(5,908)	0
WLGA	(1,083)	(1,881)	(798)
Total	**(6,991)**	**(7,789)**	**(798)**
Net	**0**	**0**	**0**

The Statement of Accounts for the NAS and FW are set out in this document. The core statements of the Joint Committee are:

- The Comprehensive Income and Expenditure Statement which provides information on how it has performed throughout the year and as a result, whether the operations have resulted in a surplus or deficit.
- The Balance Sheet which provides a snapshot of assets and liabilities and cash balances and reserves at year end.

Table 2: National Adoption Service and Foster Wales Joint Committee Comprehensive Income & Expenditure Statement 2025/26

2024/25 £'000		Notes	2025/26 £'000
	Costs of Service		
675	Employees	8	763
11	Premises		5
5	Transport		4
806	Supplies & Services		786
5,165	Third Party Payments	9	5,209
63	Support Services		57
0	Contribution to earmarked reserve		965
6,725	**Net Operating Expenditure**		**7,789**
(6,725)	**Operating Income**	10	**(7,789)**
0	**Net Cost of Service**		**0**

Table 3: National Adoption Service and Foster Wales Joint Committee Balance Sheet at 31 March 2026

31 March 2025 £'000	Balance Sheet Item	Notes	31 March 2026 £'000
	Long Term Non-Current Assets		
0	Property, Plant and Equipment		0
0	Intangible Assets		0
0	Long Term Debtors		0
0	**Total Non-Current Assets**		**0**
3	Prepayments		3
5,008	Short Term Debtors	12	3,796
0	Short Term Debtors Cash Owing from Host Authority		0
5,011	**Current Assets**		**3,799**
(338)	Short Term Creditors	13	(21)
(3,717)	Short Term Cash		(2,813)
(4,055)	**Current Liabilities**		**(2,834)**
956	**Net Assets**		**965**
(956)	**Usable Reserves**	14	**(965)**

National Adoption Service and Foster Wales Joint Committee Cash Flow Statement 2025/26

31 March 2025 £'000		31 March 2026 £'000
0	**Net Surplus/(Deficit) on the provision of service**	**0**
	Adjust net surplus or deficit on the provision of services for non-cash movements	
(234)	Increase/(Decrease) in Creditors	(317)
(2,129)	(Increase)/Decrease in Debtors	1,212
(3)	Increase/(Drawdown) from Usable Reserves	9
37	(Increase)/Decrease in Prepayments	0
0	Movement on Pension Liability	0
(2,329)	**Total adjustments to net surplus or deficit on the provision of services for non-cash movements**	**904**
0	**Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities**	**0**
(2,329)	**Net Cash Flows from operating activities**	**904**
	Investing Activities	
0	Purchase of property, plant and equipment, investment property and intangible assets	0
0	Other receipts from investing activities	0
0	**Total Investing Activities**	**0**
0	**Financing Activities**	**0**
(2,329)	**Net (Increase)/decrease in cash and cash equivalents**	**904**
(1,388)	**Cash and cash equivalents at the beginning of the reporting period**	(3,717)
(3,717)	**Cash owed to (from) Host Authority as at 31st March 2026**	**(2,813)**

Introduction to the Financial Statements

Statement of Accounting Policies
The purpose of this statement is to explain the basis of the figures in the accounts. It outlines the accounting policies adopted.

Statement of Responsibilities for the Statement of Accounts
This statement sets out the responsibilities of the Council as the Host Authority and the Section 151 Officer for the preparation of the Statement of Accounts. The Statement has to be signed and dated by the presiding Chair of the NAS & FW Joint Committee.

Expenditure and Funding Analysis
The objective of the Expenditure and Funding Analysis is to demonstrate how the available funding has been used in providing services in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. There is no financing income and expenditure and no surplus or deficit generated for the Council General Fund. Income and expenditure accounted for under generally accepted accounting practices for the NAS & FW Joint Committee is presented more fully in the Comprehensive Income and Expenditure Statement.

Movement in Reserves Statement
This statement shows the brought forward balances and the movement in the year on any reserves held by the Joint Committee and analysed into “Usable Reserves” (i.e. those that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves, and the statutory limitations on their use) and “Unusable Reserves”. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Joint Committee services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

Comprehensive Income and Expenditure Statement
This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

Balance Sheet
The Balance Sheet shows the assets and liabilities recognised by the Joint Committee at the Balance Sheet date.

Cash Flow Statement
The Cash Flow Statement shows the change in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses any cash and cash equivalents by classifying cash flows into operating, financing and investing activities. There were no financing or investing activities for the Joint Committee during 2025/26.

Annual Governance Statement

The statement sets out the framework within which Cardiff Council as the Host authority manages and reviews internal control. It outlines the components of the framework, including the arrangements for Internal Audit and how the consortium has complied with the various elements of the framework.

Notes to the Financial Statements

1. Accounting Policies

The purpose of this statement is to explain the basis of the figures in the accounts. It outlines the accounting policies adopted.

In accordance with the Accounts and Audit (Wales) Regulations 2014, this Statement of Accounts summarises the Joint Committee transactions for the 2025/26 financial year and its financial position as at 31 March 2026.

The accounts are prepared in accordance with International Financial Reporting Standards (IFRS). A number of the accounting policies used in preparing these accounts, along with any critical assumptions and sources of estimation used are the same as those for the accounts of the Council. Whilst these are not replicated in full, the key policies applied are below:

(a)	**Accounting Policies**	The Joint Committee is required to prepare an annual Statement of Accounts by the Accounts and Audit Wales Regulations 2014 (Amended) which require the accounts to be prepared in accordance with proper accounting practices. These practices comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 and the Service Reporting Code of Practice for Local Authorities 2025/26 and supported by International Financial Reporting Standards (IFRS) and statutory guidance. These accounts are prepared on a going concern basis.
(b)	**Revenue Income and Expenditure**	The revenue income and expenditure transactions for the Joint Committee are accounted for in the year that it takes place, not simply when cash payments are made or received. In particular: Revenue from the sale of goods is recognised when the Joint Committee transfer the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee; Revenue from the provision of services is recognised when the Joint Committee can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Joint Committee; 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; and 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 would need to be written down, and a change made to revenue for the

		income that might be collected. There were no outstanding debts for the Joint Committee at financial year end.
(c)	**Cash and Cash Equivalents**	All cash transactions are administered by Cardiff Council as the Joint Committee does not operate its own bank account.
(d)	**Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors**	There are no prior period adjustments, changes in accounting policies, estimates and errors for the Joint Committee.
(e)	**Charges to Revenue for Non-Current Assets**	The Joint Committee does not hold any non-current assets at 31 March 2026.
(f)	**Government Grants and Contributions**	Government Grants, Third Party Contributions and Donations are recognised as due to the Joint Committee when there is reasonable assurance that: The Joint Committee will comply with the conditions attached to the payments; and The grant(s) or contributions will be received. Grants and contributions advanced for which conditions have not been satisfied are carried in the Balance Sheet as creditors. Once conditions are satisfied, the grants or contributions are credited to the Comprehensive Income and Expenditure Statement.
(g)	**Property, Plant and Equipment**	The Joint Committee does not hold any property, plant and equipment at 31 March 2026.
(h)	**Reserves**	Reserves represent sums of money set aside for specific purposes. The Joint Committee held grant receipts in advance carried forward from 2025/26 to be transferred to an earmarked reserve in line with grant terms and conditions.
(i)	**Going Concern**	The concept that the Statement of Accounts are prepared on the assumption that the Joint Committee will continue in operational existence for the foreseeable future.

2. Accounting Standards that have been issued but have yet to be adopted

At the balance sheet date, there are no new relevant standards or amendments to existing standards that have been published but not yet adopted by the Code that will have any impact upon the financial statements.

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out above, the NAS & FW Joint Committee would have made certain judgements about complex transactions or those involving uncertainty about future events. However, there are none known at the date of the report.

There is a degree of uncertainty about future levels of funding for local government, and this will be addressed as part of the annual budget cycle.

4. Events after the Balance Sheet Date

The Audited Statement of Accounts was authorised for issue by the Section 151 Officer on ***.

Events taking place after this date are not reflected in the financial statements or notes. There have been no post balance sheet events prior to this date that have been reflected in the Statement of Accounts. Such events could result in the Statement of Accounts being adjusted. 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.
- 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.

5. Prior Period Adjustments

A change in accounting policies or to correct a material error can result in a prior period adjustment. Changes in accounting estimates do not give rise to a prior period adjustment but are accounted for prospectively.

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 the transactions, other events and condition of the financial position or financial performance of the NAS & FW Joint Committee. When a change is made it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always applied. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

This is the second year of operation of the NAS & FW Joint Committee and there are no prior period adjustments.

6. Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the NAS & FW 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 balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. There are no items in the NAS & FW Joint Committee Balance Sheet at 31st March 2026 for which there is significant risk of material adjustment in the forthcoming financial year.

7. Exit Packages

There were no exit packages agreed in 2025/26 by the service.

8. Remuneration

Officers supporting the activities of the Joint Committee are contractually employed by Cardiff Council.

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

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

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

These are shown in the tables below.

Remuneration Band	Number of Employees
£	2025/26
120,000 – 125,000	1
115,000 - 119,999	0
75,000 - 79,999	2
70,000 - 74,999	0
65,000 - 69,999	1
Total	**4**

Post Title	Salary, fees and allowances £	Employers Pension Contributions £	Total £	Notes
Director of Operations	100,993	19,593	120,586	
Head of Foster Wales	66,314	12,865	79,179	
OM Head of Business & Enabling	63,643	12,300	75,943	
Total Senior Staff	**230,950**	**44,758**	**275,708**	

*The gross pay and employers' pension for Head of Foster Wales is adjusted for amounts paid in 2025/26 but due/receivable in respect of 2024/25.

9. Related Parties Transactions

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

Funding of expenditure by the 22 constituent local authorities is in line with the NAS & FW Joint Agreement. Welsh Government has the ability to effect influence on the Joint Committee via legislation and grant funding. Grants received in 2025/26 are detailed in note 3 below. Such transactions are detailed below.

Related Parties Transactions	**2025/26 £**
Blaenau Gwent CBC	557,401
Bridgend CBC	38,245
Caerphilly CBC	76,490
Cardiff CC	162,311
Carmarthenshire CC	335,463
Ceredigion CC	76,490
City and County of Swansea Council	490,296
Conwy CBC	76,490
Denbighshire CC	76,490
Flintshire CC	76,490
Gwynedd Council	162,311
Isle of Anglesey CC	76,490
Merthyr Tydfil BC	38,245
Monmouthshire CC	76,490
Neath Port Talbot CBC	76,490
Newport City Council	76,490
Pembrokeshire CC	162,311
Powys CC	76,490
Rhondda Cynon Taff CBC	238,801
Torfaen CBC	76,490
Vale of Glamorgan Council	612,576
Wrexham CBC	454,321
Sub Total: Local Authority Expenditure	**4,093,671**
Adoption UK	645,128
St David's Children's Society	310,295
Sub Total: Other Parties Expenditure	**955,423**
Welsh Government Grants	(5,907,616)
WLGA Allocation	(1,811,340)
Sub Total: Contributions from Other Parties	**(7,788,956)**

10. Income

The following table analyses income accounted for during the year.

Income	2025/26 £
WG Grant and WLGA Allocation	(7,788,956)
Total	**(7,788,956)**

Income relates to the drawdown of funding provided by Welsh Government and the WLGA.

Grants and Other Funding Credited to Operating Income

Grant	2025/26 £
WG Adoption Register Wales	(222,090)
WG Adoption Support	(2,300,000)
WG NAS Adopt Cymru 2025 and beyond	(689,577)
WG Development of an All-Wales Brand for Local Authority Fostering	(558,700)
WG Supporting Foster Wales	(2,137,249)
WLGA National Fostering Framework	(952,642)
WLGA National Adoption Service	(928,698)
Total	**(7,788,956)**

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

11. External Audit Costs

External Audit Costs	2025/26 £
Joint Committee Financial Audit	25,158
Total	**0**

Final costs for the 2025/26 audit will be charged following the completion of the audit.

12. Short Term Debtors

2024/25 £	Short Term Debtors	2025/26 £
4,910,095	Central Government	3,564,423
97,250	WLGA	231,299
5,007,345	**Total**	**3,795,722**

The short-term debtors' balances relate to the timings of grant and other income claimed but not received at financial year end.

13. Creditors

2024/25 £	Creditors	2025/26 £
(337,646)	Other Entities and Individuals	(20,822)
(3,716,758)	Inter Company Cash – Sum Owed to Cardiff Council	(2,812,520)
(4,054,404)	**Total**	**(2,833,342)**

The Joint Committee does not hold its own bank account and all income and expenditure is managed by Cardiff Council through its bank balance. The amount shown as cash in the balance sheet represents the intercompany cash balance held by Cardiff on behalf of the Joint Committee at financial year end.

14. Movement on Earmarked Reserves

	Usable Reserves £'000
Balance as at 1St April 2025	**(956)**
Transfer to reserve 2025/26	(9)
Balance as at 31st March 2026	**(965)**

Comprehensive Glossary

Accounting Period

The period of time covered by the accounts, typically a period of 12 months commencing on 1st April. The end of the accounting period is the balance sheet date.

Accounting Policies

The specific principles, bases, conventions, rules and practices applied by the Council on behalf of the Joint Committee in preparing and presenting its financial statements.

Accruals

Amounts included in the final accounts to recognise revenue and capital income and expenditures earned or incurred in the financial year, but for which actual payment had not been received or made as at 31st March.

Asset

An item having value to the authority in monetary terms. Assets are classed as either current or non-current;

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock).
- A non-current asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be tangible e.g. a building or vehicle, or intangible e.g. computer software licenses.

Balance Sheet

A statement in the recorded assets, liabilities and reserves at the end of the accounting period.

Cash Equivalents

Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Comprehensive Income and Expenditure Account

The revenue account of the NAS & FW Joint Committee that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from budgeted contributions, grants and other income.

Creditor

Amount owed by the NAS & FW Joint Committee for works done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

Debtor

Amount owed to the NAS & FW Joint Committee for works done, goods received, or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Events After the Balance Sheet Date

Events after the balance sheet date are those events, favourable or unfavourable, that arise between the balance sheet and the date when the Statement of Accounts is authorised for issue.

Exceptional Items

Material items which derive from affairs or transactions that fall within the ordinary activities of the NAS & FW Joint Committee which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

Going Concern

The concept that the Statement of Accounts are prepared on the assumption that the NAS & FW Joint Committee will continue in operational existence for the foreseeable future.

Liability

A liability is where the NAS & FW Joint Committee owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g., creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an accrual sum over a period of time.

Materiality

The concept that the Statement of Accounts should contain all amounts which, if omitted, or misstated, could be expected to lead to a distortion of the financial statements and ultimately mislead the user of the accounts.

Prior Year Adjustment

Material adjustments relating to prior years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring correction or adjustments of accounting estimates made in prior years.

Provision

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur, but the amounts or dates of when they will arise are uncertain.

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.

Reserves The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available can be spent or earmarked at the discretion of the NAS & FW Joint Committee.

Date of Authorisation of the Accounts for Issue

This Statement of Accounts was authorised for issue on **** by the Corporate Director Resources. Post balance sheet events have been considered up to this date.