



# Statement of Accounts 2024/25

*The County Council of the City and County of Cardiff*



CRYFACH  
TECACH  
GWYRDDACH

STRONGER  
FAIRER  
GREENER



## Contents

<b>Narrative Report by Council's Statutory Finance Officer</b>	<b>3</b>
<b>Statement of Responsibilities for the Financial Statements</b>	<b>21</b>
<b>Council's Responsibilities</b>	<b>22</b>
<b>Corporate Director Resources Responsibilities and Certificate</b>	<b>23</b>
<b>Audit Report</b>	<b>24</b>
<b>Accounting Policies, Critical Judgements and Assumptions</b>	<b>29</b>
<b>Core Financial Statements</b>	<b>45</b>
<b>Comprehensive Income and Expenditure</b>	<b>46</b>
<b>Movement in Reserves</b>	<b>48</b>
<b>Balance Sheet</b>	<b>50</b>
<b>Cash Flow</b>	<b>52</b>
<b>Notes to the Financial Statements</b>	
<i>1 Adjustments between Accounting Basis and Funding Basis under Regulations</i>	<i>53</i>
<i>2 Expenditure and Funding Analysis</i>	<i>55</i>
<i>3 Precepts and Levies</i>	<i>58</i>
<i>4 Participation in Joint Committees</i>	<i>59</i>
<i>5 Council Tax</i>	<i>59</i>
<i>6 Non-Domestic Rates</i>	<i>62</i>
<i>7 Agency Income and Expenditure</i>	<i>62</i>
<i>8 Remuneration</i>	<i>64</i>
<i>9 Health Act 1999 Pooled Funds and Similar Arrangements</i>	<i>71</i>
<i>10 Related Parties</i>	<i>72</i>
<i>11 External Audit Costs</i>	<i>75</i>
<i>12 Leasing</i>	<i>75</i>
<i>13 Pensions</i>	<i>78</i>
<i>14 Non-Current Assets</i>	<i>85</i>
<i>15 Financial Instruments</i>	<i>91</i>
<i>16 Held for Sale Assets</i>	<i>99</i>
<i>17 Debtors</i>	<i>99</i>
<i>18 Cash and Cash Equivalents</i>	<i>99</i>
<i>19 Creditors</i>	<i>99</i>
<i>20 Interests in other Companies and other Organisations</i>	<i>100</i>
<i>21 Provisions</i>	<i>104</i>
<i>22 Pension Strain</i>	<i>104</i>
<i>23 Deferred Liabilities</i>	<i>105</i>
<i>24 Grant Income</i>	<i>105</i>
<i>25 Usable Reserves</i>	<i>107</i>
<i>26 Unusable Reserves</i>	<i>113</i>
<i>27 Contingent Assets and Liabilities</i>	<i>117</i>
<i>28 Notes to the Cash Flow Statement</i>	<i>119</i>
<i>29 Prior Period Adjustment</i>	<i>119</i>
<i>30 Exceptional Items</i>	<i>119</i>
<i>31 Events After the Reporting Period</i>	<i>119</i>
<i>32 Date of Authorisation of the Accounts for Issue</i>	<i>119</i>
<b>Housing Revenue Account</b>	<b>120</b>
<b>Group Accounts</b>	<b>129</b>
<b>Trust Funds</b>	<b>139</b>
<b>Cardiff Harbour Authority</b>	<b>142</b>
<b>Glossary of Accounting Terms</b>	<b>159</b>



# Narrative Report by Council's Statutory Finance Officer



STRONGER  
FAIRER  
GREENER



## ***Introduction***

This report presents the 2024/25 Statement of Accounts for the County Council of the City and County of Cardiff (the Council). It sets out our financial performance for the past year and is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

## ***Our City***

Cardiff is the Capital City of Wales, covering approximately 140 square kilometres, a population of 360,000 and 167,000 homes. As the Capital City of Wales, it is an economic, cultural and political capital city and a city of strong and safe communities, great schools and universities, creative, talented, and welcoming people.

Like all cities, Cardiff has its challenges and health, social and economic inequalities exist within the city. In fact, if the 'Southern Arc' of Cardiff was considered a single Local Authority, it would be identified as the most deprived in Wales. Economic success has brought pressures such as congestion, air pollution and a demand for affordable housing.

## ***Stronger, Fairer, Greener***

'Stronger Fairer Greener' are the key policy themes that will underpin the Council's work over the next few years.

- A stronger city, with an economy creating and sustaining well-paid jobs, with an education system that helps our young people reach their potential, with good, affordable housing in safe, confident and empowered communities, all supported by well resourced, efficient public services.
- A fairer city, where the opportunities of living in Cardiff can be enjoyed by everyone, whatever their background, where those suffering the effects of poverty are protected and supported, where a fair day's work receives a fair day's pay, and where every citizen is valued and feels valued.
- A greener city which, through our One Planet Cardiff programme, takes a lead on responding to the climate emergency, which celebrates and nurtures biodiversity, with high-quality open spaces within easy reach for rest and play which are connected by convenient, accessible, safe sustainable transport options.

The Council aims to address the above challenges by embarking on a programme of action, with commitments and targets to move forward in the face of significant budgetary pressures.

The Council's Corporate Plan and the Wellbeing Plan translate the above priorities into deliverable organisational objectives, setting out the steps to be taken and how performance will be measured.

In the wider context of delivering these objectives, the financial climate remains challenging and in the medium term, the amount of funding available for services will make their continued delivery very challenging. This will form the backdrop to public service delivery as the Council responds to the realities of an uncertain geopolitical and post pandemic world to deliver its agenda for the city.

Further information can be found using this link

**Stronger Fairer Greener ([cardiff.gov.uk](http://cardiff.gov.uk))**

## ***Our Democracy***

The Council has 79 elected Councillors who represent the people of Cardiff and set the overall policy and budget framework.

The Constitution sets out how the Council operates, how decisions are made and the procedures to be followed to ensure decisions are efficient, transparent and accountable to local people. The Council annually selects a Lord Mayor to perform a civic role, promote the city and chair Council meetings. The Council appoints a Leader of the Council who appoints Cabinet Members, each with responsibility for a specific portfolio of services.

The role of Cabinet is to:

- provide leadership
- be responsible for most major decisions
- propose the budget framework and subsequent budget.

Scrutiny Committees support the work of the Cabinet and the Council by:

- monitoring decisions of the Cabinet
- allowing all Councillors, citizens and stakeholders to have a say in matters concerning the Council
- producing reports and recommendations to support the development of policies and decisions
- having the ability to review a decision, which has been made but not yet implemented.

Regulatory and other committees support delivery of Council services. Council has given the Governance and Audit Committee the responsibility for the review of the Financial Statements for the Council. This is prior to full Council's consideration of the external audit opinion and approval of the financial statements. The Council's Management Team is led by Chief Executive Paul Orders and includes Corporate Directors, Directors and Assistant Directors, including the statutory officers (Director of Social Services, Monitoring Officer and Section 151 Officer). They are responsible for:

- providing impartial advice on policy and implementing decisions of the Cabinet and Council; and
- delivery of services and performance.

Following a period of stability in senior management arrangements, the Council is consulting on a series of carefully considered changes to better integrate services and improve coordination, to build on our strengths and prepares us to meet the challenges ahead with confidence, ensuring our leadership structure remains fit for purpose and aligned with the challenges and opportunities ahead.

## ***Our Services and the way we work***

The Council provides over 700 services, supporting local communities and improving the lives of local people, some of which are shown below in current directorates.

<b>Planning, Transport and Environment</b>	<b>Economic Development</b>
<ul style="list-style-type: none"> <li>• Bereavement and Registration</li> <li>• Highways infrastructure and street cleaning</li> <li>• Transport and Civil Parking Enforcement</li> <li>• Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Business and Investment</li> <li>• Regeneration and major projects</li> <li>• Corporate Landlord</li> <li>• Culture, Venues and tourism</li> <li>• Leisure, Parks and Sport</li> <li>• Waste Collection, Recycling, Treatment, Disposal and Education</li> </ul>
<b>People and Communities - Housing and Communities</b>	<b>People and Communities - Social Services</b>
<ul style="list-style-type: none"> <li>• Community Hubs and Libraries</li> <li>• Customer facing services e.g. preventive and 'into work' services</li> <li>• Independent living and community alarm</li> <li>• Adult and community learning</li> <li>• Performance, Partnerships and Housing Revenue Account – council dwellings management</li> </ul>	<ul style="list-style-type: none"> <li>• Adult learning disabilities and mental health</li> <li>• Youth offending</li> <li>• Children's safeguarding, early help, fostering and residential services</li> <li>• Support for older people and those with physical disabilities</li> </ul>
<b>Education and Lifelong Learning</b>	<b>Resources</b>
<ul style="list-style-type: none"> <li>• Nursery, Primary, Secondary and Special schools</li> <li>• Youth and community education and community learning</li> <li>• Achievement and Inclusion</li> <li>• Schools Catering</li> <li>• Schools Transport</li> </ul>	<ul style="list-style-type: none"> <li>• Finance</li> <li>• Human Resources</li> <li>• Commissioning and Procurement</li> <li>• ICT, Customer and Digital services</li> <li>• Central Transport Services</li> </ul>
<b>Corporate Management</b>	<b>Resources - Governance and Legal Services</b>
<ul style="list-style-type: none"> <li>• Precepts, levies and contributions</li> <li>• Corporate initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Democratic, electoral and legal services</li> <li>• Scrutiny, member and bilingual services</li> </ul>

## ***Our Performance***

The Wellbeing of Future Generations (Wales) Act 2015 requires the Council to publish an annual report of progress against achieving its Wellbeing Objectives. The Local Government and Elections (Wales) Act 2021 also requires the Council to keep performance under review and report on its performance. These performance requirements are discharged through a self-assessment process undertaken twice a year. The Council's end-of-year self-assessment is titled the Annual Wellbeing Report, in line with statutory requirements.

Both the Annual Well-being Report and the Mid-Year Self-Assessment draws on a number of sources of intelligence to make judgements about the Council's performance, including performance against Corporate Plan Commitments, budget monitoring, risk management as well as the judgements of external regulators. The report is formally considered by the Council's Senior Management Team and Cabinet as well as the Council's wider political governance, which includes the Policy Review and Performance Committee and the Governance and Audit Committee. The Annual Wellbeing report for 2024/25 will be considered by Cabinet and Council in September 2025.

*Link to be inserted*

## Risks and Financial Outlook

We prepare an Annual Governance Statement (AGS) each year, to disclose the findings of our annual review of the Council's governance. The AGS includes an Action Plan for any significant governance issues identified as part of the review, to be progressed by Senior Management. It is approved by Council in parallel with the Financial Statements and is used for governance reporting and improvement. This is available on the Council's website at the following address.

*Link to be inserted following Council consideration*

In preparing the AGS, the Council has adopted the 'Delivering Good Governance in Local Government' framework, developed by CIPFA and the Society of Local Authority Chief Executives. It comprises the systems, processes, culture and values through which the Council is directed and controlled and its engagement and work with the community. The AGS is built through core disclosures from Senior Management, and the independent opinions of the Internal Audit Manager and the Governance and Audit Committee.

The Council's Governance Framework comprises the systems, processes and controls, culture and values in place to enable the council to carry out its functions effectively. We prepare an Annual Governance Statement (AGS) each year, to disclose the findings of our annual review of the Council's governance to ensure they remain effective.



The Chartered Institute of Public Finance and Accountancy (CIPFA Financial Management) (FM) Code has been in place by the Council since 2021/22, with a goal to improve the financial resilience of organisations by embedding enhanced standards of financial management.

The Council's risk management regime supports the identification, assessment, reporting and management of risks in directorate, corporate, programme and project activities. It involves quarterly risk assessments to support the timely identification and escalation of the Council's most critical risks to Senior Management Team for ownership, mitigation, review and reporting. At 31 March 2025, the corporate risks at a 'red' residual risk status i.e., major or significant consequence is likely without further mitigation, are shown in the table below.

Schools Organisation Programme
Failure of the Council to deliver against the Education Investment Strategy results in significant investment not being optimised and the estate being inequitable and imbalanced.
Ensuring Access
Failure to meet statutory responsibility to provide an appropriate or indeed any, education place to all children and young people. The risk is greater in relation to learners with Additional Learning Needs, due to a shortfall in the provision of specialist places.
Schools Delegated Budgets
Continued increase in the number of deficit schools. Schools facing financial shortfalls may struggle to maintain educational standards. Potential cuts in staff, resources, and programs could negatively impact students' learning experiences and outcomes. Persistent deficits also place additional pressures on the Local Authority funding position and schools increasing deficit position poses risk of irrecoverable debt. Administrative burden on both LA and school and risk of budgetary control.
City Security
Major security-related incident in 'crowded places' as a result of international or domestic terrorism.
Climate Change – Biodiversity, Extreme weather, Flooding, Energy Security and Decarbonisation
Cardiff is not able to manage the effects of climate change and energy security due to lack of future proofing for key (social and civil) infrastructure and business development.
Cyber Security
Potential for compromise or loss of services and data resulting from a cyber attack or data breach in our organisation.
Financial Resilience
<p>Within the context of there being a Budget Gap of £122 million for the period 2026/27 to 2029/30. There is a risk of:</p> <ul style="list-style-type: none"> <li>• Failure to deliver a balanced annual budget.</li> <li>• Failure to provide a fully informed Medium Term Financial Plan along with a timely strategy to address resultant gap.</li> <li>• Lack of appropriate mechanisms to identify and manage unexpected financial liabilities.</li> </ul>
Housing Emergency
In December 2023, Cabinet declared a housing emergency in the city. There is currently unprecedented demand for homelessness services and Temporary Accommodation. Demand is increasing further with the introduction of an acceleration of Asylum processing cases and the early release of prisoners. To respond to

these demands, two dedicated settings have been established to house refugees. Due to the combined demand of the Ukraine and Afghan resettlement schemes between 2021-2024, most affordable PRS has been depleted from the available market.

The cost-of-living crisis continues, which is forcing more people into poverty and is impacting on their ability to pay their housing costs. Waiting lists for social housing remain high and the number of social lets is low. There is increased staff fatigue within homelessness services as staff deal with complex cases on a daily basis. There is a lack of certainty regarding capital and revenue funding from the Welsh Government to address these issues.

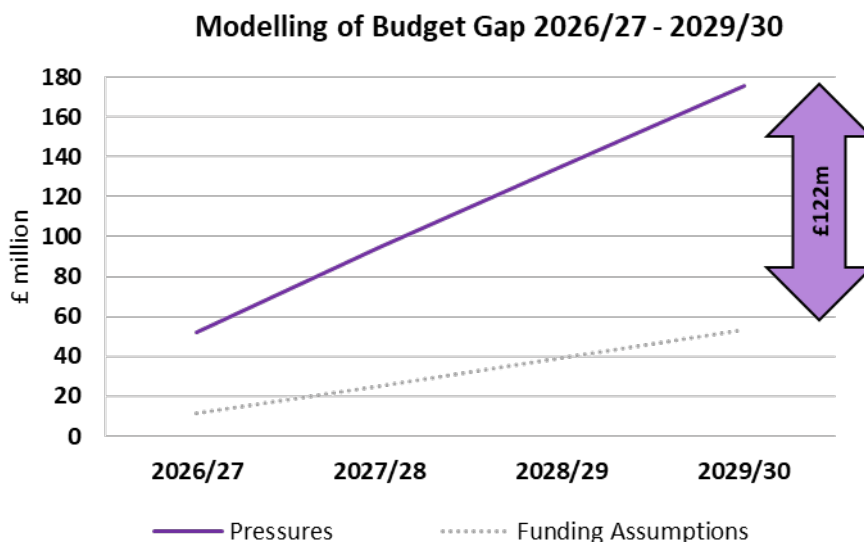
**Coastal Erosion**

Breach of current defences resulting in widespread flooding (current defences are ad hoc and are in a very poor condition).

**Increase in Demand (Children's Services)**

Failure to effectively manage demand (and respond to the longer-term impact of COVID-19 on demand for services), resulting in an increase in the number of children requiring services and the financial pressures this presents.

Budget Gap is the term used to describe the difference between the funding the Council expects to receive, and the estimated cost of continuing to deliver services at the current level. Put simply, the gap is a result of funding failing to keep pace with demand, inflation and other financial pressures. A budget gap of £122 million between 2026/27 and 2029/30 was forecast as part of the medium-term financial plan approved in March 2025. This continues to be updated as part of emerging information.



This is due to factors such as employee costs, price inflation, allowance for emerging pressures, paying for capital projects and population demand in areas such as Adult Social Care and Looked after Children.

A range of options were considered in order to address the budget gap in 2024/25 and future years including continuing to review and challenge all directorate budgets for efficiency savings such as staffing, premises costs, external spend, income generation and grant maximisation.

Looking ahead, with increased levels of risk to the delivery of savings targets and demand likely to remain unpredictable as a result of uncertainty, financial resilience risk will need to be managed and monitored closely to ensure financial sustainability. Significant capital expenditure investment is proposed in areas such as new schools; to address the condition of existing assets used in service delivery; to develop new council housing; for sustainable travel schemes and economic regeneration including. The five-year investment plan requires a significant increase in borrowing to pay for investment, the cost implications of which will need to be reviewed as a consequence of increased interest rates on financial models supporting projects and in developing business cases.

Inflation impacts on the Council and suppliers as a result of taxation and pay awards, the cost of capital projects as well as repair and maintenance costs of assets used in delivering services and demand for services are just some of the financial pressures being faced in the medium term. The short term nature of funding certainty for council's makes longer term planning difficult, with the level of Council tax required to be raised by the Council in future years impacted by many variables. In order to protect the Council's ongoing financial resilience, the approach to identifying the savings requirements outlined above will need to:

- Review of budget-setting timescales and decision points, with a likely need for earlier decisions in order to be able to successfully deliver savings at the levels required.
- Target efficiencies, including baseline efficiencies for all services.
- Review income streams and maximise income generation where possible subject to considerations of risk and policy.
- Consider the level at which it is affordable to continue to subsidise services of a more discretionary nature.
- Capture the full financial benefit of the early intervention and preventative work ongoing across the Authority, in order to manage the pattern of future demand for Council services.
- Identify opportunities to work across directorates and in partnership with other organisations.
- Target productivity savings to ensure that optimum value for money is achieved within scarce resources, including making best use of digital technology.
- Identify targeted capital investment and asset rationalisation that delivers immediate revenue savings.

Further details of the Council's budget for 2025/26 and Medium Term are available on the Council's website [Link](#) and include the key documents below:

- Medium Term Financial Plan (MTFP)
- Housing Revenue Account Budget and MTFP
- Capital Strategy
- Treasury Management Strategy
- A financial resilience snapshot which sets out a number of financial indicators and ratios.

## Financial Performance 2024/25

The Council's budget for 2024/25 was approved in March 2024. The budget was set against a backdrop of financial uncertainty, significant challenges in funding services, increasing demand for our services, further savings targets to be made and a 6% Council Tax increase. A net revenue budget of £849.284 million was approved for 2024/25 as well as a Medium Term Financial Plan based on a rolling four-year period from 2024/25 to 2028/29, ensuring that resources are aligned to outcomes in the Corporate Plan.

### Revenue Expenditure and Funding

Revenue expenditure covers the cost of the Council's day-to-day operations and contributions to and from reserves.

Directorate	Net Expenditure Budget	Net Expenditure Outturn	Variance (Under)/Over
	£000	£000	£000
Corporate Management	33,917	33,661	(256)
Economic Development	9,821	11,733	1,912
Economic Development - Recycling and Neighbourhood Services	42,796	43,325	529
Education & Lifelong Learning	364,078	367,466	3,388
People & Communities - Communities and Housing	49,509	48,861	(648)
People & Communities - Performance and Partnerships	2,964	2,926	(38)
People & Communities - Social Services - Children's	102,193	103,059	866
People & Communities - Social Services - Adults	164,959	164,943	(16)
Planning, Transport and Environment	8,297	8,325	28
Resources - Governance and Legal Services	8,189	7,769	(420)
Resources	18,188	17,203	(985)
<b>Directorate Outturn Subtotal</b>	<b>804,911</b>	<b>809,271</b>	<b>4,360</b>
Capital Financing	36,644	35,079	(1,565)
Summary Revenue Account	7,329	6,526	(803)
Council Tax collection and Discretionary Relief	400	(1,592)	(1,992)
<b>Total Council Outturn</b>	<b>849,284</b>	<b>849,284</b>	<b>0</b>

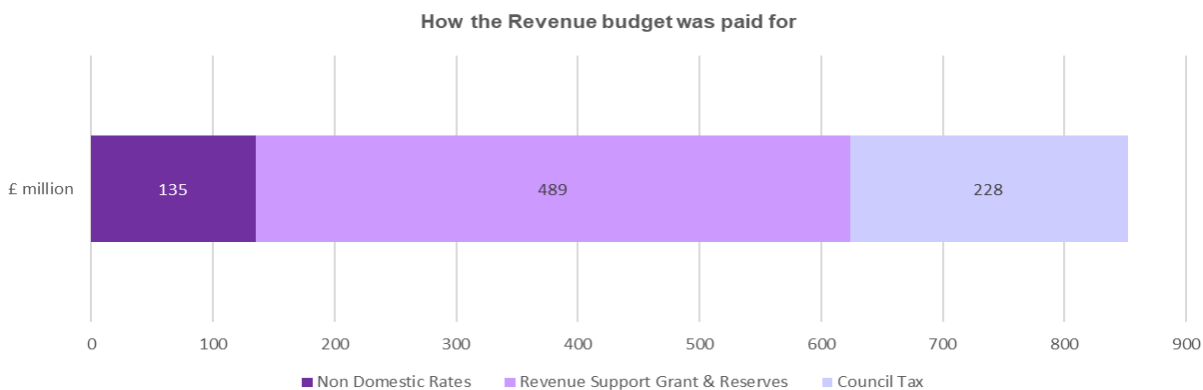
The Council contained its spending within the £849.284 million budget approved for the year, after transfers to and from earmarked reserves. The directorate position reflected a net overspend of £4.360 million and was offset by underspends against the Summary Revenue Account, capital financing and a better than anticipated position on Council Tax collection. The most significant adverse variances were in respect to Education, Economic Development and Children's services. The final outturn position was considered by Cabinet in June 2025, with detail on each directorate included in appendices. The final position improved as the year progressed with all services reviewing opportunities to deliver in year efficiencies. There remained a focus on avoiding front line impact, with efficiencies being taken where opportunities arose.

Non-Domestic Rates (NDR) are collected by the Council for Welsh Government based on the value of buildings used in business or for non-domestic purposes and a rate is set annually. The net NDR collectable by Cardiff for 2024/25 totalled £179.437 million of which Cardiff received £134.524 million after redistribution by Welsh Government. The in-year collection rate was 95.72% (93.86% in 2023/24).

All Wales collection statistics can be found using this link [Non-domestic rates \(gov.wales\)](#).

Revenue Support Grant of £488.634 million from Welsh Government was received in the year. Council Tax collected by the Council includes precepts for the police and community councils and where applicable these were passed onto the relevant bodies. Council Tax income attributable to the Council of £227.763 million funds just over a quarter of the Council’s net expenditure. The in-year collection rate was 94.84% (95.73% in 2023/24).

All Wales collection statistics can be found using this link [Council Tax \(gov.wales\)](#).



### Housing Revenue Account (HRA)

The Housing Revenue Account is a ring-fenced account shown within the Housing and Communities directorate. It includes income from rents and expenditure on managing the housing stock and related services:

- The council has 14,108 dwellings as at 31 March 2025
- The average weekly net rent for 2024/25 was £127.91
- Income including rent and charges for services totalled £113.269 million
- Revenue expenditure included £37.587 million on repairs and maintenance, £39.550 million on supervision and management and £31.042 million on capital financing costs, including interest, provision for the repayment of debt and towards capital expenditure.

The Housing Revenue Account reported a balanced position for 2024/25 after a net transfer to earmarked reserves of £2.864 million. Overspends on the Housing Repairs Account due to increased volume of works and additional electrical testing costs were offset by reduced capital financing charges and additional rent and service charge income as a result of a review of trends in rent arrears and write offs.

### Capital Expenditure and Funding by the Council

Capital investment forms a large part of our spending. The Council has an ambitious capital programme to deliver projects that are fundamental to the Council achieving its aspirations and to re-shape how we deliver our services. Capital spending during the year totalled £335.027 million.

Schemes	Detail	£m
Business and City Development	Town Centre Loans; business grants, Indoor Arena enabling and development of International Sports Village and New County Hall.	19.2
Parks, Leisure and Venues	Parks play areas, open space, Llanrumney Skate Park, Tennis Courts; Leisure and venues buildings maintenance; Roath Park dam scheme design, Pentwyn leisure centre pool and Harbour asset renewal.	6.3
Recycling and Waste Management	Roll out of segregated waste collection and depot enhancements.	1.0
Property	Investment Property Strategy acquisitions, Works to allow relinquishment of leased buildings; City Hall mechanical works design.	4.1
Education & Lifelong Learning	Property asset renewal; 21st Century schools Band B including construction works for Fairwater Campus and Willows new schools. Demolition of Ty Glas and investment in the condition and suitability of school buildings; Flying Start.	99.3
Neighbourhood Regeneration and Private Housing	Disabled adaptation grants allowing people to live independently in their homes; neighbourhood regeneration and community safety schemes, contribution to Canton community, Traveller sites.	11.3
Social Services – Children	Acquisition and adaptation of properties in accordance with the Right Homes, Right Support, Children Looked After Commissioning Strategy.	1.4
Highways & Transportation	Road and footpath resurfacing; structures design works; coastal and flood risk mitigation; public transport and road safety improvements; cycling strategy implementation; investment in active travel and safe routes in communities; Cardiff Crossrail and Castle Street design, wayfinding.	37.4
Fleet	Waste vehicle and other fleet replacement.	7.3
Other	External organisation shared prosperity fund grants, Bereavement asset renewal; ICT Refresh and Local Broadband Fund grant. One planet small schemes and loan to Cardiff Heat Network Ltd.	9.8
Public Housing	Disabled adaptations; estate regeneration; investment in existing stock condition; acquisition of land and existing dwellings from the private market; construction of new dwellings.	137.9
<b>Total</b>		<b>335.0</b>

On 26 September 2024 Council approved the settlement of the landfill tax liability legal case with HMRC. Following the signing of the settlement in November 2024 and a capitalisation direction received from Welsh Government, the settlement costs of £15.219 million paid in 2024/25, were included as capital expenditure incurred within the statement of accounts for 2023/24.

Capital spending must be paid for, and the table below highlights the various sources of capital funding for 2024/25. This includes grants from Welsh Government and other public bodies including the Major Repair Allowance and General Capital grant, capital receipts i.e. money from selling Council assets,

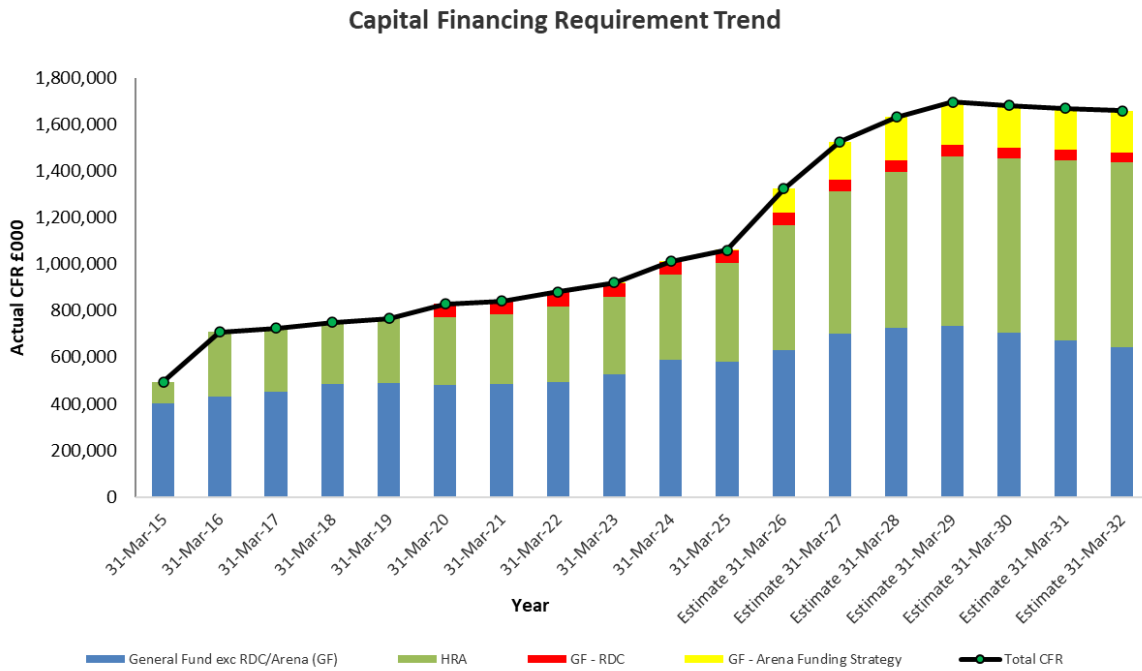
external contributions from developers and the Council's own revenue budget or Earmarked Reserves previously put aside towards capital expenditure projects.

Where the previous stated sources of funding are not available, expenditure can only be paid for by the Council increasing its commitment to undertake more borrowing. This borrowing does support all expenditure in the approved capital programme including maintaining existing assets such as roads and buildings, disabled adaptations, regeneration projects as well as investment proposed to be undertaken on the basis it will pay for itself over a significant period of time e.g new housing and some key major projects.

Borrowing must be repaid and has a cost. This may in some cases be paid for in full and over time by Welsh Government grant (Supported Borrowing) or be paid for by additional external income, future savings, Council tax or Rent (Unsupported Borrowing). As well as the interest cost of borrowing money, the costs of any investment supported by borrowing must be repaid over a prudent period of time from existing budgets and future income. This may be from existing revenue budgets, future increases in Council Tax or Rent, future Revenue Grant or additional income, the latter often being categorised as 'Invest to Save'.

Funding Source	2024/25 Actual	% of funding
	£000	%
Welsh Government and other external grants	182,379	54.44
External Contributions	7,226	2.15
General Capital Funding (WG Grant)	10,984	3.28
Major Repair Allowance (WG Grant)	9,972	2.98
General Capital Funding - WG Supported Borrowing	8,973	2.68
Additional - Unsupported Borrowing	76,049	22.70
Invest to Save - Unsupported Borrowing	18,659	5.57
Revenue / Reserves	11,887	3.55
Capital Receipts	8,898	2.65
<b>Total</b>	<b>335,027</b>	

Capital expenditure incurred historically by borrowing (the borrowing requirement), but yet to be paid for from future revenue or capital income is termed the Capital Financing Requirement (CFR). The historic trend and projected forecast is shown in the next chart.



In 2015/16 additional borrowing was taken by the Council and paid to HM Treasury to exit the HRA subsidy system. The CFR and associated financing costs, interest and repayment, of capital investment are to increase significantly in future years, with the Council's 2025/26 Capital and Treasury Management Strategies setting out a range of indicators for affordability, prudence and sustainability of the Council's capital investment plans. This includes creation of new Council owned affordable housing, indoor arena, investment in school buildings and investment in the City's infrastructure assets. Much of this investment is assumed to pay for itself over future years from future incidental income. Subject to the timing and delivery of those capital expenditure plans approved by the Council as part of its budget, the CFR is forecast to exceed £1.6 billion over the medium term plan, resulting in a need to borrow money significant sums of money in future years. Each year, an amount deemed prudent is charged to our revenue budgets to reduce the CFR.

The Council is also continuing to develop several strategic projects, which, subject to approval of business cases, due diligence and affordability may be considered for approval as part of future iterations of the detailed investment programme. These include projects arising from the Transport White Paper; Atlantic Wharf Masterplan; 21st Century Schools and new Financial Management System. Unless funded by future or retained external grant, approval of the above projects will result in further increases in the Council's borrowing requirement. Where this is the case, the priority and timing of any implementation of such investment will need to be phased over periods where affordability, prudence and sustainability is more certain, given the risks identified in the Medium term Financial Plan.

## Financial Position

The Balance sheet and notes to the accounts includes further details on the Council's assets and liabilities including movements during the financial year.

Balance Sheet	2023/24	2024/25
	£m	£m
Long Term Assets	2,532	2,747
Current Assets - Current Liabilities	116	127
Pensions Liability	(50)	(77)
Other long term liabilities	(979)	(1,038)
<b>Net Assets</b>	<b>1,619</b>	<b>1,759</b>
Unusable - Pensions Reserve	54	82
Unusable Other Reserves	(1,486)	(1,642)
Usable General Balance	(30)	(30)
Usable Earmarked Reserves & Capital Receipts	(157)	(169)
<b>Reserves</b>	<b>(1,619)</b>	<b>(1,759)</b>

## Property, Plant, Equipment and Other Non-Current Assets

The valuation of assets involves a number of assumptions; however, movements in asset valuations as well as any accounting charges such as depreciation have no impact on the council tax or rent payable, as they are required to be reversed from unusable reserves.

Note 14 details movements in assets, capital expenditure and its financing:

- Capital receipts from the disposal of property assets and similar income was £6.283 million.
- As part of the Council's rolling programme, revaluations took place during the year for investment properties, surplus assets, Council Dwellings and operational land and buildings. The Council's approach to valuation is part of a shortened cycle of revaluations that is over and above the recommended minimum five year period set out in CIPFA guidance for valuations. This supports us to ensure the values recorded in the accounts reflect the significant numbers of assumptions, variables and market conditions, where relevant, that impact on such data over a reasonable and planned time frame. Valuations are for technical accounting purposes only.
- The Charity Commission issued updated guidance to local authorities during the year where authorities undertake a role as Charity Trustees. This included the approach to managing the Trust, decision making, managing conflicts of interests, identifying assets and liabilities etc. A multi-disciplinary team of officers from the Council's Estates, Finance and Legal departments has been working on a review of the latter, which is under continuous review and requires additional due diligence to identify assets, approach to control and approach to costs and income. The outcome of this work may result in changes to income, expenditure and balance sheet treatment and valuation, with the output to be determined in 2025/26.

- Monies spent on assets during the year are reflected in the note, with the Council's property asset management plan updates during the course of the year identifying likely future changes, particularly in respect to new schools developments, new affordable housing, a strategy for addressing maintenance and suitability issues in respect to Council offices, major development projects such as the new indoor arena and the approach to making Council buildings energy efficient.

## Financial Assets and Liabilities

Treasury Investment and borrowing activities were undertaken in accordance with regulatory requirements and the Council's Treasury Management Strategy for 2024/25. Investments for treasury management purposes and cash is £56.965 million at 31 March 2025 and is primarily represented by temporary cash balances deposited with financial institutions. The average rate of interest earned for the year was 4.75%.

The Council borrows money to manage its daily cash flows and to pay for capital expenditure. In accordance with the Treasury Management Strategy, borrowing is undertaken to manage the Capital Financing Requirement. The net change in actual external borrowing during the year was an increase of £86.232 million to £980.032 million. For treasury management purposes, by comparing the level of the CFR (borrowing requirement – exc Landfill) and the level of actual borrowing as 31 March 2025, the latter is lower by approx. £86.472 million. This is the level of 'internal borrowing' and means that the Council is using temporary cash balances to pay for capital expenditure instead of taking out external loans in the short term.

The Council sources the majority of its borrowing needs from the Public Works Loan Board and borrowing interest rates have risen significantly as a result of the economic background in the UK, future inflation forecasts and wider factors such as the overall level of national debt. Whilst this has little financial impact on the Council in the very short term given that all the Council's external borrowing is at fixed interest rates, it will impact on future borrowing that the Council will need to undertake to meet commitments, if rates remain elevated.

Note 15 of the accounts provides further information on the Council's financial assets and liabilities, interest received and paid and the nature and extent of risks involved.

## Provisions

The Council sets aside money for liabilities or losses which are likely to be incurred, but where the exact amount and timing of payment may be uncertain. This includes insurance claims received as well as for landfill aftercare. During 2024/25, total provisions reduced by £1.259 million to £39.453 million. Details of the movement of individual provisions are shown in note 21 of the accounts.

## Pensions Liabilities

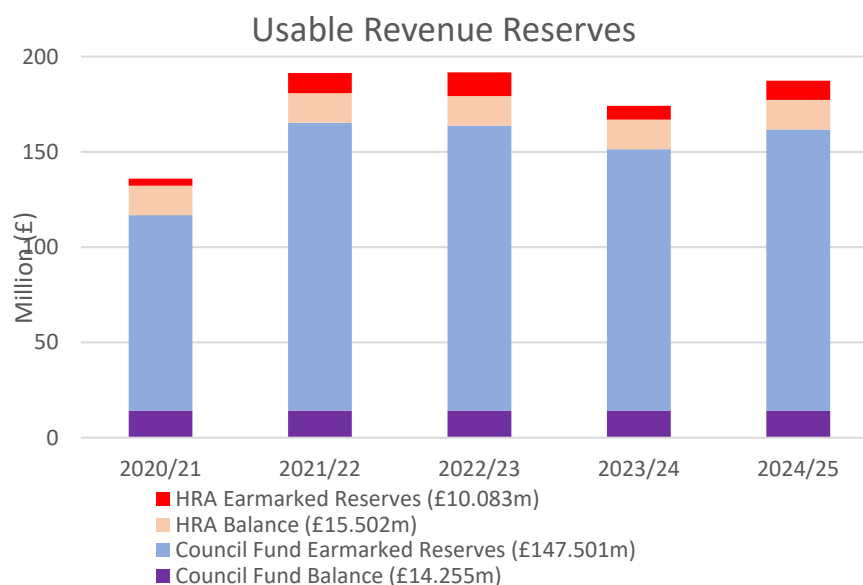
The Council's participation in all pension schemes is shown in note 13 of the accounts:

- The cost to the Council during the year towards pension liabilities is £57.000 million.

- The Council's future liability in respect of pension benefits payable, compared to assets held, is £76.170 million at 31 March 2025. This is based on the latest actuarial assumptions, resulting in an increase of £27.780 million from 2023/24, with movements detailed in Note 13.2 - Table entitled Basis for estimating Assets and Liabilities.
- The Local Government Pension Scheme is revalued every three years, with the fund's assets at 31 March 2022 deemed to cover 98% of future liabilities. A 14 year Deficit Recovery Period is in place in order to meet the shortfall. The next valuation will take place in the 2025/26 financial year.

## Balances and Reserves

Balances and Reserves are sums of money put aside for specific policy purposes or for general contingencies and cash flow management. The use of reserves, creation of new reserves and assessment of their sufficiency also considers risks to financial resilience. The council's level of earmarked reserves increased in the year to improve the Council's overall level of financial resilience. This increase is shown in the chart below along with the values for 31 March 2025. Earmarked revenue and other usable reserves are detailed in note 25 of the accounts whilst unusable reserves are shown in note 26.



Whilst the level of the Council Fund Balance has remained untouched in recent years, Cardiff's earmarked reserves levels remain comparably low for an authority of this size. Reserves are one off resources and any use carefully prioritised to ensure that, this is in line with their intended purpose, they are either spent on areas of most impact, or retained as a buffer against areas of highest risk.

## Financial Statements

The Statement of Accounts are set out in this document, accompanied by a Statement of Responsibilities for the financial statements and the Audit Report. The single entity statements are also defined as including the income, expenditure, assets, liabilities, reserves and cash flows of the local authority maintained schools in England and Wales within the control of the local authority. From 1 April 2024 the activities of Cardiff Capital Region City Deal (CCRC) were transferred to a separate legal entity, the South

East Wales Corporate Joint Committee (CJC). Final audited accounts were not available for the CJC for 2024/25 or for the CCRC for 2023/24. In preparing these accounts for the Council, opening and closing balances reflect the Draft Accounts of the CCRC/SEWCJC for 2024/25

The core statements are:

- The Comprehensive Income and Expenditure Statement records all of the Council's income and expenditure for the year. The top half of the statement provides an analysis by directorate. The bottom half of the statement deals with corporate transactions and funding.
- The Movement in Reserves Statement is a summary of the changes to our reserves over the course of the year. Reserves are divided into 'usable', which can be invested in capital projects or service improvements and 'unusable', which must be set aside for specific purposes.
- The Balance Sheet is a 'snap shot' of the Council's assets, liabilities, cash balances and reserves at the year-end date.
- The Cash Flow Statement shows the reasons for changes in the council's cash balances during the year and whether that change is due to operating activities, new investment or financing activities.

The supplementary statements are:

- The Housing Revenue Account separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989.
- Group Accounts combine the Council's own financial statements with its material interests in subsidiaries, associates and/or joint ventures, in this Council's case, Cardiff City Transport Services Ltd.
- Other statements for regulatory purposes include Trust Funds and Cardiff Harbour Authority.

## **Conclusions**

Despite in year pressures, the Council was able to remain within its net revenue budget set for 2024/25, however the future financial challenges cannot be met by efficiencies alone. Demand for all Council services continues to increase with significant inflationary impacts on the Council. These pressures represent a significant challenge to the Council's financial resilience and will require further changes in what we do and how we do it. A challenge which requires difficult choices to be made and a focus on working with our partners to deliver key priorities in order to remain financially sustainable and able to support the most vulnerable into the medium and longer term.

The Council has a statutory duty to set a balanced revenue budget. The challenges for Cardiff are similar to other local authorities, with specific additional pressures in respect to a capital city and deprivation such as housing need, transport and demographics. The Council is always mindful of the risk of not being able to meet the balanced budget requirement in this and future years and takes into account a number of factors in determining the risk of escalating any emergency actions required. Considerations have included; achieving a balanced position in 2024/25; the level of current and forecasts for earmarked reserves; the 2025/26 budget process and continuous medium term financial planning process; savings and efficiency proposals risk rated for achievability and impact; compliance with financial rules and governance requirements; affordability of investment plans and the increasing borrowing requirement having regard to indicators of affordability and the risks and borrowing commitments from ringfenced accounts such as for new public housing. These need to be managed as part of wider risk management and reporting on external factors such as the economic environment in the UK and internationally, with

close working with partners at Welsh Local Government Association and Welsh Government highlighting pressures and identification of solutions to key risks.

Additional accounting, reporting and consequential audit requirements make preparation of these statements challenging. However, these accounts are not just prepared to meet compliance with requirements but are an important source of information on the Council's financial position and performance. The Governance and Audit Committee and Audit Wales also have a key role in the challenge and independent review of these statements. I am grateful to all those who have contributed to facilitate the transparency of our financial transactions and position set out in these statements.

**Christopher Lee**

**Corporate Director Resources and Section 151 Officer**



# Statement of Responsibilities for the Financial Statements



CRYFACH  
TECACH  
GWYRDDACH

STRONGER  
FAIRER  
GREENER



DEU GWYBITHYSTROG  
FEL GWYRDDACH

## ***The Council's responsibilities***

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In 2024/25 that officer was Christopher Lee, Corporate Director Resources who holds the statutory post of Section 151 Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the statement of accounts.



**Councillor Adrian Robson**  
**Lord Mayor**

**Date:** 23 October 2025

## ***The Corporate Director Resources responsibilities***

The Corporate Director Resources is responsible for the preparation of the Council's financial statements in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code).

In preparing these financial statements, the Corporate Director Resources has:

- selected suitable accounting policies and then applied them consistently, except where policy changes have been noted in these accounts.
- made judgements and estimates that were reasonable and prudent; and complied with the Code.

The Corporate Director Resources has also:

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

## ***The Corporate Director Resources Certificate***

The financial statements for the Council give a true and fair view of its income and expenditure for the financial year 2024/25 and financial position of the Council at 31 March 2025.



**Christopher Lee**  
**Corporate Director Resources**

**Date:** 23 October 2025

# ***The Independent Auditor's Report of the Auditor General for Wales to the Members of the County Council of the City and County of Cardiff***

## **Opinion on financial statements**

I have audited the financial statements of:

- the County Council of the City and County of Cardiff; and
- the County Council of the City and County of Cardiff Group

for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

The County Council of the City and County of Cardiff's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Movement on the Housing Revenue Account Statement, the Housing Revenue Account Income and Expenditure Statement and the related notes, including the significant accounting policies.

The County Council of the City and County of Cardiff's Group financial statements comprise the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and the related notes, including the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

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

- give a true and fair view of the financial position of the County Council of the City and County of Cardiff and the County Council of the City and County of Cardiff's Group as at 31 March 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

## **Basis of opinion**

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

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

## **Conclusions relating to going concern**

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council and Groups' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other Information**

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

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

I have nothing to report in this regard.

### **Opinion on other matters**

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Council and the Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

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

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

### **Responsibilities of the responsible financial officer for the financial statements**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

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

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

My procedures included the following:

- enquiring of management, the County Council of the City and County of Cardiff's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the County Council of the City and County of Cardiff's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals;
- obtaining an understanding of County Council of the City and County of Cardiff's framework of authority as well as other legal and regulatory frameworks that Cardiff Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Cardiff Council; and
- obtaining an understanding of related party relationships.

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

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

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

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

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

### **Other auditor's responsibilities**

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

### **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of the County Council of the City and County of Cardiff and the County Council of the City and County of Cardiff Group in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.



Adrian Crompton  
Auditor General for Wales  
28 October 2025

1 Capital Quarter  
Tyndall Street  
Cardiff, CF10 4BZ



# Accounting Policies, Critical Judgements and Assumptions



STRONGER  
FAIRER  
GREENER



## *Accounting policies used when formulating the accounts*

The Statement of Accounts summarises the Council's income and expenditure for the year ended 31 March 2025 and its financial position at that date. The accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code).

The accounts have been prepared on a going concern basis. The accounting convention adopted is principally historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

### *1. Accruals of Income and Expenditure*

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract
- supplies are recorded as expenditure when they are consumed
- services received are recorded as expenditure when the services are received, rather than when the payments are made
- there is a de minimis threshold of £500, under which income and expenditure may not be accrued
- interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract
- where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debtors are not considered to be collectable the balance is reduced by a provision for doubtful debt.

### *2. Assets Held for Sale*

When it becomes probable that the carrying amount of an asset will be recovered, principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale if it meets the following criteria:

- be available for immediate sale in its present condition
- sale must be highly probable
- be actively marketed or have identified prospective purchasers
- the sale expected to be completed within one year.

The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where this results in a loss, this is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is

not charged on Assets Held for Sale. An annual review is undertaken as to whether assets still meet the criteria for Assets Held for Sale and where this is not the case they are reclassified and revalued in accordance with the appropriate class.

### 3. *Cash and Cash Equivalents*

Cash is represented by cash in hand, the net balance on all of the Council's bank accounts including those of schools. It includes deposits with financial institutions that are repayable on notice of not more than 24 hours without significant penalty. It also includes investments maturing and interest received on the first working day of April.

### 4. *Contingent Assets and Liabilities*

These are potential benefits or obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control. Contingent assets and liabilities are not recognised in the accounting statements but are disclosed in the notes to the accounts where deemed material.

### 5. *Deferred Liabilities*

Where the Council receives income in advance from developers and other organisations in respect of revenue expenditure, such as the future maintenance of assets, the amounts are held in the Balance Sheet as deferred liabilities until such time that the expenditure takes place.

### 6. *Disposals and Capital Receipts*

When assets are disposed of or decommissioned, the value of those assets included in the Balance Sheet along with any proceeds from disposal are used to calculate a gain or loss on disposal.

Disposals greater than £10,000 are treated as capital receipts and are credited to the Capital Receipts Reserve.

### 7. *Employee Benefits*

#### **Benefits Payable during Employment**

Short-term employee benefits such as wages and salaries, paid annual leave, sick leave and expenses are paid on a monthly basis and reflected as expenditure on an accruals basis in the relevant service line in the Comprehensive Income and Expenditure Statement.

#### **Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Comprehensive Income and Expenditure Statement.

#### **Post-Employment Benefits**

Employees of the Council are members of two separate pension schemes:

- the Teachers' Pension Scheme, administered by the Teachers Pensions Agency

- the Local Government Pension Scheme, via membership of the Cardiff and Vale of Glamorgan Pension Fund administered by the Council.

The Council is also the principal employer and sole statutory employer of the Cardiff City Transport Services Pension Schemes.

The Council accounts for pension costs in the main accounting statements in accordance with International Accounting Standard 19 (IAS19). This requires recognition of the fact that although retirement benefits are not actually payable until an employee retires, the Council's commitment to make those payments arises at the time that employees earn their future entitlements. Accounting treatment depends on whether they are in respect of a defined benefit scheme or a defined contribution scheme.

### Defined Contribution Schemes

Centralised arrangements for the Teachers' Pension Scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council and is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. Cardiff City Transport Services has a defined contribution scheme which carries a guaranteed minimum return for its members, which is closed to new members. The assets and liabilities of the scheme is shown in the Balance Sheet.

### Defined Benefit Schemes

The Cardiff and Vale of Glamorgan Pension Fund is a defined benefit scheme. There is also a Cardiff Transport Services Defined Benefit Scheme which is closed to new members. The net pension liability, which represents the Council's attributable share of the Pension Fund's assets and liabilities, is shown in the Balance Sheet where:

- liabilities for the scheme attributable to the Council are included on an actuarial basis using the projected unit method (an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections earnings for current employees)
- assets of the scheme attributable to the Council are included at their fair value:
  - quoted and unitised securities – current bid price
  - unquoted securities – professional estimate
  - property – market value.

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

- current service costs: increase in the liability as a result of pension earned by employees in the year is charged to net cost of services.
- past service costs: increase in the liability arising from current year decisions which affect pension earned by employees in earlier years is charged to Corporate Management.
- gains/losses on settlements and curtailments: result of actions to relieve the Council of liabilities or events that reduce expected future service or accrual of benefits are charged to Corporate Management.
- net interest on the net defined benefit liability: net interest expense for the period that arises from the passage of time and is shown within the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement.

- re-measurements: return on plan assets (excluding amounts included in net interest) and actuarial gains/losses as a result of updated actuarial assumptions. These are both charged to the Pensions Reserve as Other Income and Expenditure.

In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Council 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 negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

## 8. *Financial Assets*

Financial assets are classified based on a classification and measurement approach that reflects the Council's business model for holding financial assets and their cash flow characteristics.

There are three main classes of financial assets measured at:

- amortised cost - Achieve objectives by collecting contractual cash flows e.g. principal and interest
- fair value through profit or loss (FVPL) - Achieve objectives by both collecting contractual cash flows and selling assets
- fair value through other comprehensive income (FVOCI) - Achieve objectives by any other means than collecting contractual cash flows and where the Council has designated that this is the case.

In terms of value of financial assets recognised in the accounts, the authority's primary business model is to hold investments to collect contractual cash flows, however loans and equity instruments may be provided as capital expenditure in the approved Capital Programme to achieve service objectives. Depending on the rationale for holding such financial assets, primarily equity, the Council may designate such items to be measured at fair value through other comprehensive income.

Fair value measurement techniques are defined within the final section of this policy.

### **Financial Assets Measured at Amortised Cost**

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument in accordance with any investment or loan agreement. The amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest).

Any gains or losses that arise on derecognition of an asset are credited/debited to the Comprehensive Income and Expenditure Statement.

### **Expected Credit Loss Model**

Impairment losses are calculated to reflect the expectation that future cash flows might not take place because the borrower could default on their obligations. Such a review would take place on an individual financial asset or collective basis, based on materiality and cost benefit of individual assessment.

The Council undertakes a review of expected credit losses on all financial assets held at amortised cost either on a 12-month or lifetime basis. Where provision for such losses is not already undertaken e.g. as part of a provision for bad debts, adjustments to the value of financial assets disclosed in the accounts would be made. Credit risk plays a crucial part in assessing expected credit loss. Where risk has increased significantly since a financial asset was initially recognised, provisions for losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, provisions for losses are assessed on the basis of 12-month expected loss.

### **Financial Assets Measured at Fair Value through Profit or Loss (FVPL)**

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council 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 in the Surplus or Deficit on the Provision of Services.

Any gains or losses that arise on the derecognition of the asset are credited/debited to the Comprehensive Income and Expenditure Statement.

### **Financial Assets Measured at Fair Value through other comprehensive income (FVOCI)**

Financial assets that are measured as FVOCI are initially measured and carried at fair value on the Balance Sheet. Treating such assets under this category will require a 'Designation' by the Council. These are likely to be equity holdings held as part of a service objective.

Fair value gains and losses are recognised in Other Comprehensive Income and the change in the amount of the investment in the balance sheet is matched with an entry in the Financial Instruments Revaluation Reserve.

Upon derecognition, any balance on the Financial Instruments Revaluation Reserve is recycled through the Surplus or Deficit on the Provision of Services.

### **Fair Value Measurement of Financial Assets**

Fair value measurements for the above financial asset classes measured at fair value are based on the following techniques:

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

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

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

## **9. Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. They are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are

based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. Interest that is due but is unpaid at the end of the year is recognised in the Balance Sheet as a current liability.

Where a fair value price which is paid to transfer a liability, is estimated and disclosed, inputs to the valuation techniques used to determine fair value are attributed to the same levels as stated under the Financial Assets accounting policy.

Transaction costs, such as brokers' fees and commission in relation to managing the Council's Financial Instruments, which are not considered material, are charged immediately to the Comprehensive Income and Expenditure Statement.

## 10. *Grants and Contributions*

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

- there is reasonable assurance that the Council will comply with the conditions for their receipt and
- there is reasonable assurance that the grant or contribution will be received.

### **Revenue**

Grants, for which conditions have not yet been satisfied, are carried in the Balance Sheet as Revenue Grants Receipts in Advance. When conditions have been satisfied, the grant or contribution is credited to the relevant service line (specific revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-specific revenue grants) in the Comprehensive Income and Expenditure Statement. Where there is no longer any reasonable assurance that the conditions will be met, sums received will not be recognised as a receipt of grant but as a repayment due to the awarding body and held on the Balance Sheet as a liability if it remains unpaid.

Where the conditions of a revenue grant or contribution have been complied with but it is yet to be used to fund expenditure for the purpose stipulated in the grant agreement, it is set aside in an Earmarked Reserve.

### **Capital**

Grants and contributions that are applied in the year to fund capital schemes that are Revenue Expenditure Funded by Capital under Statute (REFCUS) are treated as revenue income and credited to the Comprehensive Income and Expenditure Statement to the relevant service line.

Capital Grants and Contributions applied in paying for other capital works are credited to the Taxation and Non-Specific Grant Income line in the Comprehensive Income and Expenditure Statement. Where a specific capital grant or contribution has been received but remains unapplied, this is shown as a creditor, as the unused element could be returned to the funder. Where a non-specific grant such as the General Capital Grant or Major Repair Allowance were to remain unapplied, it would be held as Capital Grants Unapplied Reserve.

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

## 11. *Heritage Assets*

The Council recognises heritage assets where it may have incurred separately identifiable expenditure on their acquisition or preservation or where it has information on the value of the asset.

Heritage assets are included at historic cost if included in the accounts and only measured at fair value where the benefits of doing so outweigh the costs. No depreciation charge is made on heritage assets.

The unique nature of heritage assets makes reliable valuations complex. These difficulties are recognised by the Code and therefore many individual assets are not recorded in the accounts, but additional narrative disclosures are made about the nature and scale of such assets within the notes to the accounts. A valuation is undertaken every 3 years by an external expert for insurance purposes. A valuation of paintings, artefacts, civic regalia and antiquarian books took place during 2022/23.

## 12. *Intangible Non-Current Assets*

Expenditure on assets that do not have physical substance but are identifiable and controlled by the Council is capitalised. In the case of computer software and licences, this will be capitalised where it relates to the enhancement or development of systems, expenditure on which is deemed to generate long-term economic benefits to the Council in the form of savings and improvements in service delivery. Intangible assets are included in the Balance Sheet at historic cost net of amortisation and are reviewed for impairment and re-valued only where they have a readily ascertainable market value.

The assets are amortised to the relevant service line over the economic life of the investment initially set between 3-7 years and reversed in the Movement in Reserves Statement via transfer to the Capital Adjustment Account. Once intangible assets are fully amortised, they are reviewed in terms of materiality and if necessary, disposed of with the carrying value removed from the asset register.

Gains or losses arising from disposal are recognised in the surplus or deficit on the provision of services.

## 13. *Interest Costs of Borrowing*

For 2024/25 the Council has updated its accounting policy for interest costs of borrowing incurred where items of property, plant and equipment take a substantial period of time to construct, acquire or produce the asset for their intended use. Previously borrowing costs had been charged to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement in the financial year in which they were incurred. This will continue for non-qualifying assets, however this is to be supplemented to capitalise borrowing interest costs for qualifying assets, the latter of which is defined below:

- an asset that incurs interest cost during the construction, acquisition or production of the asset;
- it is probable that the capital expenditure will result in future economic benefits or service potential to the Council; and that the interest costs can be measured reliably
- takes in excess of two years to prepare the asset for its intended use or sale and;
- has forecast Council capital expenditure in excess of £50 million in total during the construction phase.

Capitalisation of interest costs will cease when all the activities necessary to prepare the qualifying asset for its intended use are complete.

The calculation of interest costs includes either interest forgone on temporary cash balances, where the Council borrows to specifically fund a scheme the amount that is capitalised is the actual cost of borrowing less investment income, or where funds are borrowed generally, a capitalisation rate is used based on the weighted average of borrowing costs during the period.

In applying the new accounting policy, the council has identified no similar qualifying assets previously created for which the change in accounting policy would have impacted, had it been in place at the time. Accordingly, there is no requirement to restate previous financial statements and accompanying notes.

The Council has not applied this policy in 2024/25. This is intended to be applied from 2025/26, subject to progress on expenditure on qualifying Assets.

#### **14. *Interests in Companies and Other Entities***

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

#### **15. *Inventories***

Inventories are measured and held at the lower of cost or net realisable value. When such inventories are sold, exchanged or distributed, the carrying amount is recognised as expenditure.

The balance of inventories that have been donated rather than purchased are held in the Donated Inventory Account.

#### **16. *Investment Property***

Investment properties are those held solely to earn rentals and/or for capital appreciation such as: ground leases; land held for future development as strategic sites; other land and buildings that meet investment property criteria.

Investment properties are measured at fair value, based on the market value that would be received to sell an asset in an orderly transaction between market participants at the measurement date, reflecting the asset's highest and best use. A valuation is completed every year, the most recent of which was undertaken by Jones Lang LaSalle in 2024/25.

Investment properties are not depreciated. Gains and losses on revaluation and disposal in addition to rentals received are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. However, revaluation and disposal gains and losses are not permitted to have an impact on the Council Fund Balance and are therefore reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

#### **17. *Joint Committees***

Subject to materiality and exposure to risk, the relevant proportion of Joint Committees are included within the Council's accounts reflecting the transactions and balances for those Joint Committees. Where information is unavailable, prior year balances are included.

## 18. Leases

IFRS 16, which the Council has adopted with effect from 1<sup>st</sup> April 2024, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for most leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a Right-Of-Use asset (ROU) asset, representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

### *The Council as Lessee*

The Council recognises each ROU asset and a corresponding lease liability at the commencement date of the lease. The ROU asset represents the authority's right to use the underlying asset, while the lease liability reflects the obligation to make future lease payments. Initially, the ROU asset is measured at cost, which includes the initial lease liability, any lease payments made at or before the commencement date, less any lease incentives received, and any initial direct costs. The lease liability is measured at the present value of lease payments, discounted using the Public Works Loans Board (PWLB) rate as at 1 April 2024 as part of transitional arrangements for 2024/25, and going forward using either a weighted average of the Council's borrowing rates, or the rate implicit in the lease, for 2025/26 onwards. The ROU asset is depreciated over the shorter of the asset's useful life or the lease term, and the lease liability is adjusted for interest and lease payments.

The Council has elected to apply recognition exemptions to low value assets and to short-term leases i.e. existing leases that expire on or before 31 March 2025, and new leases with a duration of less than 12 months. It has determined that the focus should be on material asset classes (Land, Buildings, Vehicles and plant) rather than low value assets (e.g. photocopiers, water coolers, ICT).

### *The Council as Lessor*

#### **Finance Leases**

The Council does not recognise any leases of this type.

#### **Operating Leases**

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement on an accruals basis.

## 19. Local Authority Maintained Schools

The Code confirms that the balance of control for local authority maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority financial statements. Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements of the authority as if they were the transactions, cash flows and balances of the authority.

## 20. Property, Plant, Equipment

These assets are those that have physical substance used in the production or supply of goods or services, those intended to be held indefinitely, those used for the promotion of culture and knowledge and those expected to be used during more than one financial year.

### Recognition

Expenditure on the acquisition, creation or enhancement of such assets is capitalised on an accruals basis. All expenditure incurred on existing assets is assumed to result in enhancement of the asset and will be shown in the accounts as an addition to the asset.

Expenditure that maintains but does not add to an asset's potential to deliver benefits or service potential (i.e. repairs and maintenance) is charged to revenue as it is incurred.

The Council has a de minimis policy of £1,000 with regards to capitalisation of expenditure in connection with Council dwellings.

Once assets have fully depreciated, they are reviewed in terms of materiality and if necessary, disposed of with the carrying value removed from the asset register.

### Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the specific asset into working condition for its intended use, including borrowing costs which are capitalised for qualifying assets. A full year's depreciation is charged on capital expenditure incurred in the year. No depreciation is charged in the year of disposal. Assets are subsequently carried on the balance sheet as per the following:

Asset Type	Measurement	Valuation Frequency	Last Full Valuation	Surveyor for Last Valuation	Next Full Valuation	Depreciation*
<b>Assets under Construction</b>	Depreciated Historical Cost	n/a	n/a	n/a	n/a	n/a
<b>Community Assets</b>	Depreciated Historical Cost	n/a	n/a	n/a	n/a	n/a
<b>Council Dwellings</b>	Existing Use Value for Social Housing	Every 2 years	2024/25	Savills	2026/27	Land: n/a Buildings: 50 years
<b>Infrastructure</b>	Depreciated Historical Cost	n/a	n/a	n/a	n/a	10-120 years**
<b>Other Operational Land &amp; Buildings</b>	Existing Use Value or Depreciated Replacement Cost if specialist nature without market-based evidence	Every 3 years	2024/25	Cooke & Arkwright	2027/28	Land: n/a Buildings: 1-83 years
<b>School Assets</b>	Detailed Depreciated Replacement Cost (Modern Equivalent Asset)	Every 3 years	2024/25	Cooke & Arkwright	2027/28	Land: n/a Buildings: 1-43 years
<b>Surplus Assets</b>	Fair Value	Every year	2024/25	Jones Lang LaSalle	2025/26	n/a

Asset Type	Measurement	Valuation Frequency	Last Full Valuation	Surveyor for Last Valuation	Next Full Valuation	Depreciation*
Vehicles, Plant, Furniture & Equipment	Depreciated Historical Cost	n/a	n/a	n/a	n/a	5-20 years

\* Calculated on a straight-line basis over the below estimated useful lives, unless there is not a determinable finite useful life.

\*\* Included within Infrastructure is the Cardiff Bay Barrage, which is being depreciated over the design life of 120 years.

## Revaluations

Council dwellings, other land and buildings including schools, are required to be valued periodically. The valuations consider not only cost variables but a number of other essential variables such as condition and changes in use. Asset valuations take place with an effective date at 1 April or 31 March where a full professional valuation of a full class of assets indicates that there may be a material change at the final balance sheet position.

The Council must balance the requirement to ensure carrying amounts are not materially different from their fair or current value at the year-end, with the time, costs and resources involved in providing valuation services for accountancy purposes. It does this by:

- undertaking an annual impairment review of property with the Council's in-house valuation team to identify significant changes
- using the experience and local knowledge of the in-house valuation team to provide or source any external valuation services
- having an agreed rolling revaluation programme which is over and above the recommended minimum five year period set out in CIPFA Guidance for revaluations. This is to ensure there is sufficient, regular and consistent coverage of all classes of assets and that valuation changes are averaged out at least over a three-year period, based on full professional valuations.

In interim years between full valuations of asset classes, the Council may carry out asset valuations on a sample within an asset class. This is to identify if economic/market conditions may have had a material impact on reported asset values. This may be for example during periods of high inflation. However, asset accounting valuations may change as a result of a number of factors not just inflation, such as but not limited to; economic conditions, changes to markets in which the assets operate, changing asset condition, levels of use, valuation methods and asset classifications, legal and regulatory requirements. Accordingly, care must be taken in assuming a change in a single variable will impact on all assets.

Revaluations of the Council's property assets are undertaken on a minimum three-yearly rolling programme basis, or where there is a major refurbishment of an asset, a new valuation will be sought in the year of completion and a revision is made to the useful life. It should be noted that revaluation movements are an accounting exercise only and do not impact on the financial performance of the Council, including where such assets are continued to be intended to be held for service delivery purposes.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only; the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

## Impairment and Downward Revaluation

Assets are assessed at each year-end to determine whether there is any indication that an asset may be impaired in value, either due to a significant reduction in service potential or significant permanent market value reduction. Where a material change in value is identified, the accounting treatment is as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance, up to the amount of the accumulated gains
- thereafter, or if there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

## Component Accounting

Where a single asset may have a number of different components, each having a different useful life, three factors are taken into account to determine whether a separate valuation of components is to be recognised in the accounts in order to provide an accurate figure for depreciation.

These factors are:

- materiality with regards to the Council's financial statements. Componentisation will only be considered for individual non-land assets that have a net book value of more than £1.5 million at the end of the financial year
- significance of component. For individual assets meeting the above threshold, where services within a building (boilers/heating/lighting/ventilation etc.), or items of fixed equipment (kitchens/cupboards) is a material component of the cost of that asset (>30%), then those services/equipment will be valued separately on a component basis
- difference in rate or method of depreciation compared to the overall asset. Only those elements that normally depreciate at a significantly different rate from the non-land element as a whole, or that require a different method of depreciation will be identified for componentisation.

Assets that do not meet the tests above can be disregarded for componentisation on the basis that any adjustment to depreciation charges would not result in a material misstatement in the accounts.

## 21. Provisions

Provisions are charged as expenditure to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision, which is held on the Balance Sheet. Provisions are reviewed at the end of each financial year and where no longer required are credited back to the relevant service line.

## 22. Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions, but that does not result in the creation of a non-current asset, has been charged as expenditure to the relevant service line in the Comprehensive Income and Expenditure Statement. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Council Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

### **23. Reserves**

The Council sets aside useable reserves for future policy purposes or to cover contingencies. Certain reserves are unusable and are maintained to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits. These do not represent usable resources for the Council and there are no net impacts on council tax or rent.

### **24. Presentation**

It is not the Council's policy to adjust for immaterial cross-casting differences between the main statements and disclosure notes.

Income or surplus balances are shown as negative figures, denoted by brackets. Expenditure or deficit balances are shown as positive figures.

### **25. Value Added Tax (VAT)**

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

## *Critical Judgements and Assumptions*

### **Critical judgements in applying accounting policies**

Accounting policies are only applied to material Council transactions. In applying policies, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- there remains a degree of uncertainty about future levels of income and expenditure for the Council and its subsidiaries. However, the Council has determined that this uncertainty is not an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The Council includes Voluntary Aided, Voluntary Controlled and Foundation schools in its balance sheet only if it owns the land and/or can accordingly direct the use of the assets. In most cases these are owned by religious bodies, the trustees or governing body of the school.

**Assumptions made about the future and other sources of estimation uncertainty**

The Statement of Accounts contains figures that are based on assumptions or estimates about the future or that are otherwise uncertain. Whilst these take into account historical experience, current trends, professional guidance and other relevant factors, actual results could be different. The main items in the Council’s Balance Sheet at 31 March 2025 for which there is a risk of adjustment in future financial years are:

Item	Uncertainty	Effect if Actual Results Differ from Assumptions
Valuation, where required of Property, Plant and Equipment assets, Heritage assets and Investment properties	<p>Valuation of property interests involves assessment of a number of variables such as market conditions, useful life, cost of reconstruction, assessment of condition, use of discount factors for social housing etc. Valuations are undertaken by qualified Chartered Surveyors, or experts in the relevant field, in accordance with the Practice Statements and Guidance notes set out in the Royal Institution of Chartered Surveyors (RICS) Valuation Standards (The Red Book) and any other relevant guidance.</p> <p>The Council’s approach to undertaking valuations on a more frequent basis than the minimum 5-year period required by the CIPFA Code ensure that changes in all variables impacting on a valuation are captured as soon as possible in the next full and professional valuation.</p>	Any changes to valuations and any associated depreciation charges to services for non-current assets are required to be reversed out in the accounts, so this will not have an impact on Council Tax or rents.
Financial Instrument assets	<p>These are reviewed annually for significant impairment using data such as historic risk of default and other reviews of recoverability.</p> <p>For financial assets not quoted on a recognised exchange or where it is difficult to provide accounting valuations e.g. valuations of the Council’s shareholding in Cardiff City Transport Services Ltd. The fair value is deemed to be Net Worth.</p>	Any change in the fair value of Cardiff City Transport Services Ltd has no impact on the level of Council Tax as changes are reflected by a corresponding amendment in the Financial Instrument Revaluation Reserve.
Provisions	The Council makes a number of provisions for liabilities that it may face where a reasonable estimate of value can be made at the balance sheet date. In most cases these are subject to legal claims, such as those for insurance. Provisions relating to landfill sites are subject to a high level of estimation primarily given the length of period over which they are to be considered. Professional internal and external advice is used to determine the need and value of provisions.	The outcomes of assumptions will have an impact on the Outturn in future years, however due to the uncertain nature of these events, are difficult to quantify.
Arrears	The Authority is owed for items such as sundry debtors, Council Tax, Non-Domestic Rates (NDR) and rents. After taking into account trends in past collection experience and other relevant changes which may impact on collectability, a level of impairment or provision for expected credit losses is assumed. It is not certain however that this impairment allowance would be sufficient as the Council cannot assess with certainty which debts will be collected or not.	Improvements in collection will improve the reported net cost of services position, however where customers are finding it difficult to pay this will require increases in the level of provisions currently set aside.

## Accounting Policies, Critical Judgements and Assumptions

---

Item	Uncertainty	Effect if Actual Results Differ from Assumptions
	The current economic situation has made the estimation of debt impairment more difficult as there is more uncertainty about the economic viability of debtors and hence their ability to settle their debts which may or may not be sufficient.	
Pensions Liability	<p>Estimation of the net asset or liability to pay pensions depends on a number of complex judgements relating to the discount rate used, inflation, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. This also includes market volatility caused by geo-political and macro-economic factors.</p> <p>Professional actuaries are engaged to provide the Council with expert advice about the assumptions to be applied.</p>	It is difficult to measure the effects on the net pension asset or liability of changes in individual assumptions, as they can result in multiple variations to the figure. A sensitivity analysis is provided in Note 13.



# Core Financial Statements and Notes to the Financial Statements



STRONGER  
FAIRER  
GREENER



## Comprehensive Income and Expenditure

This statement records all of the Council's income and expenditure throughout the year and consequently shows the accounting cost of providing services during the year in line with generally accepted accounting practices. The Expenditure and Funding Analysis (Note 2) demonstrates how the funding available to the Council has been used to provide services in comparison with those resources consumed or earned under Generally Accepted Accounting Practices (GAAP).

2023/24 Restated				2024/25			
Gross Expenditure	Gross Income	Net Expenditure		Note	Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000			£000	£000	£000
23,488	(15,098)	8,390	Corporate Management		5,558	(1,103)	4,455
111,104	(32,593)	78,511	Economic Development		94,919	(36,013)	58,906
490,223	(102,517)	387,706	Education & Lifelong Learning		545,346	(121,624)	423,722
8,884	(785)	8,099	Governance & Legal Services		10,571	(2,793)	7,778
9,552	(6,602)	2,950	Harbour Authority		9,229	(7,244)	1,985
222,072	(171,509)	50,563	Housing & Communities		225,753	(178,475)	47,278
138,818	(101,603)	37,215	Housing Revenue Account		135,897	(113,269)	22,628
19,757	(16,424)	3,333	Performance & Partnerships		19,010	(16,161)	2,849
75,012	(42,473)	32,539	Planning, Transport & Environment		78,879	(50,030)	28,849
38,464	(18,633)	19,831	Resources		43,447	(23,400)	20,047
197,965	(47,547)	150,418	Social Services - Adults		217,698	(53,253)	164,445
140,791	(41,059)	99,732	Social Services - Children's		135,595	(31,261)	104,334
15,714	(909)	14,805	Summary Revenue Account		534	(19,149)	(18,615)
9,555	(780)	8,775	CCRC/SEWCJC		6,296	(1,559)	4,737
<b>1,501,399</b>	<b>(598,532)</b>	<b>902,867</b>	<b>Net Cost of Services</b>		<b>1,528,732</b>	<b>(655,334)</b>	<b>873,398</b>
48,827	0	48,827	Police & Crime Commissioner for South Wales	3	53,384	0	53,384
542	0	542	Community Council Precepts		569	0	569
21,515	0	21,515	Levies & Contributions		23,468	0	23,468
4,749	(6,129)	(1,380)	(Gain)/loss on sale of non-current assets		2,119	(4,806)	(2,687)
<b>75,633</b>	<b>(6,129)</b>	<b>69,504</b>	<b>Other Operating Expenditure</b>		<b>79,540</b>	<b>(4,806)</b>	<b>74,734</b>
33,882	0	33,882	Interest Payable on debt	15	37,653	0	37,653
8,365	0	8,365	Interest on net defined benefit liability/(asset)	13	1,076	0	1,076
0	(6,993)	(6,993)	Interest & Investment Income	15	0	(6,615)	(6,615)
0	0	0	Interest expense on Leases		368	0	368
15,713	(14,313)	1,400	Income & Expenditure in relation to Investment Properties and changes in their fair value	14	17,426	(14,199)	3,227
0	(6,440)	(6,440)	Movement in Financial Instruments		1,073	(6,126)	(5,053)
<b>57,960</b>	<b>(27,746)</b>	<b>30,214</b>	<b>Financing &amp; Investment Income &amp; Expenditure</b>		<b>57,596</b>	<b>(26,940)</b>	<b>30,656</b>
0	(158,928)	(158,928)	Recognised Capital Grants & Contributions	24	0	(206,267)	(206,267)
0	(475,312)	(475,312)	Revenue Support Grant		0	(488,634)	(488,634)
0	(118,293)	(118,293)	Non-Domestic Rates	6	0	(134,524)	(134,524)

## Comprehensive Income and Expenditure

2,833	(262,468)	<b>(259,635)</b>	Council Tax Income	5	4,748	(286,464)	<b>(281,716)</b>
7,648	0	<b>7,648</b>	Donated Inventories	26	92	0	<b>92</b>
0	0	<b>0</b>	Gain on Pepercorn Lease		0	(7,148)	<b>(7,148)</b>
48	0	<b>48</b>	Corporation Tax (CCRCD/SEWCJC)		85	0	<b>85</b>
	(304)		Revenue Grants (CCRCD/SEWCJC)		0	(2,209)	<b>(2,209)</b>
<b>10,529</b>	<b>(1,015,305)</b>	<b>(1,004,776)</b>	<b>Taxation &amp; Non-Specific Grant Income</b>		<b>4,925</b>	<b>(1,125,246)</b>	<b>(1,120,321)</b>
<b>1,645,521</b>	<b>(1,647,712)</b>	<b>(2,191)</b>	<b>(Surplus)/Deficit on Provision of Services</b>		<b>1,670,793</b>	<b>(1,812,326)</b>	<b>(141,533)</b>
		<b>(42,927)</b>	(Surplus)/Deficit on revaluation of non current assets	26			<b>(29,207)</b>
		<b>(1,995)</b>	(Surplus)/Deficit on Financial Instrument Revaluation Reserve				<b>(1,135)</b>
		<b>(161,282)</b>	Remeasurement of the net defined benefit liability/(asset)	13			<b>31,774</b>
		<b>(206,204)</b>	<b>Other Comprehensive Income &amp; Expenditure</b>				<b>1,432</b>
		<b>(208,395)</b>	<b>Comprehensive Income &amp; Expenditure (Surplus)/Deficit</b>				<b>(140,101)</b>

The 2023/24 breakdown of the Net Cost of Services has been amended to take account of the changes in structure in 2024/25

## Movement in Reserves

The statement is split into both Usable and Unusable Reserves. Usable Reserves are those that the Council can use to provide services such as the General Fund and Capital Receipts Reserve whereas Unusable Reserves such as the Pension Fund and Capital Adjustment Account cannot be used, as they are for accounting purposes only.

	Council Fund Balance	Council Fund Earmarked Reserves	Joint Cmmttee Reserve	HRA Balance	HRA Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance at 31 March 2023 carried forward Restated</b>	14,255	145,721	3,792	15,502	12,420	7,680	6,972	206,342	1,204,265	1,410,607
<b>CCRCO /SEWCJC Adjustments</b>			(3,261)					(3,261)	3,261	0
Movement in Reserves during 2023/24										
Surplus/(deficit) on the provision of Services	(10,167)		4,387	7,971	0	0	0	2,191	0	2,191
Other Comprehensive Income and Expenditure	0	0		0	0	0	0	0	206,204	206,204
<b>Total Comprehensive Income and Expenditure</b>	<b>(10,167)</b>	<b>0</b>	<b>4,387</b>	<b>7,971</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,191</b>	<b>206,204</b>	<b>208,395</b>
Adjustments between accounting basis & funding basis under regulations (note 1)	(2,183)	0	(3,940)	(13,172)	0	4,032	(2,000)	(17,263)	17,263	0
<b>Net Increase/(Decrease) before Transfers to/(from) Earmarked Reserves</b>	<b>(12,350)</b>	<b>0</b>	<b>447</b>	<b>(5,201)</b>	<b>0</b>	<b>4,032</b>	<b>(2,000)</b>	<b>(15,072)</b>	<b>223,467</b>	<b>208,395</b>
Transfers to/(from) Earmarked Reserves	12,350	(12,350)	(865)	5,201	(5,201)	0	0	(865)	865	0
<b>Increase/(Decrease) in 2023/24</b>	<b>0</b>	<b>(12,350)</b>	<b>(418)</b>	<b>0</b>	<b>(5,201)</b>	<b>4,032</b>	<b>(2,000)</b>	<b>(15,937)</b>	<b>224,332</b>	<b>208,395</b>
<b>Balance at 31 March 2024 carried forward restated</b>	<b>14,255</b>	<b>133,371</b>	<b>113</b>	<b>15,502</b>	<b>7,219</b>	<b>11,712</b>	<b>4,972</b>	<b>187,144</b>	<b>1,431,858</b>	<b>1,619,002</b>
Movement in Reserves during 2024/25										
Surplus/(deficit) on the provision of Services	103,641	0	10,201	27,691	0	0	0	141,533	0	141,533
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	(1,432)	(1,432)
<b>Total Comprehensive Income and Expenditure</b>	<b>103,641</b>	<b>0</b>	<b>10,201</b>	<b>27,691</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>141,533</b>	<b>(1,432)</b>	<b>140,101</b>
Adjustments between accounting basis & funding basis under regulations (note 1)	(90,858)	0	(7,671)	(24,827)	0	(2,675)	(2,274)	(128,305)	128,305	0
<b>Net Increase/(Decrease) before Transfers to/(from) Earmarked Reserves</b>	<b>12,783</b>	<b>0</b>	<b>2,530</b>	<b>2,864</b>	<b>0</b>	<b>(2,675)</b>	<b>(2,274)</b>	<b>13,228</b>	<b>126,873</b>	<b>140,101</b>
Transfers to/(from) Earmarked Reserves (note 25)	(12,783)	12,783	(1,296)	(2,864)	2,864	0	0	(1,296)	1,296	0

## Movement in Reserves

---

Increase/(Decrease) in 2024/25	0	12,783	1,234	0	2,864	(2,675)	(2,274)	11,932	128,169	140,101
Balance at 31 March 2025 carried forward	14,255	146,154	1,347	15,502	10,083	9,037	2,698	199,076	1,560,027	1,759,103

## Balance Sheet

This statement is comprised of two balancing sections - the net assets of the Council and the total reserves held.

31 March 2024 Restated		Note	31 March 2025
£000			£000
2,251,587	Property, Plant & Equipment incl Infrastructure Assets	14	2,457,101
68,272	Heritage Assets		68,355
160,276	Investment Properties		158,419
872	Intangible assets		877
31,642	Long-term Investments	15	35,793
19,833	Long-term Debtors		26,781
<b>2,532,482</b>	<b>Total Long-Term Assets</b>		<b>2,747,326</b>
158	Short-term Investments	15	16,020
450	Assets Held for Sale	16	450
2,682	Inventories		2,514
199,767	Short-term Debtors	17	272,773
99,304	Cash and Cash Equivalents	18	45,229
<b>302,361</b>	<b>Total Current Assets</b>		<b>336,986</b>
(23,833)	Short-term Borrowing	15	(47,543)
(154,739)	Short-term Creditors	19	(153,444)
0	Current Lease Liabilities		(2,710)
(1,065)	Pension Strain	22	(1,202)
(4,197)	Provisions	21	(2,943)
(1,745)	Deferred Liabilities	23	(1,889)
<b>(185,579)</b>	<b>Total Current Liabilities</b>		<b>(209,731)</b>
(867,703)	Long-term Borrowing	15	(933,637)
(35,898)	Provisions	21	(33,483)
(12,051)	Deferred Liabilities	23	(11,053)
(14,340)	Revenue Grants Receipts in Advance	24	(6,440)
(8,303)	Capital Grants Receipts in Advance		(4,009)
(39,202)	Capital Contributions Receipts in Advance		(41,896)
0	Non Current Lease Liabilities		(3,377)
(2,283)	Pension Strain	22	(4,241)
(50,482)	Net Pensions Liability	13	(77,342)
<b>(1,030,262)</b>	<b>Total Long-Term Liabilities</b>		<b>(1,115,478)</b>
<b>1,619,002</b>	<b>NET ASSETS</b>		<b>1,759,103</b>
	<b>Financed by:</b>		
14,255	Council Fund Balance	25	14,255
133,484	Council Fund Earmarked Reserves		147,501
15,502	Housing Revenue Account Balance		15,502
7,219	Housing Revenue Account Earmarked Reserves		10,083
11,712	Capital Receipts Reserve		9,037
4,972	Capital Grants Unapplied		2,698
<b>187,144</b>	<b>Total Usable Reserves</b>		<b>199,076</b>
403,155	Revaluation Reserve	26	430,063
1,071,931	Capital Adjustment Account		1,202,374
66	Deferred Capital Receipts		0

## Balance Sheet

20,177	Financial Instruments Revaluation Reserve		23,949
(53,830)	Pensions Reserve		(82,165)
(12,450)	Accumulated Absences Adjustment Account		(17,578)
313	Donated Inventories Account		221
2,496	Group Companies Reserve (CCRCD/SEWCJC )		3,163
<b>1,431,858</b>	<b>Total Unusable Reserves</b>		<b>1,560,027</b>
<b>1,619,002</b>	<b>TOTAL RESERVES</b>		<b>1,759,103</b>

## Cashflow Statement

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

2023/24 Restated £000		Note	2024/25 £000
(2,191)	Net (surplus)/deficit on the provision of services		(141,533)
(188,258)	Adjustments to net (surplus)/deficit on the provision of services for non-cash movements	28	(77,237)
153,099	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities*		216,445
<b>(37,350)</b>	<b>Net cash flows from operating activities</b>		<b>(2,325)</b>
265,430	Purchase of property, plant and equipment, investment property and intangible assets		303,641
792,341	Purchase of short-term and long-term Investments		639,440
7,550	Other investing activities		10,411
(6,070)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets		(5,071)
(885,442)	Proceeds from short-term and long-term investments*		(639,440)
(138,938)	Capital Grants and Contributions		(165,546)
<b>34,871</b>	<b>Net cash flows from investing activities</b>		<b>143,435</b>
(43,110)	Cash receipts from short-term and long-term borrowing		(103,095)
(1,587)	Other financing activities		2,571
4,466	Repayments of short-term and long-term borrowing		13,490
<b>(40,231)</b>	<b>Net cash flows from financing activities</b>		<b>(87,034)</b>
<b>(42,710)</b>	<b>Net (increase)/decrease in cash and cash equivalents</b>		<b>54,076</b>
56,594	Cash and cash equivalents at the beginning of the reporting period		99,304
<b>99,304</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	18	<b>45,228</b>

## Notes to the Financial Statements

### 1. Adjustments between Accounting Basis and Funding Basis under Regulation

This note details the adjustments that are made to the total comprehensive income and expenditure, recognised by the Council in the year, in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

Usable Reserves 2023/24 restated						Adjustments between Accounting and Funding Basis	Usable Reserves 2024/25					Movement in Unusable Reserves
Council Fund Balance	Joint Committee Reserve	Housing Revenue Account	Capital Receipts Reserves	Unapplied Capital Grants	Movement in Unusable Reserves		Council Fund Balance	Joint Committee Reserve	Housing Revenue Account	Capital Receipts Reserves	Unapplied Capital Grants	
£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	
						<b>Adjustments to Revenue Resources</b>						
						<b>Amounts by which the income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements</b>						
7,520	0	(448)	0	0	(7,072)	Pension costs (transferred to/from the Pensions Reserve )	(2,930)	0	(510)	0	0	3,440
(4,585)	0	55	0	0	4,530	Officer remuneration (transferred to the accumulated absence Reserve )	4,996	0	128	0	0	(5,124)
71,342	0	14,828	0	0	(86,170)	Charges for depreciation and impairment of Non-Current assets	44,562	0	23,467	0	0	(68,029)
13,176	0	52,629	0	0	(65,805)	Revaluation losses of Non-Current Assets	68,297	0	35,550	0	0	(103,847)
(3,209)	0	0	0	0	3,209	Reverse previous impairment on revaluation	(24,609)	0	(794)	0	0	25,403
538	0	0	0	0	(538)	Amortisation of Intangible Assets	276	0	0	0	0	(276)
7,222	0	0	0	0	(7,222)	Movements in the market value of Investment Properties	8,481	0	492	0	0	(8,973)
0	0	0	0	0	0	Movement in the value of Assets Held for Sale	0	0	0	0	0	0
(90,079)	0	(58,553)	0	0	148,631	Capital grants and contributions applied	(127,716)	(12,035)	(66,516)	0	0	206,267
2,000	0	0	0	(2,000)	0	Capital grants unapplied drawdown	2,274	0	0	0	(2,274)	0

28,028	0	43	0	0	(28,071)	Revenue expenditure funded from capital under statute	1,420	0	41	0	0	(1,461)
0	0	0	0	0		Gain on Peppercorn Lease	(7,148)	0	0	0	0	7,148
7,648	0	0	0	0	(7,648)	Transfer to Donated Inventories	92	0	0	0	0	(92)
(6,440)	0	0	0	0	6,440	Movement of Financial Instruments	(5,051)	0	0	0	0	5,051
(678)	0	(703)	6,129	0	(4,749)	Amount of Non-Current Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	(2,507)	0	(420)	4,806	0	(1,879)
<b>32,483</b>	<b>0</b>	<b>7,851</b>	<b>6,129</b>	<b>(2,000)</b>	<b>(44,462)</b>	<b>Total adjustments to Revenue Resources</b>	<b>(39,563)</b>	<b>(12,035)</b>	<b>(8,562)</b>	<b>4,806</b>	<b>(2,274)</b>	<b>57,628</b>
						<b>Adjustments between Revenue and Capital Resources</b>						
(31,394)	0	(13,622)	0	0	45,016	Statutory provision for the financing of capital investment	(40,626)	0	(14,865)	0	0	55,491
(3,489)	0	(7,400)	0	0	10,889	Capital expenditure charged against the Council Fund and HRA balances	(10,487)	0	(1,400)	0	0	11,887
0	0	0	0	0	0	Credit for disposal costs that qualify to be met from the resulting capital receipts	0	0	0	0	0	0
5	0	0	0	0	(5)	Capital receipts set aside for the repayment of debt and reduction in Loan debtors	0	0	0	0	0	0
<b>(34,878)</b>	<b>0</b>	<b>(21,022)</b>	<b>0</b>	<b>0</b>	<b>55,900</b>	<b>Total adjustments between Revenue and Capital resources</b>	<b>(51,113)</b>	<b>0</b>	<b>(16,265)</b>	<b>0</b>	<b>0</b>	<b>67,378</b>
						<b>Adjustments to Capital resources</b>						
212	0	0	(212)	0	0	Transfers to the Capital Receipts Reserve upon receipt of cash	(182)	0	0	182	0	0
0	0	0	0	0	0	Transfers to /from the Deferred Capital Receipts Reserve in relation to gain/loss on disposal	0	0	0	66	0	(66)
0	0	0	(2,734)	0	2,734	Use of the Capital Receipts Reserves to finance new capital expenditure	0	0	0	(8,898)	0	8,898
<b>212</b>	<b>0</b>	<b>0</b>	<b>(2,946)</b>	<b>0</b>	<b>2,734</b>	<b>Total adjustments to Capital resources</b>	<b>(182)</b>	<b>0</b>	<b>0</b>	<b>(8,650)</b>	<b>0</b>	<b>8,832</b>
<b>0</b>	<b>(3,940)</b>	<b>0</b>	<b>849</b>	<b>0</b>	<b>3,091</b>	<b>CCRCO /SEWCJC Adjustments</b>	<b>0</b>	<b>4,364</b>	<b>0</b>	<b>1,169</b>	<b>0</b>	<b>(5,533)</b>
<b>(2,183)</b>	<b>(3,940)</b>	<b>(13,172)</b>	<b>4,032</b>	<b>(2,000)</b>	<b>17,263</b>	<b>Total adjustments</b>	<b>(90,858)</b>	<b>(7,671)</b>	<b>(24,827)</b>	<b>(2,675)</b>	<b>(2,274)</b>	<b>128,305</b>

## 2. Expenditure and Funding Analysis

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

Net Expenditure Charged to CF and HRA	Adjustments between accounting & funding basis	Net expenditure CIES		Net Expenditure Charged to CF and HRA (outturn)	Adjustments between accounting & funding basis (see note 2.1)	Net expenditure CIES (Net Cost of Services)
£000	£000	£000		£000	£000	£000
28,928	(20,538)	8,390	Corporate Management	33,661	(29,207)	4,454
55,937	23,196	79,133	Economic Development	55,058	3,848	58,906
345,156	42,428	387,584	Education & Lifelong Learning	367,466	56,256	423,722
7,773	183	7,956	Governance & Legal Services	7,769	9	7,778
0	2,950	2,950	Harbour Authority	0	1,985	1,985
49,885	1,166	51,051	Housing & Communities	48,861	(1,583)	47,278
0	37,215	37,215	Housing Revenue Account	0	22,628	22,628
3,048	207	3,255	Performance & Partnerships	2,926	(77)	2,849
10,582	21,601	32,183	Planning Transport & Environment	8,325	20,524	28,849
17,867	1,964	19,831	Resources	17,203	2,844	20,047
148,852	1,566	150,418	Social Services - Adults	164,943	(498)	164,445
95,659	3,663	99,322	Social Services - Children's	103,059	1,275	104,334
40,207	(25,402)	14,805	Summary Revenue Account	40,012	(58,626)	(18,614)
17,099	(8,325)	8,774	CCRCD/SEWCJC	6,015	(1,279)	4,737
820,993	81,874	902,867	Net Cost of Services	855,298	18,099	873,398
(755,770)	(149,288)	(905,058)	Other income and expenditure	(812,940)	(201,991)	(1,014,931)
65,223	(67,414)	(2,191)	(Surplus)/Deficit on Provision of Services	42,358	(183,892)	(141,533)
	Council Fund	HRA Balance			Council Fund	HRA Balance
	(14,255)	(15,502)	Opening Balance as at 1 April		(14,225)	(15,502)
	0	0	Surplus/(Deficit)		0	0
	(14,255)	(15,502)	Closing Balance as at 31 March		(14,225)	(15,502)

The 2023/24 breakdown of the Net Cost of Services has been amended to take account of the changes in structure in 2024/25

## 2.1 Note to the Expenditure and Funding Analysis

The adjustments between Accounting and Funding basis are analysed further in the following table with further explanation provided below the table.

2023/24 Restated				Directorate	2024/25			
Adjustments for capital purposes (a)	Net change for Pensions Adjustments (b)	Other Adjustments (c)	Total Adjustments		Adjustments for capital purposes (a)	Net change for Pensions Adjustments (b)	Other Adjustments (c)	Total Adjustments
£000	£000	£000	£000		£000	£000	£000	£000
3,642	1,725	(25,905)	<b>(20,538)</b>	Corporate Management	(8,740)	648	(21,115)	<b>(29,207)</b>
19,746	1,411	2,039	<b>23,196</b>	Economic Development	3,847	806	(805)	<b>3,849</b>
43,372	(2,223)	1,279	<b>42,428</b>	Education & Lifelong Learning	59,915	(3,262)	(396)	<b>56,257</b>
34	157	(8)	<b>183</b>	Governance & Legal Services	34	(65)	39	<b>9</b>
2,912	4	34	<b>2,950</b>	Harbour Authority	1,996	(31)	20	<b>1,985</b>
921	(306)	551	<b>1,166</b>	Housing & Communities	(836)	(378)	(369)	<b>(1,583)</b>
60,099	(448)	(22,436)	<b>37,215</b>	Housing Revenue Account	53,693	(510)	(30,555)	<b>22,628</b>
0	113	94	<b>207</b>	Performance & Partnerships	(137)	(53)	113	<b>(77)</b>
23,943	(1,020)	(1,322)	<b>21,601</b>	Planning, Transport & Environment	22,094	(184)	(1,387)	<b>20,524</b>
3,007	(738)	(305)	<b>1,964</b>	Resources	2,603	(403)	644	<b>2,843</b>
295	265	1,006	<b>1,566</b>	Social Services - Adults	570	(624)	(444)	<b>(498)</b>
226	(233)	3,670	<b>3,663</b>	Social Services - Children's	1,236	(460)	499	<b>1,275</b>
15,434	0	(40,836)	<b>(25,402)</b>	Summary Revenue Account	(368)	0	(58,258)	<b>(58,626)</b>
(8,325)	0	0	<b>(8,325)</b>	CCRCD/SEWCJC	(1,277)	0	0	<b>(1,277)</b>
<b>165,306</b>	<b>(1,293)</b>	<b>(82,139)</b>	<b>81,874</b>	<b>Net Cost of Services</b>	<b>134,630</b>	<b>(4,516)</b>	<b>(112,014)</b>	<b>18,102</b>
(158,908)	8,365	1,255	<b>(149,288)</b>	Other income and expenditure from the Expenditure & Funding Analysis	(203,160)	1,076	92	<b>(201,992)</b>
<b>6,398</b>	<b>7,072</b>	<b>(80,884)</b>	<b>(67,414)</b>	<b>(Surplus)/Deficit on Provision of Services</b>	<b>(68,529)</b>	<b>(3,440)</b>	<b>(111,922)</b>	<b>(183,891)</b>

The 2023/24 breakdown of the Net Cost of Services has been amended to take account of the changes in structure in 2024/25

(a) Adjustments for capital purposes – this column adds in depreciation, impairment and revaluation gains and losses in the net cost of services line and:

- **other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **financing and investment income** – the statutory charges for capital financing i.e. prudent revenue provision and other revenue contributions are deducted from other income and expenditure, as these are not chargeable under generally accepted accounting practices (GAAP)
- **taxation and non-specific income and expenditure** - capital grants are adjusted for income not chargeable under GAAP. Revenue grants are adjusted from those receivables during the year to those receivables without conditions or for which conditions were satisfied throughout the year. The taxation and non-specific grant income and expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied within the year.

(b) Net change for the removal of pension contributions and the addition of the IAS19 Employee Benefits pension related expenditure and income:

- **for the net cost of services** – the removal of the employer pension contributions made by the Council as determined by statute and their 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 CIES.

(c) Other adjustments between the amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute:

- **for net cost of services** – the accrual made for the cost of holiday/leave entitlements earned by employees but not taken before the year end which employees can carry forward into the next financial year. These are required to be included within the Net Cost of Services under GAAP, however, are not chargeable to the Council Fund.
- **for financing and investment income and expenditure** – the other differences column recognises adjustments to the Council Fund for the timing differences of premiums and discounts.
- For taxation and non-specific grant income - the difference between what is chargeable under statute for council tax and NDR that was forecast to be received at the start of the year, and the income recognised under GAAP. This is a timing difference as any difference is brought forward in the surpluses or deficits on the collection fund.

## 2.2. Expenditure and Income Analysed by Nature

As well as by Directorate, the Council's expenditure and income analysed by type is shown below.

2023/24 Restated £000		2024/25 £000
624,499	Employee benefits expenses	664,075
799,480	Other service expenses	817,549
86,713	Depreciation, amortisation & impairment	54,518
15,290	Expenditure in relation to investment properties & changes in their fair value	17,426
33,882	Interest payments	37,685
70,884	Precepts & levies	77,421
4,749	Loss on sale of non-current assets	2,119
10,024	CCRCD/SEWCJC Adjustments	0
<b>1,645,521</b>	<b>Total Expenditure</b>	<b>1,670,793</b>
(231,468)	Fees, charges & other service income	(255,982)
(14,313)	Income in relation to investment properties & changes in their fair value	(14,199)
(12,401)	Interest & investment income	(11,669)
(380,761)	Income from Council Tax & Non-Domestic Rates	(420,988)
(988,229)	Grants & contributions	(1,104,681)
(6,129)	Gain on sale of non-current assets	(4,806)
(14,411)	CCRCD/SEWCJC Adjustments	0
<b>(1,647,712)</b>	<b>Total Income</b>	<b>(1,812,326)</b>
<b>(2,191)</b>	<b>(Surplus)/Deficit on the Provision of Services</b>	<b>(141,533)</b>

## 3 Precepts and Levies

2023/24 £000		2024/25 £000
	<b>Precepts</b>	
48,827	Police and Crime Commissioner for South Wales	53,384
	<b>Community Councils:</b>	
67	- Llvane	73
189	- Pentyrch	195
159	- Radyr & Morganstown	165
47	- St Fagans	52
55	- Old St Mellons	55
25	- Tongwynlais	29
<b>49,369</b>	<b>Total Precepts</b>	<b>53,953</b>
	<b>Levies &amp; Contributions</b>	
21,199	South Wales Fire and Rescue Service	23,141

160	Natural Resources Wales	166
151	Cardiff Port Health Authority	155
5	Newport Port Health Authority	6
<b>21,515</b>	<b>Total Levies and Contributions</b>	<b>23,468</b>

#### 4. Participation in Joint Committees

During 2024/25 the Council was lead Authority for three Joint Committees and a member authority of three others. The table below shows the revenue contributions made to these Committees. The Statement of Accounts for each Joint Committee will be available on the lead authority's website following approval.

2023/24 £000	Committee	Purpose	Lead Authority / Accountable Body	2024/25 £000
303	CCRCD/SEWJC	To co-ordinate and discharge Councils' obligations	Cardiff Council *	303
1,299	Central South Consortium Joint Education Service	To provide a regional approach to improvement in schools	Rhondda Cynon Taf Council	3,534
288	Glamorgan Archives	Management and administration of the Glamorgan Records Office	Cardiff Council	291
27	Prosiect Gwyrdd	To manage residual waste treatment	Cardiff Council	27
810	Regional Adoption Service	To share best practice, develop and improve adoption services	Vale of Glamorgan Council	813
0	National Adoption Service	To oversee the strategic direction of adoption services. Established in 24/25	Cardiff Council	537
5,096	Shared Regulatory Service	To provide environmental health services	Vale of Glamorgan Council	5,387
<b>7,823</b>	<b>Total</b>			<b>10,892</b>

\* Cardiff Capital Region City Deal (CCRCD) was transferred to a separate legal entity, the South East Wales Corporate Joint Committee (SEWCJC) from 1 April 2024 and from that date Cardiff Council was no longer designated the Accountable Body.

The balances for CCRCD/SEWCJC in 2024/25 included in the accounts are based on Draft Accounts for the CCRCD/SEWCJC. Council has accounted for its share of the balances with CCRCD but for the other Joint Committees, it accounts just for their contributions.

Any capital contributions to CCRCD/SEWCJC in respect to the Wider Investment Fund would be included in the core financial statements but not shown in the table above. No capital contribution was made in 2024/25 (£0 for 2023/24).

#### 5. Council Tax

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into nine valuation bands, estimating 1 April 2003 values for this specific purpose. Charges are calculated by taking the amount of income required for the Council and the Police and Crime Commissioner for the forthcoming year and dividing this amount by the Council Tax base. The Council Tax base is the number of properties in each band adjusted to a proportion to convert the number to a band D equivalent, totalled across all bands and adjusted for discounts. Cardiff's Council Tax base for tax-setting purposes for 2024/25 was 151,372 (2023/24 was 150,482).

The amounts for a band D property in Cardiff during 2024/25 were as follows:

2023/24	Band D Council Tax:	2024/25
£		£
1,387	Cardiff Council	1,470
324	Police and Crime Commissioner for South Wales	353
<b>1,711</b>	<b>Total</b>	<b>1,823</b>

The above amount (£1,823) is multiplied by the proportion specified for the particular band (see following table) to give the individual amount due. Community Council precepts are then added in each of the six Community Council areas.

### Analysis of property bandings

Band	A*	A	B	C	D	E	F	G	H	I	Totals
Multiplier	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9	
No of Band D equivalent dwellings	6	2,646	12,500	24,835	31,443	30,987	27,316	15,620	5,225	3,051	<b>153,629</b>
Apply Collection rate										<b>98.50%</b>	<b>151,325</b>
Class O (Ministry of Defence) dwellings											47
Council Tax Base											<b>151,372</b>

### Analysis of the net proceeds from Council Tax

2023/24		2024/25
£000		£000
(262,468)	Council Tax collectable	(286,464)
2,833	Impairment for non-payment of Council Tax	4,748
<b>(259,635)</b>	<b>Net proceeds</b>	<b>(281,716)</b>
	Represented by:	
49,369	Precepts	53,953
210,266	Council Tax attributable to the Council	227,763
<b>259,635</b>	<b>Total</b>	<b>281,716</b>

The cumulative impairment for non-payment of Council Tax held at the 31 March 2025 is £15.281 million (31 March 2024 is £11.737 million).

### Council Tax that is past due but not impaired

31 March 2024		31 March 2025
£000		£000
6,428	Debts less than one year	8,031
2,289	Debts between two and 5 years	2,647
142	Debts over five years	169

8,859	Total Council Tax due but not impaired	10,847
-------	--	--------

## 6. Non-Domestic Rates (NDR)

The Welsh Government specifies an amount for the rate 56.2p in 2024/25 (53.5p in 2023/24) and, subject to the effects of transitory arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. The Council is responsible for collecting rates due from ratepayers in its areas but pays the proceeds into the NDR pool administered by the Welsh Government. The sums collected are redistributed back to Councils on the basis of a fixed amount per head of population. The rateable value was £439.534 million for 2024/25 (£441.936 million for 2023/24). An analysis of the net proceeds from non-domestic rates is shown below:

2023/24 £000		2024/25 £000
168,928	Non-Domestic Rates collectable	179,437
(935)	Cost of collection allowance	(927)
(1,372)	Impairment for non-payment	(1,441)
<b>166,621</b>	<b>Payment into national pool</b>	<b>177,069</b>
<b>(118,293)</b>	<b>Redistribution from national pool</b>	<b>(134,524)</b>

## 7. Agency Income and Expenditure

The Council acted as an agent on behalf of the following in the provision of goods and services:

### Welsh Government

- Non-Domestic Rates (NDR) collection - a net debtor of £26.242 million at 31 March 2025 (£25.303 million at 31 March 2024) is included in the balance sheet which represents the amount paid over to Welsh Government exceeds the amount collected from ratepayers.
- Welsh Government NDR Rate Relief – the Council managed £9.874 million of relief in 2024/25 (£18.234 million of relief in 2023/24).
- Houses into Homes Loans - provide loans to bring back unused properties into homes. At 31 March 2025 the Welsh Government had provided £2.173 million of funding, of which £410,000 is outstanding as loans provided. The balance available for new loans was £1.763 million (£1.698 million at 31 March 2024)
- Home Improvement loans - provide loans for home improvements. At 31 March 2025 the Welsh Government had provided £1.624 million of funding, of which £1.564 million is outstanding as loans provided leaving a balance available for new loans of £46,000.
- Ukraine -The Council provided sponsor payments for Ukrainian guests on behalf of Welsh Government totalling £35,000.

### Department for Levelling Up, Housing and Communities (DLUHC)

A total of £586,000 has been administered for sponsor payments for Ukrainian guests in 2024/25.

### South Wales Trunk Road Agency

The total reimbursement received by the Council was £328,000 in 2024/25 (£264,000 in 2023/24)

**FOR Cardiff**

This is a partnership between the local business community and the Council to form a Business Improvement District in a defined area within the city centre. A levy is charged on all business rate payers of all relevant businesses in addition to their business rates bill. This is used to develop projects benefitting the local area. Further information is available on their website <https://www.forcardiff.com>. The Council collects the income and pays this over to FOR Cardiff. The amount paid to FOR was £1.140 million in 2024/25 (£1.540 million in 2023/24).

**Prosiect Gwyrdd**

The Council is responsible for the payments to Viridor to provide waste treatment in relation to residual waste. The Council made payments of £9.515 million in 2024/25 (£9.979 million in 2023/24) on behalf of all the partners.

## 8. Remuneration

**8.1** The ratio of the remuneration of the Chief Executive to the median remuneration of all the body's employees. The multiple between the median full time equivalent earnings and the Chief Executive in 2024/25 was 1:6 (1:6 in 2023/24). The median full time equivalent earnings for 2024/25 was £34,497 (£32,745 in 2023/24). These figures include staff directly employed by the governing bodies of schools including a Voluntary-Controlled and a Foundation school and several Voluntary-Aided schools, as well as those employed by the Council.

**8.2** The number of employees, whose remuneration is over £60,000 per annum within bands of £5,000 is shown in table below. It includes all employees who are full time, full year equivalent of part time staff and those working part of the year, including senior officers whose remuneration is disclosed in more detail in note 8.3. It excludes any staff paid via agency.

The remuneration bands include all taxable remuneration received in the year, including in some cases, severance payments and Returning Officer fees but exclude employers pension contributions and any expenses that are not chargeable to UK income tax.

The table separately identifies individuals directly employed by the governing bodies of schools including several Voluntary-Aided, Voluntary-Controlled and Foundation schools, as well as those employed by the Council. The employee costs relating to these individuals are included with the Council's Net Cost of Services and, therefore, these individuals are included in the following table.

Number of Employees		Remuneration band £	Number of Employees	
2023/24			2024/25	
Non Schools	Schools		Non Schools	Schools
74	113	60,000-64,999	84	223
23	79	65,000-69,999	28	90
19	44	70,000-74,999	15	48
30	43	75,000-79,999	30	46
3	44	80,000-84,999	2	51
2	7	85,000-89,999	0	32
0	13	90,000-94,999	0	7
9	5	95,000-99,999	11	13
1	3	100,000-104,999	1	7
1	7	105,000-109,999	0	4
1	1	110,000-114,999	0	5
0	4	115,000-119,999	1	2
0	4	120,000-124,999	0	2
0	1	125,000-129,999	0	5
0	1	130,000-134,999	0	2
5	0	135,000-139,999	0	3
0	0	140,000-144,999	6	0
0	0	145,000-149,999	0	0
2	0	150,000-154,999	2	0

0	1	155,000-159,999	0	0
0	1	160,000-164,999	0	0
0	1	165,000-169,999	0	2
0	0	170,000-174,999	0	0
0	0	175,000-179,999	0	0
0	2	180,000-184,999	0	1
0	0	185,000-189,999	0	0
0	0	190,000-194,999	0	0
1	0	195,000-199,999	0	1
0	0	200,000-204,999	1	0
<b>171</b>	<b>374</b>	<b>Total</b>	<b>181</b>	<b>544</b>

The increase in the number of employees above £60,000 is due to increases in pay but no increase to the banding threshold since inception.

**8.3** Shown in the tables below are remuneration details of those defined as senior employees:

- senior employees who form part of the Council's Senior Management Team (Directors, Assistant Directors, and Heads of Service) whose salary is £60,000 or more per annum but less than £150,000. These are identified by job title.
- senior employees whose salary is £150,000 or more on an annualised basis are identified by name.
- the table does not include senior employees in schools.

Remuneration also includes the cost of any additional contributions that the Council is required to make to the Pension Fund in respect of the individuals who are leaving the Council i.e., Enhancement of Retirement Benefits (Pension Strain costs). No bonuses have been paid during 2024/25 (£0 in 2023/24).

Post title	Note	Year	Salary, fees & allowances received £	Taxable benefits £	Compensation for loss of employment			Employers pension contribution (19.4% of salary) £	Total remuneration including pension contributions £	Explanatory notes
					Received via payroll (taxable) £	Received via payroll (non-taxable) £	Enhancement of Retirement Benefits £			
Chief Executive - Paul Orders	(a)	2024/25	201,663	0	0	0	0	39,123	<b>240,786</b>	
		2023/24	196,744	0	0	0	0	38,168	<b>234,912</b>	
Corporate Director Resources & Section 151 Officer - Chris Lee		2024/25	154,693	0	0	0	0	30,010	<b>184,703</b>	
		2023/24	150,920	0	0	0	0	29,278	<b>180,198</b>	
Corporate Director People & Communities - Sarah McGill		2024/25	122,465	0	0	0	0	23,758	<b>146,223</b>	Reduced 0.75 FTE 01/06/2024 Annualised salary £154,693
		2023/24	150,920	0	0	0	0	29,278	<b>180,198</b>	
Director Planning, Transport & Environment		2024/25	142,950	0	0	0	0	27,732	<b>170,682</b>	
		2023/24	139,463	0	0	0	0	27,056	<b>166,519</b>	

Post title	Note	Year	Salary, fees & allowances received £	Taxable benefits £	Compensation for loss of employment			Employers pension contribution (19.4% of salary) £	Total remuneration including pension contributions £	Explanatory notes
					Received via payroll (taxable) £	Received via payroll (non-taxable) £	Enhancement of Retirement Benefits £			
Director Economic Development		2024/25	142,950	0	0	0	0	27,732	<b>170,682</b>	
		2023/24	139,463	0	0	0	0	27,056	<b>166,519</b>	
Director Education & Lifelong Learning		2024/25	142,950	0	0	0	0	27,732	<b>170,682</b>	
		2023/24	139,463	0	0	0	0	27,056	<b>166,519</b>	
Director Governance & Legal Services & Monitoring Officer	(b)	2024/25	112,772	0	0	0	0	22,013	<b>134,783</b>	Commenced 17/06/2024 Annualised salary £142,950
		2023/24	0	0	0	0	0	0	<b>0</b>	
Director Governance & Legal Services & Monitoring Officer		2024/25	0	0	0	0	0	0	<b>0</b>	Left authority 26/10/2023
		2023/24	73,501	0	0	0	0	15,419	<b>88,920</b>	
Director Children's Services		2024/25	142,950	0	0	0	0	27,732	<b>170,682</b>	
		2023/24	139,463	0	0	0	0	27,056	<b>166,519</b>	
Director Adults Housing & Communities Services		2024/25	142,950	0	0	0	0	27,732	<b>170,682</b>	
		2023/24	139,463	0	0	0	0	27,056	<b>166,519</b>	
Chief Digital Officer		2024/25	115,161	0	0	0	0	22,341	<b>137,502</b>	

Post title	Note	Year	Salary, fees & allowances received £	Taxable benefits £	Compensation for loss of employment			Employers pension contribution (19.4% of salary) £	Total remuneration including pension contributions £	Explanatory notes
					Received via payroll (taxable) £	Received via payroll (non-taxable) £	Enhancement of Retirement Benefits £			
		2023/24	112,352	0	0	0	0	21,796	<b>134,148</b>	
Assistant Director Adult Services		2024/25	0	0	0	0	0	0	<b>0</b>	Role vacant Annualised salary £97,861
		2023/24	0	0	0	0	0	0	<b>0</b>	
Assistant Director County Estates		2024/25	97,861	0	0	0	0	18,985	<b>116,846</b>	
		2023/24	95,474	0	0	0	0	18,522	<b>113,996</b>	
Assistant Director Education & Lifelong Learning		2024/25	95,958	0	0	0	0	18,616	<b>114,574</b>	Commenced 08/04/2024 Annualised salary £97,861
		2023/24	0	0	0	0	0	0	<b>0</b>	
Assistant Director Education & Lifelong Learning		2024/25	0	0	0	0	0	0	<b>0</b>	Left role 31/08/2023
		2023/24	39,781	0	0	0	0	7,718	<b>47,499</b>	
Assistant Director Housing & Communities		2024/25	97,861	0	0	0	0	18,985	<b>116,846</b>	
		2023/24	95,474	0	0	0	0	18,522	<b>113,996</b>	
Assistant Director Street Scene		2024/25	97,861	9	0	0	0	18,985	<b>116,855</b>	
		2023/24	95,474	15	0	0	0	18,522	<b>114,011</b>	

Post title	Note	Year	Salary, fees & allowances received £	Taxable benefits £	Compensation for loss of employment			Employers pension contribution (19.4% of salary) £	Total remuneration including pension contributions £	Explanatory notes
					Received via payroll (taxable) £	Received via payroll (non-taxable) £	Enhancement of Retirement Benefits £			
Programme Director - Schools Organisation Programme		2024/25	97,861	0	0	0	0	18,985	<b>116,846</b>	
		2023/24	95,474	0	0	0	0	18,522	<b>113,996</b>	
Chief Human Resources Officer		2024/25	97,861	0	0	0	0	19,625	<b>117,486</b>	
		2023/24	95,474	0	0	0	0	18,522	<b>113,996</b>	
Head of Finance		2024/25	97,861	0	0	0	0	18,985	<b>116,846</b>	
		2023/24	95,474	0	0	0	0	18,522	<b>113,996</b>	
Head of Performance & Partnerships		2024/25	97,861	0	0	0	0	18,985	<b>116,846</b>	
		2023/24	95,474	0	0	0	0	18,522	<b>113,996</b>	
Assistant Director Development & Regeneration		2024/25	97,861	0	0	0	0	18,985	<b>116,846</b>	Commenced 04/09/2023
		2023/24	54,898	0	0	0	0	10,650	<b>65,548</b>	

- (a) In addition to the remuneration fees detailed in the table above, the Chief Executive is the Council's nominated Returning Officer. Any subsequent fees owed in relation to this role have been waived.
- (b) Following the departure of the Monitoring Officer in 2023/24, the Council entered into a service level agreement with the Vale of Glamorgan Council for its Monitoring Officer to also act as Interim Monitoring Officer for Cardiff Council. The pre agreed cost of the service was approximately £9,700 per month with the actual cost totalling £49,756 in 2023/24 & £33,971 in 2024/25

## 8.4 Exit Packages

The numbers of exit packages with total cost per band and the total cost of the compulsory and other redundancies are set out in the following tables. The total costs of the exit packages identified are made up of two elements. The first element is the one-off payment made to an individual as compensation for loss of employment through either voluntary or compulsory redundancy. The second element is the pension strain cost for which the Council has the option to pay the Pension Fund over a five-year period.

Schools 2024/25				Exit package cost band (including special payments)	Non-schools 2024/25			
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 £		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 £
5	21	26	143,523	0 - 20,000	9	48	57	467,295
0	7	7	193,222	20,001 – 40,000	6	37	43	1,246,323
0	0	0	0	40,001 – 60,000	0	8	8	389,332
0	0	0	0	60,001 – 80,000	0	13	13	911,896
0	0	0	0	80,001 – 100,000	0	6	6	536,637
0	0	0	0	100,001 – 150,000	2	5	7	840,212
0	0	0	0	150,001 – 200,000	0	1	1	181,328
0	0	0	0	200,001 - 250,000	0	0	0	0
5	28	33	336,745	<b>Total</b>	17	118	135	4,573,023

Schools 2023/24				Exit package cost band (including special payments)	Non-schools 2023/24			
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 £		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 £
0	34	34	226,156	0 - 20,000	2	69	71	593,331
0	9	9	231,971	20,001 – 40,000	1	23	24	667,532
0	2	2	90,751	40,001 – 60,000	0	10	10	477,425
0	1	1	74,607	60,001 – 80,000	0	4	4	290,482
0	0	0	0	80,001 – 100,000	0	6	6	535,090
0	1	1	122,599	100,001 – 150,000	0	7	7	903,665
0	0	0	0	150,001 – 200,000	0	3	3	480,220
0	0	0	0	200,001 - 250,000	0	1	1	249,880
0	47	47	746,084	<b>Total</b>	3	123	126	4,197,625

\*Compulsory Redundancies include temporary and fixed term contracts ending after 2 years.

## 8.5 Members' Allowances

The total amount of Members' Allowances (including basic and special responsibility) paid in 2024/25 was £1.839 million (£1.742 million in 2023/24). As required by the Code, this figure includes all remuneration paid to members including basic and special allowances, care allowances and directly reimbursed expenses.

## 9. Health Act 1999 Pooled Funds and Similar Arrangements

The Cardiff and Vale Joint Equipment Store (JES) is a Section 33 partnership agreement between Cardiff and Vale of Glamorgan local authorities and the Cardiff and Vale University Health Board for the provision of an integrated community equipment service serving the combined Cardiff and Vale region. The original agreement came into effect on 1 January 2012. The transactions are included in the Social Services - Adults line of the Comprehensive Income and Expenditure Statement.

Under regulation 19(1) of the Partnership Arrangements (Wales) Regulations 2015, a pooled budget arrangement has been agreed between Cardiff and Vale local authorities and the Cardiff and Vale University Health Board in relation to the provision of care home accommodation for older people. The arrangement came into effect on 1st April 2018. The Cardiff Council transactions are included in the Social Services - Adults line of the Comprehensive Income and Expenditure statement.

Income and expenditure for these pooled budget arrangements for the year ending 31 March 2025 are as follows:

2023/24 £000			2024/25 £000	
Joint Equipment	Care Homes for older people		Joint Equipment	Care Homes for older people
		<b>Expenditure</b>		
2,285	0	Equipment	2,556	0
0	0	Stock adjustment	18	0
561	0	Contribution to overheads (including donated stock)	487	0
0	71,295	Care home costs	150	77,219
<b>2,846</b>	<b>71,295</b>	<b>Total Expenditure</b>	<b>3,211</b>	<b>77,219</b>
		<b>Funding</b>		
(1,852)	(24,285)	Cardiff and Vale University Health Board	(2,133)	(26,433)
(507)	(29,956)	Cardiff Council	(570)	(31,248)
(413)	(17,054)	Vale of Glamorgan Council	(416)	(19,538)
(74)	0	Donated Stock	(92)	0
<b>(2,846)</b>	<b>(71,295)</b>	<b>Total Funding</b>	<b>(3,211)</b>	<b>(77,219)</b>
<b>0</b>	<b>0</b>	<b>(Surplus)/Deficit transferred to Reserve</b>	<b>0</b>	<b>0</b>

## 10. Related Parties

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

Central Government has effective control over the general operations of the Council. It is responsible for providing the statutory framework, within which the Council operates, providing the majority of its funding in the form of grants and prescribing the terms of many of the transactions that the Council has with other parties. For 2024/25 financial transactions with the Welsh Government totalled £993,000 of expenditure and approximately £359,487 million of income. At the year-end, in addition to financial instruments (note 15) and expenditure incurred as an agent for Welsh Government (note 7), £0 was owed to Welsh Government (£11,000 in 2023/24) and £137.724 million owed from Welsh Government (£75.532 million in 2023/24).

Members of the Council have direct control over the Council's financial and operating policies. The total members' allowances paid in 2024/25 is shown in note 8. Members' interests in other organisations have been identified by an inspection of the Members' and Officers' Declaration of Interest Register. This is available on the Council's website [Your Councillors : Cardiff Council \(moderngov.co.uk\)](https://www.moderngov.co.uk). The Code of Conduct for Members of Local Authorities in Wales specifies Members have 28 days to register any changes to declared interests. Democratic Services remind Members of this requirement on a regular basis. This process is relied upon for the related parties notes as all Members are required to comply with the Code of Conduct. Within this process, the length of time between declarations being updated by Members is not an indication that they have not complied but instead an indication that no changes have been made since they were last updated.

The following transactions relating to elected members took place during the year, with associated balances due to or from the Authority at the year end. The relevant members did not take part in any discussion or decision relating to any grants received.

2023/24				Related Party	Related Party Relationship	Transaction details	2024/25			
Transactions		Balances					Transactions		Balances	
Amounts paid by the Authority	Amounts received by the Authority	Amounts owed by the Authority	Amounts owed to the Authority				Amounts paid by the Authority	Amounts received by the Authority	Amounts owed by the Authority	Amounts owed to the Authority
£000							£000			
0	0	0	0	Arts Council for Wales	Independent Member	Sundry charges	0	(2)	0	0
2	0	0	0	Awen	Chair	Performance Management	2	0	1	0
0	0	0	0	Bangladesh Association	Chair	Grant	10	0	0	0
0	0	0	0	Butetown Community Centre	Committee Member	Primarily Trade Refuse	0	(2)	0	0
9	0	0	0	Caerau and Ely Sports Trust	Founder	Multi sports provision plus Grant	0	0	0	0
370	0	0	0	Cathays Community Centre	Director	Day Care	404	(5)	2	0
15	(4)	0	(2)	Cylch Meithrin Pwll Coch	Trustee	Childcare	0	0	0	0
0	0	0	0	Cylch Meithrin Glan Morfa	Trustee	Childcare	4	(1)	0	(1)
0	0	0	0	Chapter Arts Centre	Board Member	Rent charges	74	(12)	0	0
35	0	0	0	Data Cymru	Director	Maintenance of Portal	27	0	0	0
0	(13)	0	0	Diverse Cymru	Director and Trustee	Primarily Trade Refuse	0	0	0	0
0	0	0	0	Friends of Llwynfedw Gardens	Chair	Sundry charges	0	(2)	0	0
2,092	(338)	0	(64)	Huggard	Member of Management Committee	Primarily Supporting people	1,644	(279)	14	(174)
20	(4)	0	0	Llanrumney Hall Community Trust Ltd	Trustee	Primarily Trade Refuse	26	(4)	0	0
27	0	0	0	Llanrumney Phoenix Boxing Club	Trustee	Training Courses	19	0	0	0
0	0	0	0	Moorland Community Centre	Board Member	Day Care	23	(9)	0	(2)
48	0	0	0	Oasis	Trustee	Homeless Support	258	(3)	0	0
0	0	0	0	Penrhys Pilgrimage Project	Chair	Signage	0	(1)	0	0
0	0	0	0	Private Leasing Scheme	Owner	Rent payment	20	0	0	0
19	0	0	0	Quantum Actuarial LLP	Chief Executive	Fees	0	0	0	0
10	0	0	0	Race Council Cymru	Trustee	Staff training	107	0	0	0

2023/24				Related Party	Related Party Relationship	Transaction details	2024/25			
Transactions		Balances					Transactions		Balances	
Amounts paid by the Authority	Amounts received by the Authority	Amounts owed by the Authority	Amounts owed to the Authority				Amounts paid by the Authority	Amounts received by the Authority	Amounts owed by the Authority	Amounts owed to the Authority
£000							£000			
139	(5)	0	0	Safer Wales	Chief Executive Officer	Grant for Domestic Abuse support	227	(11)	9	(6)
15	0	0	0	Seren in the Community CIO	Trustee	Primarily Childrens Play Grant	9	0	0	0
2	0	0	0	Splott Community Volunteers	Trustee	Grant provision	2	0	0	0
0	0	0	0	Tester Accountancy and Bookkeeping Services Ltd	Director	Catering	0	(3)	0	(1)
0	0	0	0	The City Hospice Trust Ltd	Vice President	Primarily Trade Refuse	0	(5)	0	0
466	(144)	33	(43)	Wales and the West Housing Association	Family Member is Chief Executive	Primarily Rent	709	(12)	8	0
0	(1)	0	0	Welsh Hospitals and Health	Non Executive Director	Primarily Trade Refuse	0	(2)	0	0
27	0	0	0	Wildlife Trust of South and West Wales	Trustee	Wildlife Surveys	33	0	9	0
<b>3,296</b>	<b>(509)</b>	<b>33</b>	<b>(109)</b>	<b>Total transactions</b>			<b>3,598</b>	<b>(353)</b>	<b>43</b>	<b>(184)</b>

Officer's emoluments are shown in note 8. In 2024/25, for organisations in which Senior Officers had an interest there was £22,000 of goods or services commissioned (£0 in 2023/24). For goods and services provided, income of £105,000 was received in 2024/25 (£73,000 in 2023/24).

Subsidiary Companies include Cardiff City Transport Services (Cardiff Bus), Cardiff Business Technology Centre (CBTC), Atebion Solutions Ltd and Cardiff Heat Network Ltd. Details of transactions with these companies are shown in note 20 to the Core Financial Statements. The Council also participates in 6 Joint Committees. Details of these can be found in Note 4. Pension Fund contributions paid to the Fund are shown in note 13.

Precepts and Levies collected on behalf of other organisations and an analysis of amounts levied on the Council by other bodies can be found in note 3 to the Core Financial Statements. Separate to the precept, the Council made payments of £31,000 to Police and Crime Commissioner for South Wales during 2024/25 (£34,000 in 2023/24).

## 11. External Audit Costs

2023/24 £000		2024/25 £000
472	Fees payable to Audit Wales for external audit services	462
72	Fees payable to Audit Wales for the certification of grant claims	57
17	Fees payable to Audit Wales for other financial audit work	17
<b>561</b>	<b>Total</b>	<b>536</b>

## 12. Leasing

### *Council as Lessee*

In 2024/2025, the Council has applied IFRS 16 Leases as adopted by the Code of Accounting Practice. The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as liability), a right-of-use asset and a lease liability are to be brought into the balance sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2024 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

As a lessee, the Council previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Authority. Under IFRS 16, the Authority recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Council decided to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets. The Authority recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## Right of Use Assets

The Council used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the Council's incremental borrowing rate at that date
- A single discount rate has been applied to portfolios of leases with reasonably similar characteristics
- The weighted average of the incremental borrowing rates used to discount liabilities was 5.17 %
- Right-of use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded
- All leases were assessed as to whether they were onerous at 31 March 2024, so right-of-use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31 March 2024 balance sheet
- For right-of-use assets for peppercorn or nominal lease payments a right-of use asset has been recognised at fair value on 1 April 2024 with the between that fair value and the lease liability credited as a gain in the surplus/deficit on the provision of services

The table below shows the change in the value of right-of-use assets held under leases by the Council:

	31 March 2025	
	Property Leases £000	Other Leases £000
Recognition of Right of Use Assets	13,762	1,651
Additions	327	341
Revaluations	501	0
Depreciation and Amortisation	2,145	1,002
Disposals	0	0
	12,445	990

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected payments):

Minimum Lease payments			Maturity analysis of Lease liabilities	
Property Leases £000	Other Leases £000		Property Leases £000	Other Leases £000
519	1,717	Not later than one year	2,385	564
1,380	960	Later than one year but not later than five years	1,803	298

7,953	3	Later than five years	8,594	0
<b>9,852</b>	<b>2,680</b>		<b>12,782</b>	<b>862</b>

Application of the Code's adaptation of IFRS16 has resulted in the following additions to the balance sheet at 1 April 2024:

- £15.413 million of Property, plant and equipment – land and buildings (right-of-use assets)
- £5.128 million of Non-current creditors (lease liabilities)
- £2.913 million of Current creditors (lease liabilities)

The newly recognised leases liabilities of £8.042 million compare with the operating lease commitments of £12.532 million at 31 March 2024 disclosed in the notes to the 31 March 2024 financial statements. There is a difference of £4.490 million from the newly recognised lease liabilities. This is primarily the treatment of any Peppercorn Leases.

## *Council as Lessor*

### **Operating Leases**

Operating leases exist in respect of land and buildings and the Council received income of £9.222 million in 2024/25 (£8.792 million in 2023/24)

The Council was committed as at 31 March 2025 to receiving income of £461.120 million (£449.012 million as at 31 March 2024) under operating leases for Land & Buildings comprising the following elements:

<b>31 March 2024</b>		<b>31 March 2025</b>
<b>£000</b>	<b>Minimum Income</b>	<b>£000</b>
7,789	Not later than one year	7,934
27,633	Later than one year and not later than five years	28,052
413,590	Later than five years	425,134
<b>449,012</b>		<b>461,120</b>

Subject to the terms and conditions of individual lease arrangements, the Council may have contractual obligations to repair, maintain or enhance certain properties.

## 13. Pensions

### Participation in Pension Schemes

As part of the terms and conditions of employment of its employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments and this commitment needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in the following pension schemes which provide members with benefits related to pay and service:

- Teachers' Pension Scheme
- Local Government Pension Scheme
- Cardiff City Transport Services Pension Schemes

#### 13.1 Teachers' Pension Scheme

Unless they opt out, teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Teacher's Pension Agency on behalf of the Department for Education. It is a defined benefit scheme and although it is unfunded, it is a notional fund as a basis for calculating the employer's contribution rate. However, it is not possible for the Council to identify its share of the underlying liabilities of the scheme attributable to its own employees and so for the purposes of the Statement of Accounts it is accounted for on the same basis as a defined contribution scheme, i.e. the cost charged to Net Cost of Services in the year is the cost of the Council's contributions to the scheme.

In 2024/25 the Council paid £45.660 million in respect of teachers' pension costs, which represents 28.7% of teachers' pensionable pay (£36.468 million representing 23.7% of teachers' pensionable pay for 2023/24). An inflation-linked increase in employers' contributions, to increase the rate to 28.7%, was applied nationally as at 1 April 2024. In addition, the Council is responsible for the costs of any additional benefits awarded on early retirement outside of the Teachers' scheme. These benefits are fully accrued in the pension's liability for unfunded liabilities.

#### 13.2 Local Government Pension Scheme

The Council's non-teaching employees are automatically enrolled unless they choose to opt out of joining the Cardiff and Vale of Glamorgan Pension Fund (The Fund), for which the Council acts as Administering Authority. This is a defined benefit scheme based on career-average pensionable salary. Both the Council and the employees pay contributions into the Fund, calculated at a level intended to balance its liabilities and assets.

The Local Government Pension Scheme is a funded scheme i.e. it has assets as well as liabilities. In addition, the Council has unfunded pension liabilities in respect of its commitment to make payments directly to certain pensioners arising from arrangements made in earlier years to award enhanced benefits.

The disclosures below relate to the Fund and, where applicable, certain unfunded benefits provided by the Employer as referred to above.

During 2020/21 the Council entered into a Deed of Agreement which confirms the subsumption of the Cardiff City Transport Services Ltd Local Government Pension Scheme (LGPS) liabilities as originally intended on the creation of the Company in 1986.

## Transactions relating to retirement benefits

The core financial statements have been compiled in accordance with International Accounting Standards 19 – Employee Benefits (IAS 19) and for the Local Government Pension Scheme, include the cost to the Council of pension entitlements earned in the year rather than the cost of contributions paid into the Fund. The cost of entitlements earned which is known as the Current Service Cost has been recognised in the Net Cost of Services in the Comprehensive Income and Expenditure Statement. However, the charge that is required to be made against Council Tax in respect of pensions is to be based on the amount payable to the pension fund during the year. To achieve this, IAS 19 costs are reversed out in the Movement in Reserves Statement and replaced with the employers' contribution payable during the year.

The Council's actuary has assessed the defined benefit pension scheme position as at 31 March 2025 and determined that the fair value of plan assets exceeds the present value of the defined benefit obligations, resulting in a net surplus. This is primarily as a result of elevated interest rates being used to estimate the future liabilities of the fund at a point in time. Where there is a surplus giving rise to a pensions net asset, the extent to which it is recoverable is determined by the "asset ceiling" which represents the economic benefits in the form of refunds from the Scheme or reductions in future contributions. The 2024/25 surplus determined by the actuary of £284.500 million has been capped at an asset ceiling of £nil, and an additional liability of £49.920 million has been recognised due to a minimum funding requirement as defined under IFRIC 14 (IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction). The resulting net liability of £49.920 million reflects the Council's obligation to pay past service contributions that will not be available in the form of a reduction in future contributions after they are paid into the plan.

The following table sets out the requisite transactions for the LGPS that have been made by Cardiff Council in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year.

2023/24				2024/25		
Funded scheme	Unfunded liabilities	Total		Funded scheme	Unfunded liabilities	Total
£000	£000	£000		£000	£000	£000
			<b>Comprehensive Income and Expenditure Statement (CIES)</b>			
			<b>Net Cost of Services</b>			
51,855	0	<b>51,855</b>	Current service cost	49,056	0	<b>49,056</b>
2,370	20	<b>2,390</b>	Past service costs	1,080	220	<b>1,300</b>
			<b>Financing &amp; investment income and expenditure</b>			
6,860	1,480	<b>8,340</b>	Interest on net defined benefit liability/(asset)	(420)	1,400	<b>980</b>
<b>61,085</b>	<b>1,500</b>	<b>62,585</b>	<b>Total post employment benefits charged to the surplus or deficit on the provision of services</b>	<b>49,716</b>	<b>1,620</b>	<b>51,336</b>
			<b>Remeasurement of the net defined liability comprising</b>			
(105,370)	0	<b>(105,370)</b>	Returns on plan assets excluding amounts included in net interest	21,060	0	<b>21,060</b>
(60,750)	(400)	<b>(61,150)</b>	Actuarial (gains)/losses arising from changes in financial assumptions	(298,820)	(2,240)	<b>(301,060)</b>

2023/24				2024/25		
Funded scheme £000	Unfunded liabilities £000	Total £000		Funded scheme £000	Unfunded liabilities £000	Total £000
(27,490)	(780)	(28,270)	Actuarial (gains)/losses arising from changes in demographic assumptions	(12,750)	(180)	(12,930)
0	0	0	Adjustment (gains)/losses due to restriction in surplus	284,500	0	284,500
31,865	230	32,095	Other experience and Actuarial adjustments	42,424	(550)	41,874
(161,745)	(950)	(162,695)	<b>Total post employment benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>36,414</b>	<b>(2,970)</b>	<b>33,444</b>
(100,660)	550	(100,110)	<b>Total charged to CIES</b>	<b>86,130</b>	<b>(1,350)</b>	<b>84,780</b>

2023/24				2024/25		
Funded scheme £000	Unfunded liabilities £000	Total £000		Funded scheme £000	Unfunded liabilities £000	Total £000
			<b>Movement in Reserves Statement</b>			
(61,085)	(1,500)	(62,585)	Reversal of net charges made to the surplus or deficit on the provision of services for post- employment benefits in accordance with the Code	(49,716)	(1,620)	(51,336)
			<b>Actual amount charged against General Fund Balance for pensions in the year</b>			
53,730	0	53,730	Employers contributions payable to the scheme	54,150	0	54,150
0	2,970	2,970	Payments in respect of unfunded pensions liabilities *	0	2,850	2,850
<b>53,730</b>	<b>2,970</b>	<b>56,700</b>	<b>Total</b>	<b>54,150</b>	<b>2,850</b>	<b>57,000</b>

\* Included in this figure are enhanced benefits awarded to teachers for which the Council is responsible and some unfunded liabilities which are administered by Rhondda Cynon Taf (RCT) Council on behalf of the Council.

## Reconciliation of Funded Status to Balance Sheet

31 March 2024				31 March 2025		
Funded scheme £000	Unfunded liabilities £000	Total £000		Funded scheme £000	Unfunded liabilities £000	Total £000
(1,753,080)	(32,870)	(1,785,950)	Opening present value of liabilities	(1,777,600)	(30,450)	(1,808,050)
(51,855)	0	(51,855)	Current service cost	(49,056)	0	(49,056)
(81,170)	(1,480)	(82,650)	Interest cost	(83,440)	(1,400)	(84,840)
(16,640)	0	(16,640)	Contributions from scheme participants	(16,980)	0	(16,980)
56,375	950	57,325	Remeasurements in Other Comprehensive Income (OCI)	268,656	2,970	271,626
0	0	0	Adjustment gain/(losses) due to restriction in surplus	(284,500)	0	(284,500)
71,140	2,970	74,110	Net benefits paid out *	77,610	2,850	80,460

31 March 2024				31 March 2025		
Funded scheme £000	Unfunded liabilities £000	Total £000		Funded scheme £000	Unfunded liabilities £000	Total £000
(2,370)	(20)	(2,390)	Past service cost	(1,080)	(220)	(1,300)
<b>(1,777,600)</b>	<b>(30,450)</b>	<b>(1,808,050)</b>	<b>Closing present value of liabilities</b>	<b>(1,866,390)</b>	<b>(26,250)</b>	<b>(1,892,640)</b>
1,580,750	0	1,580,750	Opening fair value of assets	1,759,660	0	1,759,660
74,310	0	74,310	Interest income	84,350	0	84,350
105,370	0	105,370	Remeasurement gains/(losses)	(21,060)	0	(21,060)
53,730	2,970	56,700	Contributions by employer	54,150	2,850	57,000
16,640	0	16,640	Contributions by participants	16,980	0	16,980
(71,140)	(2,970)	(74,110)	Net benefits paid out *	(77,610)	(2,850)	(80,460)
<b>1,759,660</b>	<b>0</b>	<b>1,759,660</b>	<b>Closing fair value of assets</b>	<b>1,816,470</b>	<b>0</b>	<b>1,816,470</b>
<b>(17,940)</b>	<b>(30,450)</b>	<b>(48,390)</b>	<b>Net pension asset/(liability)</b>	<b>(49,920)</b>	<b>(26,250)</b>	<b>(76,170)</b>

\*The figures for net benefits paid out consists of net cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

The net pension liability reported in the accounts includes a potential liability related to the McCloud judgement. The approach to this element of the valuation by the Pension Fund actuary, Aon, is consistent with the recommended approach.

It is important to note that this is a snapshot of the position as at 31 March 2025. The Pension Fund is a defined benefit scheme, which means that members' benefits are not linked to stock market performance. The Pension Fund is a long-term investor and members can be assured that employer contributions are independently reviewed as part of the triennial valuation.

### Contributions for year ending 31 March 2026

Local Government Scheme - employer's regular contributions to the Fund for the accounting period ending 31 March 2026 are estimated to be £53.331 million. Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period.

Unfunded liabilities - in the accounting period ending 31 March 2026 the Council expects to pay £3.077 million directly to beneficiaries.

### Basis for estimating assets and liabilities

The LGPS principal assumptions used by the independent qualified actuaries in updating the full March 2023 valuation figures as at 31 March 2025, for IAS19 purposes, are shown in the following table:

31 March 2024	Assumptions	31 March 2025
	<b>Longevity at 45 for current pensioners (years)</b>	
22.7	Men	22.2
25.3	Women	25.0
	<b>Longevity at 65 for current pensioners (years)</b>	
22.1	Men	21.9
24.3	Women	24.2
	<b>Rates</b>	
2.6%	Rate of inflation - Consumer Price Index (CPI)	2.5%

31 March 2024	Assumptions	31 March 2025
3.6%	Rate of general increase in salaries	3.5%
2.6%	Rate of increase to pensions in payment	2.5%
2.6%	Rate of increase to deferred pensions	2.5%
4.8%	Discount rate for scheme liabilities	5.8%

## Asset Allocation

The approximate split of assets for the Fund as a whole is shown in the following table. The asset allocation in the fund is notional and the assets are assumed to be invested in line with the investments of the Fund set out below for the purposes of calculating the return to be applied to those notional assets.

The Council does not invest in property or assets related to itself. However, it is possible that assets may be invested in shares relating to some of the private sector employers participating in the Fund if it forms part of the balanced investment strategy.

31 March 2024			Assets	31 March 2025		
Quoted %	Unquoted %	Total %		Quoted %	Unquoted %	Total %
65.7	4.0	69.7	Equities	63.7	3.9	67.6
6.3	0.0	6.3	Property	5.8	0.0	5.8
8.4	0.0	8.4	Government Bonds	7.5	0.0	7.5
7.3	0.0	7.3	Corporate Bonds	5.1	0.0	5.1
5.4	0.0	5.4	Multi Asset Credit	5.2	0.0	5.2
2.3	0.6	2.9	Cash & Other	0.5	8.3	8.8
<b>95.4</b>	<b>4.6</b>	<b>100.0</b>	<b>Total</b>	<b>87.8</b>	<b>12.2</b>	<b>100.0</b>

## History of Asset Values, Present Value of Liabilities and Surplus/(Deficit)

	31 March 2021	31 March 2022	31 March 2023	31 March 2024	31 March 2025
	£000	£000	£000	£000	£000
Fair value of assets	1,440,850	1,597,220	1,580,750	1,759,660	1,816,470
Present value of funded liabilities	(2,476,000)	(2,412,110)	(1,753,080)	(1,777,600)	(1,866,390)
Present value of unfunded liabilities	(44,720)	(37,860)	(32,870)	(30,450)	(26,250)
<b>Surplus/(deficit)</b>	<b>(1,079,870)</b>	<b>(852,750)</b>	<b>(205,200)</b>	<b>(48,390)</b>	<b>(76,170)</b>

## Sensitivity Analysis of Present Value of Funded Liabilities

Results of sensitivity are shown below, in each case, only the assumption mentioned is altered and all other assumptions remain the same. The sensitivity of unfunded benefits is not included on materiality grounds.

Funded defined benefit obligation £1,531,970,000	+0.1% p.a		-0.1% p.a	
Change in assumptions on present value of the funded defined benefit obligations	£000	% Increase / Decrease to Defined Benefit Obligation	£000	
Adjustment to discount rate	1,508,990	-1.5%	1.5%	1,554,950
Adjustment to salary increase rate	1,535,030	0.2%	-0.2%	1,528,910
Adjustment to pension increase rate	1,551,890	1.3%	-1.3%	1,512,050
	<b>-1 year</b>		<b>1 year</b>	
Adjustment to mortality rate	1,567,210	2.3%	-2.3%	1,496,730

### 13.3 Cardiff Bus Pension Schemes

In March 2021 the Council entered into a Flexible Apportionment Arrangement (FAA) in respect of the Cardiff City Transport Services Limited (Cardiff Bus) Pension Scheme. Under this arrangement, the company ceased to be the employer of the scheme and the Council became the Scheme's principal employer and the sole statutory employer of the scheme. The scheme relates to two defined benefit funded pension schemes administered by Trustees under a Deed and closed to any new entrants and future accrual. Assets held are invested in third party professionally managed funds. The level of contributions made to the schemes and the cost of contributions included in the financial statements are based on the recommendations of independent actuaries. The transfer also includes a defined contribution scheme which carries a guaranteed minimum return for its members, which is also closed to new members.

#### Reconciliation of Funded Status to Balance Sheet

31 March 2024 £000	Cardiff Bus Defined Contribution Pension Scheme	31 March 2025 £000
(8,191)	Opening present value of liabilities	(7,729)
(401)	Interest cost	(368)
453	Remeasurement (gains)/losses	1,478
410	Net benefits paid out	183
<b>(7,729)</b>	<b>Closing present value of liabilities</b>	<b>(6,436)</b>
7,644	Opening fair value of assets	6,723
373	Interest income	319
(884)	Remeasurement gains/(losses)	(696)
(410)	Net benefits paid out	(183)
<b>6,723</b>	<b>Closing fair value of assets</b>	<b>6,163</b>
<b>(1,006)</b>	<b>Net pension asset/(liability)</b>	<b>(273)</b>

31 March 2024 £000	Cardiff Bus Defined Benefit Pension Scheme	31 March 2025 £000
(27,521)	Opening present value of liabilities	(28,344)
(1,336)	Interest cost	(1,360)
(1,105)	Remeasurement (gains)/losses	2,335
1,618	Net benefits paid out	1,185
<b>(28,344)</b>	<b>Closing present value of liabilities</b>	<b>(26,184)</b>
27,459	Opening fair value of assets	27,258
1,339	Interest income	1,313
78	Remeasurement gains/(losses)	(1,481)
(1,618)	Net benefits paid out	(1,185)

<b>27,258</b>	<b>Closing fair value of assets</b>	<b>25,905</b>
<b>(1,086)</b>	<b>Net pension asset/(liability)</b>	<b>(279)</b>

<b>31 March 2024</b>	<b>Cardiff Bus Defined Benefit Pension Scheme</b>	<b>31 March 2025</b>
%	Assets	%
20.3	Equities	22.6
20.6	Diversified growth funds	22.8
15.8	Cash & liability driven investments	15.2
43.3	Bonds	39.4
<b>100.0</b>	<b>Total</b>	<b>100.0</b>

## 14. Non-Current Assets

Property, Plant and Equipment	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	P, P & E under construction	Total Property, Plant & Equipment
Movements in Cost or Values	£000	£000	£000	£000	£000	£000	£000
<b>1 April 2023</b>	698,818	843,566	67,569	25,448	66,772	155,571	1,857,744
Additions	37,903	66,336	7,905	469	106	132,355	245,074
Revaluations Increases/(Decreases) recognised in the RR*	15,879	23,841	0	0	640	0	40,360
Revaluations Increases/(Decreases) recognised in the SDPS**	(72,485)	(13,927)	0	0	(906)	0	(87,318)
Impairment Losses/Reversals to RR	(104)	0	0	0	0	0	(104)
Impairment Losses/Reversals to SDPS	1,466	(7,611)	0	0	(4,928)	(1,713)	(12,786)
Derecognition - Disposals	0	(7,611)	(4,694)	0	(5)	(1,513)	(13,823)
Reclassified (to)/from Held for Sale	0	0	0	0	0	0	0
Other Reclassifications - Transfers	33,950	97,522	1,181	1,304	(31)	(150,279)	(16,353)
CCRCO /SEWCJC Restated	0	0	284	0	0	(142)	142
<b>1 April 2024 Restated</b>	<b>715,427</b>	<b>1,002,116</b>	<b>72,245</b>	<b>27,221</b>	<b>61,648</b>	<b>134,279</b>	<b>2,012,936</b>
Recognition of Right of Use Assets	0	14,588	1,991	0	0	0	16,579
Additions	29,425	39,002	13,086	71	531	196,768	278,883
CCRCO /SEWCJC adjustment	0	0	(272)	0	0	(91)	(363)
Revaluations Increases/(Decreases) recognised in the RR	7,621	2,411	0	0	2,700	0	12,732
Revaluations Increases/(Decreases) recognised in the SDPS	(22,461)	(94,836)	0	0	(2,217)	0	(119,514)
Impairment Losses/Reversals to RR	0	(135)	0	0	0	0	(135)
Impairment Losses/Reversals to SDPS	0	15,878	0	0	(10,086)	(777)	5,015
Derecognition - Disposals	0	(1,266)	(4,547)	0	(5,750)	(777)	(12,340)
Reclassified (to)/from Held for Sale	0	0	0	0	0	0	0
Other Reclassifications - Transfers	13,641	31,113	52	0	17,615	(66,061)	(3,640)
<b>31 March 2025</b>	<b>743,653</b>	<b>1,008,871</b>	<b>82,555</b>	<b>27,292</b>	<b>64,441</b>	<b>263,341</b>	<b>2,190,153</b>
<b>Movements in Depreciation/Impairment</b>							
<b>1 April 2023</b>	<b>20,574</b>	<b>29,592</b>	<b>29,237</b>	<b>0</b>	<b>(4,047)</b>	<b>(49)</b>	<b>75,307</b>
Depreciation Charge	10,437	28,798	8,953	0	0	0	48,188
CCRCO /SEWCJC Restated	0	0	230	0	0	0	230
Depreciation written out on Impairment	0	0	0	0	0	0	0
Depreciation written out to the RR	0	(2,075)	0	0	(2)	0	(2,077)
Depreciation written out to the SDPS	(19,970)	(4,753)	0	0	0	0	(24,723)
Derecognition - Disposals	0	(7,611)	(4,695)	0	0	(1,513)	(13,819)
Reclassifications - Transfers	(3)	3	0	0	0	0	0
<b>31 March 2024 Restated</b>	<b>11,038</b>	<b>43,954</b>	<b>33,725</b>	<b>0</b>	<b>(4,049)</b>	<b>(1,562)</b>	<b>83,106</b>
Amortisation of ROU assets	0	2,145	1,001	0	0	0	3,146
Depreciation Charge	11,070	27,341	8,454	0	0	0	46,865
Depreciation written out on Impairment	0	0	0	0	0	0	0
Depreciation written out to the RR	0	(20,272)	0	0	(239)	0	(20,511)
Depreciation written out to the SDPS	(10,436)	(30,422)	0	0	0	0	(40,858)
Derecognition - Disposals	0	(1,266)	(4,547)	0	(5,750)	(777)	(12,340)
Reclassifications - Transfers	0	(239)	0	0	239	0	0
<b>31 March 2025</b>	<b>11,672</b>	<b>21,241</b>	<b>38,633</b>	<b>0</b>	<b>(9,799)</b>	<b>(2,339)</b>	<b>59,408</b>
Net Book Value							
<b>At 31 March 2024 Restated</b>	<b>704,389</b>	<b>958,162</b>	<b>38,520</b>	<b>27,221</b>	<b>65,697</b>	<b>135,841</b>	<b>1,929,830</b>
<b>At 31 March 2025</b>	<b>731,981</b>	<b>987,630</b>	<b>43,922</b>	<b>27,292</b>	<b>74,240</b>	<b>265,680</b>	<b>2,130,745</b>

\*RR Revaluation Reserve

\*\*SDPS Surplus or Deficit on Provision of Services

2023/24	Net Book Value	2024/25
321,757	Infrastructure Assets	326,356
1,929,830	Other PPE Assets	2,130,745
<b>2,251,587</b>	<b>Total PPE Assets</b>	<b>2,457,101</b>

In accordance with the Temporary Relief offered by the update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

As detailed in the revised guidance applicable to all local authorities, the Council has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

The Council has determined in accordance with Regulation 24L Wales of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (as amended) that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure, is nil.

The Infrastructure Assets Net Book Value is as follows:

2023/24 £000		2024/25 £000
<b>310,542</b>	<b>Net Book Value at 1 April</b>	<b>321,759</b>
20,509	Additions	23,588
(25,196)	Depreciation	(23,032)
15,904	Other movements in cost (Reclassification)	4,041
<b>321,759</b>	<b>Net Book Value at 31 March</b>	<b>326,356</b>

## Heritage Assets

2023/24 £000		2024/25 £000
<b>67,955</b>	<b>Balance at 1 April</b>	<b>68,272</b>
317	Additions	83
0	Revaluation increases/(decreases) to RR	0
<b>68,272</b>	<b>Balance at 31 March</b>	<b>68,355</b>

The Council has tangible heritage assets which consist mainly of the following three categories: -

- public art
- scheduled ancient monuments for which it is responsible

- paintings, artefacts and civic regalia and antiquarian books

The notes below indicate the treatment of each of the above three categories in these accounts.

**Public art** - there are over 100 pieces of public art owned by the Council across the city, including freestanding artworks and significant pieces integrated into the design of buildings. These assets are not identified or valued separately in the Council's Balance Sheet as conventional valuation approaches lack sufficient reliability. In addition, the costs of obtaining valuations for these items would be disproportionate to the benefits. Details of these assets are held within the Cardiff Public Art Register.

**Scheduled ancient monuments** - the Council is responsible or part responsible for 20 of the 31 scheduled ancient monuments in the city. These are required to be protected for their contribution to knowledge and culture and include prehistoric burial sites and mounds, castles and forts, religious sites, defence structures as well as other sites of industrial significance. Unless expenditure has been incurred on these assets previously, these sites are not included in the Council's accounts at historic cost or value. Given the unique and often diverse nature of these assets, conventional valuation approaches lack sufficient reliability and the costs of obtaining valuations for these items would be disproportionate to the benefits. Details of these monuments are held within the scheduled ancient monuments in Cardiff information leaflet which is available on <http://www.cardiff.gov.uk/conservation>.

**Paintings, artefacts, civic regalia and antiquarian books** - the Council has a collection of paintings, artefacts, civic regalia and antiquarian books much of which is related to local interest. The main items in terms of number and value are collections are at Cardiff Castle reflecting its historic significance and interpretation for visitors. Other items held at public buildings have been accumulated over a number of years. Paintings, artifacts and Civic regalia are included in the balance sheet at £42.379 million and were valued by Mr. A.N. Schoon, Antiques and Fine Art Valuer in 2022/23. Antiquarian books were valued for the first time for inclusion in the Accounts, by Bernard Quaritch Ltd. at £9.101 million in 2022/23.

**Council policy on acquisitions, disposals, care and conservation** - where resources allow, the Council will seek to create, acquire and preserve heritage resources for the benefits of its citizens in partnership with other public and private sector bodies using grant and other funding opportunities. Acquisitions are rare, although public art is often commissioned as part of regeneration schemes.

For assets held at Cardiff Castle, acquisition, disposal and care is undertaken in accordance with the museum accreditation scheme. The statutory requirements placed upon the owners of scheduled ancient monuments are likely to make the disposal of assets within Council ownership unviable. Before any work, alteration or controlled archaeological excavations are undertaken, consent is obtained from the Welsh Government.

### Investment Properties

The following table summarises the movement in the fair value of investment properties over the year:

2023/24 Restated £000		2024/25 £000
167,560	Balance at 1 April	160,276
937	Additions	9,349
0	Impairment	0

(744)	Disposals	(1,879)
0	Reclassified (to)/from Held for Sale	0
0	Other Reclassifications	(400)
0	Revaluation increases/(decreases) to RR*	0
(7,222)	Revaluation increases/(decreases) to SDPS**	(8,973)
(255)	CCRCO /SEWCJC adjustment	46
<b>160,276</b>	<b>Balance at 31 March</b>	<b>158,419</b>

\*

The following items have been accounted for within Financing and Investment in the Comprehensive Income and Expenditure Statement:

2023/24 £000		2024/25 £000
(10,582)	Rental income from investment property	(11,030)
4,337	Direct operating expenses arising from investment property	4,959
<b>(6,245)</b>	<b>(Surplus)/Deficit on Investment Properties</b>	<b>(6,071)</b>

## Intangible Assets

Movements in intangible assets during 2024/25 are summarised as follows:

2023/24 £000		2024/25 £000
	<b>Cost or Valuation</b>	
<b>3,174</b>	<b>Balance at 1 April</b>	<b>2,843</b>
312	Additions	281
0	Reclassifications -Transfers	0
(643)	Derecognition - Disposals	(1,308)
<b>2,843</b>	<b>Balance at 31 March</b>	<b>1,816</b>
	<b>Amortisation</b>	
<b>2,076</b>	<b>Balance at 1 April</b>	<b>1,971</b>
538	Amortisation	276
(643)	Derecognition - Disposals	(1,308)
<b>1,971</b>	<b>Balance at 31 March</b>	<b>939</b>
	<b>Net Book Value:</b>	
<b>872</b>	<b>Balance at 31 March</b>	<b>877</b>

## Capital Expenditure and Capital Financing

Capital expenditure incurred in the year is shown in the following table, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by borrowing, it results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be paid for. Prudent provision for the repayment of external borrowing reduces the CFR.

2023/24 £000		2024/25 £000
-----------------	--	-----------------

<b>937,016</b>	Opening Capital Financing Requirement*	<b>1,034,043</b>
	<b>Capital Expenditure:</b>	
265,584	Property, Plant and Equipment incl Infrastructure Assets	302,472
317	Heritage Assets	83
0	Assets Held for Sale	0
936	Investment Properties	9,349
312	Intangible Assets	281
9,627	Loans/Equity	1,957
41,462	Expenditure on REFCUS	20,886
0	Right of Use Asset recognised in year	16,061
	<b>Sources of Finance:</b>	
(2,735)	Capital Receipts	(8,898)
(162,023)	Government grants and other contributions	(213,657)
(10,889)	Direct revenue contributions and reserves	(11,887)
(45,564)	Prudent revenue and capital provision for loan repayment	(53,806)
0	Gain on Peppercorn Lease	(7,148)
0	Finance lease instalment	(2,913)
<b>1,034,043</b>	<b>Closing Capital Financing Requirement*</b>	<b>1,086,823</b>
	<b>Explanation of movements in year:</b>	
2,237	Increase/(Decrease) in underlying need to borrow (supported by government financial assistance)	2,090
94,790	Increase/(Decrease) in underlying need to borrow (unsupported by government financial assistance)	50,690
<b>97,027</b>	<b>Increase in Capital Financing Requirement</b>	<b>52,780</b>

\*This includes a notional amount in respect of Landfill provision of 2024/25 £19.740 million and 2023/24 £21.056 million for landfill restoration and after care. Where future cost estimates are reviewed, this results in either an increase or decrease in the provision.

The South East Wales Corporate Joint Committee (SEWCJC) does not impact on the opening and closing CFR balance so are excluded from this note."

### Prudent Revenue Provision

The Council is required to set aside annually from its revenue budget, a prudent amount for the repayment of borrowing historically undertaken to pay for capital expenditure. The amount is set having regard to Welsh Government Guidance and a policy agreed by Council as part of its budget proposals each year. This amount reduces the Council's underlying need to borrow, the Capital Financing Requirement (CFR). This is a real cost.

Depreciation, impairment charges and finance lease charges included in the Comprehensive Income and Expenditure Statement are technical accounting charges only. These are reversed and replaced by the prudent revenue provision via an appropriation to/from the Capital Adjustment Account in the Movement in Reserves Statement.

<b>2023/24</b>		<b>2024/25</b>
<b>£000</b>		<b>£000</b>
31,394	Council Fund provision	40,626
13,622	Housing Revenue Account provision	14,865
<b>45,016</b>	<b>Prudent revenue provision</b>	<b>55,491</b>

### Revenue Expenditure funded from Capital under Statute (REFCUS)

The following revenue amounts were treated as capital expenditure to be paid for from capital resources. The table includes expenditure on items that do not result in the creation or enhancement of an asset for the Council or where specific approval has been received from Welsh Government to treat such expenditure as capital expenditure and meet from capital resources.

2023/24 £000		2024/25 £000
	<b>Expenditure:</b>	
5,948	Housing Improvement Grants	6,459
5,892	Buildings not owned by Cardiff Council	983
14,195	Grants awarded (not Housing Grants)	13,444
208	Repayment of Grant	0
15,219	Capitalisation Direction - Landfill Tax Liability	0
<b>41,462</b>	<b>Charged to Income and Expenditure Statement</b>	<b>20,886</b>
	<b>Funded by:</b>	
(13,391)	Grants and Contributions	(19,425)
(28,071)	Borrowing, Receipts and other Capital Resources	(1,461)
<b>(41,462)</b>		<b>(20,886)</b>

#### Significant Capital Expenditure contractual commitments

At 31 March 2025, the significant capital expenditure commitments scheduled for completion in 2025/26, and future years is shown below (£205.931 million 2023/24):

Capital Scheme	£000
Fairwater Campus - Main Works	56,567
Willows High School - Main Works	44,304
Scott Harbour Phases 1 and 2	25,200
Multi Storey Carpark	22,905
Cardiff Living Housing - Narberth Road	22,046
Coastal Erosion - Lamby Way	21,251
The Court School - Main Works	15,821
Richmond Square	9,702
Channel View Block B	7,401
New Build Housing - Bute Street Community Living	6,517
Regus Buildings	6,300
Cardiff Living Housing - Llanrumney High School	4,044
Fairwater Campus - Enabling Works	3,831
Pentwyn Leisure Centre Redevelopment	3,702
Cardiff Crossrail Phase 1A	3,248
Re:Fit 1A - GLL Leisure Sites	1,763
Flatholm (Walk Through Time)	1,701
New Build Housing - Paddle Steamer	1,677
New Build Housing - Gasworks	1,000
Cardiff Living Housing - Cherrydale Road	885
City Hall - Phase 1 and 2 Heating and Mechanical Works	595
Arena Preliminaries	576
<b>Total</b>	<b>261,036</b>

## 15. Financial Instruments

### Financial Instrument Balances

The following categories of Financial Instruments (Assets and Liabilities) are included in the Balance Sheet. They arise as a result of the Council's Treasury Management activities as well as Financial Instruments issued to further service objectives. Further detail, and where applicable and material, a Fair value is shown in the sections below, including the method of determining fair value in accordance with accounting policies for Financial Assets and Liabilities, and consideration of the business model for holding investments. Creditors are shown separately in the respective notes rather than as financial instruments:

31/03/2024 Restated				31 March 2025		
Long Term	Short Term	Total		Long Term	Short Term	Total
£000	£000	£000		£000	£000	£000
			Financial assets at amortised cost:			
0	158	158	Investments - Principal	0	16,020	16,020
0	0	0	Investments - Accrued Interest	0	0	0
0	99,037	99,037	Cash & Cash Equivalents	0	45,135	45,135
0	267	267	Cash & Cash Equivalents - Accrued Interest		94	94
0	99,462	99,462	<b>Total Investments at Amortised Cost Included in Investments</b>	0	61,249	61,249
31,642	0	31,642	<b>Total Investments at Fair Value through Other Comprehensive Income</b>	35,793	0	35,793
4,864	1,966	6,830	Loans	6,571	2,511	9,082
14,969	197,801	212,770	Other Debtors	20,210	270,262	290,472
19,833	199,767	219,600	<b>Total Debtors</b>	26,781	272,773	299,554
51,475	299,229	350,704	<b>Total Financial Assets</b>	62,574	334,022	396,596
			Financial liabilities at amortised cost:			
(867,703)	(14,605)	(882,308)	Loans - Principal	(933,637)	(38,277)	(971,914)
0	(9,228)	(9,228)	Loans - Accrued Interest	0	(9,266)	(9,266)
(867,703)	(23,833)	(891,536)	<b>Total Borrowings</b>	(933,637)	(47,543)	(981,180)

#### Investments at amortised cost include:

- temporary investments deposited for various maturities with financial institutions. The fair value is deemed to be the carrying value (Level 2).

#### Investments at Fair Value through Other Comprehensive Income include:

- the Council's 100% shareholding in Cardiff City Transport Services Limited. The Council's shareholding is not listed on any quoted market, however accounting rules require a fair value to be estimated. The valuation estimate is based on the net worth of the company as per its draft set of financial accounts (Level 3). The valuation can fluctuate dependent on the company's performance, technical accounting adjustments and economic climate and so any accounting valuation should be used with caution. Any change in value is offset by a corresponding movement to the 'Financial Instruments

Revaluation Reserve'; hence there is no impact on Council Tax payable. The fair value of the investment at 31 March 2025 is £27.443 million (£26.402 million in 2023/24)

- the element of a £8.634 million loan given to Cardiff Heat Network Ltd at less than commercial rates, which is required to be treated as an investment in subsidiary, £4.683 million, and the share of CCRC/SEWCJC holdings in companies are included either at cost or at quoted prices where available.

The above are held or acquired for Council policy purposes and have been elected to be accounted for as Fair Value through Other Comprehensive Income.

#### Debtors include:

- car loans to eligible Council staff.
- loans to small to medium enterprises including those for town centre regeneration (£3.544 million) and a loan from the council of £8.634 million to its 100% owned subsidiary Cardiff Heat Network Limited. This loan is repayable over a thirty-year period starting either the earlier of two years from the start date of the network commissioning date or five years from the initial drawdown of the loan which was on June 2023. The actual value of this loan provided is reduced by £4.683 million and reflected as an investment in the subsidiary to comply with accounting requirements. This is an accounting requirement to reflect the reduced interest rate at which the loan was provided, compared to prevailing interest rates at that time. This is amortised to CIES over the period of the loan.
- loan balance of £1.372 million due from Glamorgan County Cricket Club, for which 100% impairment was previously recognised due to risk of collectability, has been reversed following a review in 2024/25. In March 2015, the Council approved a request from Glamorgan County Cricket Club to write off 70% of a £6.534 million loan balance due to the Council and restructure remaining sums in line with other major creditors. This was actioned on 21 December 2015 resulting in an outstanding amount of £1.960 million. Repayments commenced in 2019/20, with repayments totalling £588,000 received to 31 March 2025.
- grants, income due from service users, partners, deferred capital receipts to be received and offset by an impairment for expected credit losses where applicable.

#### Liabilities at Amortised Cost include:

- external borrowing undertaken to fund capital expenditure and short term cash flow requirements. It includes Lender Option Borrower Option Loans (LOBO) which allow the lender to change the rate of interest at specified periods, allowing the Council to either accept the new rate or repay the loan before the contractual maturity date. The date of maturity for such instruments is assumed to be the contractual period to maturity rather than the next date that the lender could request a change in the rate. The carrying amounts below also include accrued interest payable at 31 March 2025. Interest payable for 2024/25 is £9.266 million (£9.228 million in 2023/24). The actual value of loans from Welsh Government at 31 March 2025 is reduced by £10.475 million based on the Net Present Value of future cash payments discounted using the prevailing Public Works Loan Board rate of interest at which the Council could borrow at the time of receipt. This notional benefit is an accounting adjustment only and is required to be reversed over the loan as repayments are made. The actual value of loans repayable to Welsh Government at 31 March 2025 is £45.275 million.

31 March 2024			Valuation Method - Level	31 March 2025	
Carrying amount £000	Fair value £000			Carrying amount £000	Fair value £000
(795,313)	(695,671)	Public Works Loan Board Loans (PWLB)	Level 2	(892,357)	(738,907)
(51,641)	(42,052)	Lender Option Borrower Option	Level 2	(51,636)	(37,144)
(44,569)	(39,668)	Welsh Government	Level 2	(34,800)	(31,878)
(30)	(30)	Local Authorities and other loans	Level 2	(30)	(30)
<b>(891,553)</b>	<b>(777,420)</b>	<b>Financial Liabilities</b>		<b>(978,823)</b>	<b>(807,959)</b>

The fair value of borrowing and financial liabilities is less than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans at the Balance Sheet date.

#### Fair value calculations use the following assumptions:

- for PWLB debt, the transfer or fair value shown in the table is based on new borrowing rates from the PWLB for equivalent loans at 31 March 2025. An exit price fair value of £813.388 million is also calculated using early repayment discount rates which are lower than equivalent loan rates. The Council has no contractual obligation to pay these penalty costs and would not incur any additional cost if the loans run to their planned maturity date
- for other market debt and investments, the discount rate used is the rate available for an instrument with the same terms from a comparable lender
- no early repayment or impairment for expected credit losses is recognised.

### Financial Instrument Gains/Losses

The following table shows the gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to Financial Instruments. It includes interest payable on borrowing, amounts receivable on investments, gains on disposal of investments and also movements from estimating changes in value of investments at fair value.

Financial Liabilities	Financial Assets		Total		Financial Liabilities	Financial Assets		Total
Measured at Amortised Cost	Amortised Cost	Investments at Fair Value through Other Comprehensive Income			Measured at Amortised Cost	Amortised Cost	Investments at Fair Value through Other Comprehensive Income	
2023/24 Restated £000				2024/25 £000				
33,882	0	0	<b>33,882</b>	Interest Payable & Similar Charges	37,653	0	0	<b>37,653</b>
0	(13,410)	0	<b>(13,410)</b>	Interest and Investment Income	0	(10,265)	0	<b>(10,265)</b>
0	0	0	<b>0</b>	(Gain)/loss arising on Disposal/ Derecognition of Financial Assets	0	(1,470)	0	<b>(1,470)</b>
0	0	(1,995)	<b>(1,995)</b>	(Gain)/loss arising on Revaluation or Disposal of Financial Assets	0	0	(1,136)	<b>(1,136)</b>
<b>33,882</b>	<b>(13,410)</b>	<b>(1,995)</b>	<b>18,477</b>	<b>Net (gain)/loss for the year</b>	<b>37,653</b>	<b>(11,735)</b>	<b>(1,136)</b>	<b>24,782</b>

## Nature and Extent of Risks arising from Financial Instruments

The Council's activities in relation to financial instruments whether for treasury management purposes or service objectives expose it to a variety of risks. In undertaking its treasury management activities, the overriding objective is to minimise the risk of adverse consequences or loss, whilst at the same time not unduly constraining investment returns or unnecessarily incurring interest costs. Given the nature of investments, a trade-off between security, liquidity and yield cannot be avoided i.e. there is risk of default. This risk is enhanced when loans to external organisations are provided for service delivery objectives and indicators of significant impairment for credit losses are considered at the balance sheet date.

Treasury management risks include credit and counterparty, liquidity and refinancing, interest rate, market value, exchange rate, fraud and regulatory risk. The Council has Treasury Management Practices to address and mitigate these risks. It has adopted the CIPFA Treasury Management Code of Practice and sets indicators to control key financial instrument risks. Further details in relation to key risks are disclosed in the following sections where relevant.

### Credit Risk

Risk that other parties may fail to pay amounts due to the Council. It arises from lending of temporary cash balances as part of the Council's Treasury Management activities, from sums owed by the Council's customers and from organisations to whom a loan has been provided.

An impairment is made where there is deemed to be a risk of expected credit losses. The following table summarises the Council's main exposures to credit risk.

31 March 2024 Restated £000	Likelihood of Default	31 March 2025 £000
99,462	<b>Deposits - Banks, Building Societies, Local Authorities, DMADF</b>	61,249
	Deposits are placed with banks and building societies that have Fitch minimum criteria of F1 (i.e. highest credit quality), local authorities or Debt Management Account Deposit Facility (DMADF). Lending is restricted to a maximum amount and duration for each financial institution, also taking into account the extent of public ownership and sovereign rating. A risk of non-recoverability applies to all of the Council's deposits, requiring rigorous monitoring of credit risk and credit criteria. The Council uses treasury management advisors who assist in this process. Using historic data adjusted for current financial market conditions and based on the level of deposits at 31 March 2025 the impairment for expected credit loss calculated on a historic risk of default basis is negligible so no impairment for expected credit loss is recognised. The value of deposits will fluctuate daily as a result of the timing of many transactions. The decrease of £38.213 million from 31 March 2024 is primarily as a result of changes to working capital.	
180	<b>Car Loans</b>	214
	Repayments are recovered directly from employees pay and indemnity insurance is a condition of the loan. Default experience is minimal.	
6,830	<b>Loans to External bodies</b>	8,868

	This includes loans for business development and Town Centre regeneration. Where there is deemed to be a risk of non-repayment an impairment for expected credit loss is considered. The actual value of loans due to the Council is £14.134m. The figure quoted in the table is a reduced figure, reflecting the notional cost or equity investment of providing loans at a lower interest rate. This is to be spread over the period of loans provided in accordance with accounting requirements.	
<b>28,648</b>	<b>Customers</b>	<b>29,571</b>
	The Council does not generally allow credit for customers and provision is made for non-payment based on the age profile of outstanding debt, adjusted for large invoices known to have been settled after the balance sheet date and any other material factors that could affect the sum collectable. Other debt such as grant income due from government bodies and year-end accruals of income is considered to be 100% collectable and impairment for credit losses is not considered necessary. The impairment for credit losses in 2024/25 was based on the adjusted age profile disclosed as following:	
24,357	Less than one year	25,161
1,655	1-2 years	1,390
1,229	2-3 years	1,042
491	3-4 years	1,142
289	4-5 years	134
627	Over 5 years	702
<b>135,120</b>	<b>Overall Total</b>	<b>99,902</b>

### Liquidity and Refinancing Risk

This is the possibility that the Council may not have funds available to make payments or may have to refinance a financial liability at disadvantageous interest rates or terms. The Council has access to funds from the financial markets and Public Works Loan Board in order to raise finance. As investment balances fall and the need to borrow money rises, liquidity risk will increase. This is identified within the Council's Treasury Management Strategy which also sets limits on the proportion of its fixed rate loans maturing during specified periods. The amounts of fixed rate debt maturing in any period are disclosed in the following table:

<b>31 March 2024</b>	<b>Loans Outstanding at Amortised Cost</b>	<b>31 March 2025</b>
<b>£000</b>		<b>£000</b>
786,727	Public Works Loans Board	883,727
51,000	Market Lender Option Borrower Option (LOBO)	51,000
44,568	Welsh Government	34,800
30	Local Authorities and other loans	30
<b>882,325</b>	<b>Total</b>	<b>969,557</b>
13,200	Under 12 months	36,839
17	CCRC	17
4,689	12 months and within 24 months	25,082
64,977	24 months and within 5 years	131,002
103,755	5 years and within 10 years	96,750
167,704	10 years and within 20 years	169,032
184,257	20 years and within 30 years	184,355
218,726	30 years and within 40 years	221,480
120,000	40 years and within 50 years	100,000
5,000	50 years and within 60 years	5,000

<b>882,325</b>	<b>Total</b>	<b>969,557</b>
----------------	--------------	----------------

The actual value of borrowing outstanding as at 31 March 2025 is £980.032 million. The difference between the fair value disclosed in the table and the actual value of loans is reflected in the Financial Instrument Revaluation Reserve (Note 26.4). This difference is amortised over the period of the loans and relates to loans received from Welsh Government at what is deemed to be a benefit of having loans at an interest rate that is less than available in the financial markets to the Council at the time the loan was provided.

Currently, £24 million of the LOBO loans are subject to the lender having the right to change the rate of interest payable during the next financial year. The Council has the right to refuse the change, triggering early repayment and the need to re-finance. Details are shown in the following table:

£m	Potential Repayment Date	Option Frequency	Full Term Maturity
6	21/05/2025	6 months	21/11/2041
6	21/05/2025	6 months	21/11/2041
6	21/05/2025	6 months	23/05/2067
6	02/09/2025	6 months	23/05/2067
22	21/11/2025	5 years	23/11/2065
5	17/01/2028	5 years	17/01/2078

### Interest Rate Risk

The possibility that financial loss might arise for the Council as a result of changes in interest rates. The main impacts of interest rate movements are set out below:

Variable affected by interest rate fluctuations	Impact of Variation	Actions to mitigate interest rate risk
Interest earned on variable rate investments	Interest rate rises will increase income credited to the Comprehensive Income and Expenditure Statement, while reductions may result in less income than budgeted.	Production and Council approval of a Treasury Management Strategy at the start of each financial year with a spread of maturity profiles for investments.
Interest paid on variable rate borrowings	If interest rates rise, lenders may exercise options to increase rates in a Lender Option Borrower Option loan potentially increasing the interest expense charged to the Comprehensive Income and Expenditure Statement, should the Council accept the higher rate.	Interest rate forecasts based on advice from treasury management advisors are built into the budget and monitored regularly throughout the year. The Council's borrowing is primarily at fixed, rather than variable, interest rates.
Fair value of fixed rate financial assets	Interest rate rises will have no material effect on fair value, as the current periods of such assets are very short term, hence fair value is not disclosed.	By borrowing and investing fixed rate, the Council aims to minimise the revenue impact of interest fluctuations to provide stability for planning purposes. Council borrowing is primarily at fixed rather than variable rates.
Fair value of fixed rate financial liabilities	Fair value will fall if interest rates rise. This will not impact on the Comprehensive Income and Expenditure Statement or Balance Sheet values for the majority of assets held at amortised cost, but will impact on the disclosure note for fair value.	

To give an indication of the Council's sensitivity to interest rate change, the table below indicates the estimated impact on the Comprehensive Income and Expenditure Statement had interest rates during 2024/25 been on average 1% higher with all other variables held constant.

<b>Interest Rate Risk Income and Expenditure Account</b>	<b>£000</b>
Increase in interest payable on borrowings	747
Increase in interest receivable on investments	(425)
<b>Impact on Income and Expenditure Account</b>	<b>322</b>
Increase in interest transferred to other balances and accounts	20
<b>Net (Income)/ Expenditure</b>	<b>342</b>

The impact of a 1% fall in interest rates may not have exactly the opposite effect, since financial instruments with calls may not be exercised by the lender or borrower.

<b>Changes in Fair Value</b>	<b>£000</b>
Change in Fair Value of fixed rate investments	0
Change in Fair Value of fixed rate borrowings	(73,638)

### Foreign exchange risk

The Council's exposure to loss arising from movements in exchange rates is minimal. Borrowing and investments can only be undertaken in sterling.

### Price Risk

This is the possibility of the Council having financial gains or losses from movements in prices of financial instruments. Whilst the Council's approved Treasury Management policy allows investments in financial instruments such as bank certificates of deposit and Government bonds, the Council invests primarily in instruments where the sum returned on maturity is the same as the initial amount invested. For service investment purposes, the Council has equity holdings which are quoted on a recognised stock exchange. These are £0 at 31 March 2025, (£25,000 in 2023/24).

The Council's 100% shareholding in Cardiff City Transport Services Ltd is not quoted on a recognised exchange and thus not subject to gains or losses from market price movements. A general shift of 5% in the fair value (positive or negative) would result in a £1.372 million gain or loss being recognised in the Movement in Reserves Statement in terms of valuations for accounts purposes only.

**16. Assets Held for Sale**

31 March 2024 £000		31 March 2025 £000
4,000	Balance at 1 April	450
0	Additions	0
(4,000)	De-recognition	0
0	Impairment	0
450	Reclassified to/(from) Held for Sale	0
450	Balance at 31 March	450

**17. Short Term Debtors**

31 March 2024 Restated £000		31 March 2025 £000
129,114	Central Government Bodies	182,427
27,015	Other Local Authorities & NHS Bodies	29,819
43,638	Other Entities & Individuals including Public Corporations	60,527
199,767	Total Short Term Debtors	272,773

**18. Cash and Cash Equivalents**

31 March 2024 Restated £000		31 March 2025 £000
154	Cash	159
(22,829)	Bank (including cheque book schools )	45,654
119,616	Short-term deposit with banks & building societies	10,994
2,363	CCRC/D/SEWCJC adjustment	(11,578)
99,304	Total Cash and Cash Equivalents	45,229

**19. Short Term Creditors**

31 March 2024 Restated £000		31 March 2025 £000
(37,804)	Central Government Bodies	(28,680)
(8,255)	Other Local Authorities & NHS Bodies	(8,120)
(108,680)	Other Entities & Individuals including Public Corporations	(119,354)
(154,739)	Total Short Term Creditors	(156,154)

## 20. Interests in Other Companies and Other Organisations

The Council has five wholly owned subsidiary companies. The interest in Atebion Solutions Limited is consolidated within the Council's accounts. The interest in Cardiff City Transport Services Ltd is consolidated to form the Council's group accounts which are shown later in these Statements. The interests in the other three organisations are considered immaterial in terms of the turnover and net assets and have therefore been excluded from consolidation in 2024/25. The Council does not depend upon these three organisations for statutory service provision, and it is not considered that they expose the Council to a material level of commercial risk.

### Cardiff City Transport Services Limited. (Cardiff Bus)

#### Company number 02001229 Incorporated 1986

Cardiff Bus was set up in accordance with the provisions of the Transport Act 1985 to operate the Council's municipal bus operation.

Journey numbers continue to recover post pandemic, with over a million extra passengers carried in 2024/2025 compared to 2023/2024. However, this is over three and a half million lower than pre-pandemic levels as the Company continues to feel the effects of shifts in working patterns. The Company continues to benefit from the Bus Services Support Grant and will continue its fleet investment programme in the coming year.

The Council agreed in October 2020 to implement a range of measures to address risks to financial viability, allowing the company to implement a turnaround plan to build a more sustainable financial and operational future. The Council became the statutory employer of the Cardiff Bus Pension Scheme on 3 March 2021 and injected equity of £13.6 million between 2020/21 and 2021/22.

The company's draft accounts are summarised below:

31 March 2024 £000		31 March 2025 £000
(37,741)	Turnover and other income	(39,246)
36,780	Operating and other expenditure	37,882
<b>(961)</b>	<b>Net (Profit)/Loss before Taxation</b>	<b>(1,364)</b>
0	Taxation	0
<b>(961)</b>	<b>(Profit)/Loss after Taxation</b>	<b>(1,364)</b>

A summary of the company's financial position is as follows:

31 March 2024 £000		31 March 2025 £000
29,587	Bus and other operating assets	23,937
16,983	Current Assets	20,986
(3,636)	Less Current Liabilities	(3,205)
	Creditors: Amounts falling due after more than one year	
(16,532)	Provisions & Long term liabilities	(14,275)

<b>26,402</b>	<b>Total Assets less Liabilities</b>	<b>27,443</b>
	Represented by:	
18,218	Share Capital	18,218
4,335	Retained Earnings	5,376
3,849	Revaluation Reserve	3,849
<b>26,402</b>	<b>Net Worth</b>	<b>27,443</b>

During 2024/25 the Council made payments totalling £11.587 million to Cardiff City Transport Services Ltd (£7.721 million in 2023/24), of which £8.319 million related to concessionary fares payments (£7.120 million in 2023/24). The Council also received income of £909,000 (£758,000 in 2023/24).

At year-end, there is £35,000 due to Cardiff City Transport Services Ltd (£0 at March 2024) and a balance due of £340,000 from Cardiff City Transport Services Ltd (£168,000 at March 2024).

The company's auditors are Kilsby Williams.

### Cardiff Business Technology Centre Limited (CBTC)

Company number 02074331 Incorporated 1986

The company's principal activity is to promote and assist in the development of new and existing high technology and innovation companies through the provision of business/incubator premises with a high level of support services. The company continues to offer flexible terms to newly established tenants to ensure accelerated growth and a nurturing atmosphere from which they are able to establish commercially stronger businesses. Opportunities continue to be sought to reduce vacant space to support financial resilience for future years. The company's draft accounts are summarised below:

31 March 2024 £000		31 March 2025 £000
83	Net (Profit)/Loss before Taxation	28
(1)	Less: Taxation	(9)
<b>82</b>	<b>(Profit)/Loss after Taxation</b>	<b>19</b>

31 March 2024 £000		31 March 2025 £000
597	Total assets less current liabilities	568
(21)	Provision for taxation	(11)
<b>576</b>	<b>Total Assets less Liabilities</b>	<b>557</b>
	Represented by:	
313	Retained Profit	322
263	Revaluation Reserve	235
<b>576</b>	<b>Net Worth</b>	<b>557</b>

During 2024/25 the Council made payments of £455,000 to CBTC (£498,000 in 2023/24) and received no income (£0 in 2023/24) from CBTC. At year end, there is no balance due to or from CBTC Limited. (£0 at 31 March 2024).

The company's auditors are MHA Chartered Accountants and Statutory Auditor.

**Atebion Solutions Limited****Company number 10411758 Incorporated 2016**

Atebion Solutions was established to deliver procurement and commercial services to the public sector, but whilst the company is still legally operational, it is currently not actively trading. The company has the financial assets to meet all financial liabilities in full.

The company's draft accounts are summarised below:

31 March 2024 £000		31 March 2025 £000
4	Net (Profit)/Loss before Taxation	3
0	Less: Taxation	0
<b>4</b>	<b>(Profit)/Loss after Taxation</b>	<b>3</b>

31 March 2024 £000		31 March 2025 £000
26	Total assets less current liabilities	23
0	Creditors: falling due after more than one year	0
<b>26</b>	<b>Total Assets less Liabilities</b>	<b>23</b>
	Represented by:	
26	Retained Profit	23
<b>26</b>	<b>Net Worth</b>	<b>23</b>

During 2024/25, the Council made no payments (£0 in 2023/24) to Atebion Solutions Ltd and received income of £3,000 (£4,000 in 2023/24) from Atebion Solutions Ltd. At year end, there is no balance due to Atebion Solutions Ltd (£0 at 31 March 2024) and a balance due of £1,000 from Atebion Solutions Ltd (£4,000 at 31 March 2024).

Under s479A of the Companies Act 2006, Atebion Solutions Ltd is exempt from the requirements of the Act relating to the audit of individual accounts. Cardiff Council has guaranteed the liabilities of Atebion Solutions Ltd.

**Cardiff Heat Network Limited****Company number 13199235 Incorporated 2021**

Cardiff Heat Network aims to develop and operate a sustainable heat network across the city which will supply low carbon heat to buildings agreed to be connected to the network. Construction works commenced in January 2022 in respect of the Phase one scope, with first live heat supplies expected to be delivered from late Autumn 2025. Negotiations continued to take place during the year with customers of the energy to ensure sufficient take up to allow the business case assumptions for the network to be met. One new customer has already been secured and a marketing strategy is being developed to launch once the Heat Network is Active. These targets and assumptions as well opportunities for expansion, in parallel with other planned developments in the City, continue to be reviewed.

The company's draft accounts are summarised below:

31 March 2024 £000		31 March 2025 £000
144	Net (Profit)/Loss before Taxation	130
0	Less: Taxation	0
<b>144</b>	<b>(Profit)/Loss after Taxation</b>	<b>130</b>

31 March 2024 £000		31 March 2025 £000
8,450	Total assets less current liabilities	4,651
(8,634)	Creditors: falling due after more than one year	0
<b>(184)</b>	<b>Total Assets less Liabilities</b>	<b>4,651</b>
	Represented by:	
(184)	Retained Profit	4,651
<b>(184)</b>	<b>Net Worth</b>	<b>4,651</b>

During 2024/25, the Council made payments of £65,000 to Cardiff Heat Network Ltd (£8.634 million loan in 2023/24) and received £22,000 (£25,000 in 2023/24) from Cardiff Heat Network Ltd. At year end, there is a balance due of £30,000 from Cardiff Heat Network Ltd (£4,000 at 31 March 2024), and a balance due of £286,000 from Cardiff Council to Cardiff Heat Network Ltd (£0 at 31 March 2024).

The company's auditors are Azets.

## Cardiff Waste Limited

### Company number 02664172 Incorporated 1991

The company was incorporated to collect and dispose of waste materials of every description, operate waste disposal sites, vehicles and plant and provide related advice. The company remains dormant, with no trading activities.

## 21. Provisions

	Balance 31 March 2024 Restated £000	Utilised/ Released in year £000	Transfers to Provisions £000	Balance 31 March 2025 £000	Not later than one year £000	Later than one year £000
Insurance & MMI Scheme	(9,947)	6,338	(5,606)	(9,215)	(1,843)	(7,372)
Ferry Road Landfill	(9,037)	277	0	(8,760)	(331)	(8,429)
Lamby Way Landfill	(12,778)	385	0	(12,393)	(358)	(12,035)
CCRCD/SEWCJC	(6,695)	2,576	(166)	(4,285)	0	(4,285)
Other	(1,638)	149	(284)	(1,773)	(411)	(1,362)
<b>Total</b>	<b>(40,095)</b>	<b>9,725</b>	<b>(6,056)</b>	<b>(36,426)</b>	<b>(2,943)</b>	<b>(33,483)</b>

Insurance represents sums set aside to meet the cost of claims received, but not yet settled. The Council operates a system of self-insurance which provides cover either in part or in total for a considerable number of the Council's insured risks. Major risks including property, liability and motor vehicle are partially self-funded whereas full cover is provided for secondary risks such as 'all-risks'.

Municipal Mutual Insurance (MMI) Scheme of arrangement levy - represents a scheme that was triggered on 13 November 2012 and this will involve the claw back of a percentage of previously paid claims as well as a percentage of future claims. Further details are provided in note 27.

Landfill aftercare reflects the financial obligations to address restoration and aftercare for Lamby Way and Ferry Road sites in accordance with initial permits for the disposal of waste. These obligations can stretch for over 60 years with potentially significant but uncertain capital and revenue expenditure. The level of provision is reviewed periodically with the last review taking place in 2023/24.

CCRCD/SEWCJC primarily represents provision for land remediation of one of the subsidiary buildings

Other – includes £1.312 million for Adults Services provider charges.

## 22. Pension Strain

In addition to the costs of redundancy payments made to leavers, in some cases the Council also incurs costs relating to pension strain which it is required to pay over to the Pension Fund when individuals leave via the Severance Scheme. This applies only to leavers who are members of the Local Government Pension Scheme and aged 55-59 at the date they leave employment with the Council. The pension strain cost to the Council is the amount it has to pay over to the Pension Fund to compensate for the lost pension contributions for these staff.

The Council has the option to pay the amounts due in respect of pension strain over a 5 year period in order to spread the impact of these costs. The following table shows the level of pension strain in the balance sheet.

31 March 2024 £000	Pension Strain	31 March 2025 £000
(1,065)	Pension Strain due within 1 year	(1,202)
(2,283)	Pension Strain due later than 1 year	(4,241)
<b>(3,348)</b>	<b>Total Pension Strain</b>	<b>(5,443)</b>

### 23. Deferred Liabilities

These are amounts paid in advance by external bodies towards expenditure in future years.

	Balance 31 March 2024 £000	Utilised/ Released in year £000	Transfers to Deferred Liabilities £000	Balance 31 March 2025 £000	Not later than one year £000	Later than one year £000
Commuted Maintenance Sums	(8,787)	1,020	(1,157)	(8,924)	(1,085)	(7,839)
Rent Smart Wales Income in Advance	(5,009)	1,133	(142)	(4,018)	(804)	(3,214)
<b>Total Deferred Liabilities</b>	<b>(13,796)</b>	<b>2,153</b>	<b>(1,299)</b>	<b>(12,942)</b>	<b>(1,889)</b>	<b>(11,053)</b>

### 24. Grant Income

The Council credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2024/25

2023/24 Restated £000		2024/25 £000
	<b>Grants and contributions credited to the CIES</b>	
(475,312)	Revenue Support Grant	(488,634)
(118,293)	Non-Domestic Rates	(134,524)
(137,677)	Capital Grants	(199,248)
(21,251)	Developers' Contributions	(7,020)
<b>(752,533)</b>	<b>Total</b>	<b>(829,425)</b>
	<b>Credited to Services (Revenue Grants &amp; Contributions)</b>	
(325,480)	Central Government Bodies	(362,501)
(29,405)	Other Local Authorities & NHS Bodies	(33,003)
(11,400)	Other Entities and Individuals including Public Corporations	(13,917)
<b>(366,285)</b>	<b>Total</b>	<b>(409,421)</b>

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that may require the monies or property to be returned to the provider. The balances at the year-end are as follows:

31 March 2024 £000	Revenue Grants and Contributions Receipts in Advance	31 March 2025 £000
(13,733)	Central Government Bodies	(6,036)
0	Other Local Authorities & NHS Bodies	0
(607)	Other Entities and Individuals including Public Corporations	(404)
<b>(14,340)</b>	<b>Total</b>	<b>(6,440)</b>

31 March 2024 £000	Capital Grants Receipts in Advance	31 March 2025 £000
(8,303)	Central Government Bodies	(3,976)
0	Other Local Authorities & NHS Bodies	0
0	Other Entities and Individuals including Public Corporations	(33)
<b>(8,303)</b>	<b>Total</b>	<b>(4,009)</b>

The below table represents amounts received predominantly from developers and other external sources, which are yet to be used to fund specific future expenditure. Whilst no payments were received directly by the Council, the obligations of developers to construct and provide two new primary schools as part of housing projects in the city have been assumed in contributions received and applied in 2023/24. This is based on assumed valuations for the schools included in the accounts for that year.

31 March 2024 Restated £000	Capital Contributions Receipts in Advance	31 March 2025 £000
<b>(31,296)</b>	<b>Balance as at 1 April</b>	<b>(39,202)</b>
(29,490)	Contributions received during the year	(14,581)
21,545	Contributions applied to expenditure during the year	7,226
39	Reclassification	71
<b>(39,202)</b>	<b>Balance as at 31 March</b>	<b>(46,486)</b>

## 25. Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement. Usable Reserves include Council Fund and HRA Balances, Earmarked Reserves, Capital Receipts Reserve and the Capital Grants Unapplied Reserve.

### 25.1 Council Fund and HRA Balances

	Balance	Contributions		Balance
	31 March 2024 £000	From Revenue £000	To Revenue £000	31 March 2025 £000
<b>COUNCIL FUND AND HRA BALANCES</b>				
Council Fund Balance	14,255	0	0	<b>14,255</b>
Housing Revenue Account Balance	15,502	0	0	<b>15,502</b>
<b>Total Council Fund and HRA Balances</b>	<b>29,757</b>	<b>0</b>	<b>0</b>	<b>29,757</b>

### 25.2 Earmarked Reserves

This note sets out the contributions to and from earmarked reserves during the year.

	Balance	Contributions		Balance	Purpose of the Reserve / To fund:
	31 March 2024 Restated £000	From Revenue £000	To Revenue £000	31 March 2025 £000	
<b>SCHOOLS BALANCES</b>					
Schools Reserves	10,669	3,564	(5,971)	<b>8,262</b>	The net position on individual school balances, comprising surpluses, deficits and the overall deficit on the Mutual Supply Fund
Primary/Special Schools Repairs	1,051	0	(286)	<b>765</b>	The overall balance held on the mutual scheme for repairs to school buildings
	<b>11,720</b>	<b>3,564</b>	<b>(6,257)</b>	<b>9,027</b>	
<b>SCHOOLS RESERVES</b>					
Out of School Childcare	79	19	(18)	<b>80</b>	Surplus balances from each school operating an out of school childcare scheme. These can be drawn upon by each school to balance their in-year financial position
Schools Formula Funding	3,054	1,722	(2,644)	<b>2,132</b>	Unplanned and unforeseen expenditure incurred by or on behalf of the delegated schools budgets
Schools Organisational Plan	1,585	7,906	(7,771)	<b>1,720</b>	Manage the cash flow implications of the Schools Organisational Plan financial model
	<b>4,718</b>	<b>9,647</b>	<b>(10,433)</b>	<b>3,932</b>	
<b>OTHER COUNCIL RESERVES</b>					
Adults Social Care	2,310	1,461	(399)	<b>3,372</b>	Service specific pressures and to enhance financial resilience

	Balance	Contributions		Balance	Purpose of the Reserve / To fund:
	31 March 2024 Restated £000	From Revenue £000	To Revenue £000	31 March 2025 £000	
Apprenticeships and Trainees	818	0	(308)	510	Corporate Apprentice Scheme
Arena Funding Strategy Risk Mitigation	10,000	0	0	10,000	Manage and mitigate any risk of the Arena funding strategy
Bereavement Services	61	791	(805)	47	Planned programme of refurbishment and improvement
Building Control Regulations	216	0	(16)	200	Smooth effects of future deficits within ring fenced building control account
Bute Park Match Funding	29	0	(22)	7	Match funding for grant funded initiatives in relation to Bute Park, as per Heritage Lottery Fund agreement
Capital Business Case Development	2,173	750	(1,184)	1,739	Development of capital business cases
Cardiff Academy Training	50	0	(50)	0	Support initiatives undertaken in connection with the Academy
CCRCD/SEWJC	128	200	(305)	23	Council's contribution to the Joint Cabinet for the Cardiff Capital Region City Deal
Cardiff Dogs Home Legacy	195	115	(111)	199	Donations left to Cardiff Dogs Home to be used for improvements to the home
Cardiff Enterprise Zone (Indoor Arena)	5,077	2,420	(7,450)	47	Cardiff Enterprise Zone in future years
Central Market Works	47	126	0	173	Works at Cardiff Central Market and as potential match funding for external grants bids
Central Transport Service	1,288	60	(252)	1,096	Central transport vehicle service
Children's Services	0	703	(573)	130	Enhance resilience
City Wide Management and Initiatives	1,557	1,115	(296)	2,376	City wide management and initiatives including supporting marketing and infrastructure
Coastal Erosion Capital Financing	1,308	0	(1,308)	0	Manage Welsh Government grant for capital financing costs for Coastal Erosion project over the construction period of the flood risk project
Community Based Services Transition	105	0	(105)	0	Better integration of community facilities across the public sector
Community Initiatives	2,089	0	(29)	2,060	Initiatives arising from the legacy of the Community First Programme
Coroners	0	210		210	To provide resilience towards future Coroner service costs
Corporate Events and Cultural Services	5,993	291	(332)	5,952	Feasibility studies and costs of major events and to offset future pressures arising from fluctuations in income within Venues and Cultural Services
Corporate Landlord Function	325	0	(191)	134	Corporate landlord functions across the Council in order to provide a cohesive and commercial operating model
Corporate Recovery Risk	4,250	0	(4,250)	0	Mitigate risk of transition post pandemic
Council Tax Reduction Scheme pressures	2,153	0	0	2,153	Medium term increases in Council Tax Reduction Scheme expenditure

	Balance	Contributions		Balance	Purpose of the Reserve / To fund:
	31 March 2024 Restated £000	From Revenue £000	To Revenue £000	31 March 2025 £000	
Demand Pressures	5,740	7,000	(200)	12,540	Financial resilience to help manage demand volatility and uncertainty
Digital Transformation	2,366	0	(980)	1,386	New ways of working
Discretionary Rate Relief	100	0	0	100	Non-Domestic Rates due diligence
Emergency Management, Safeguarding & Prevent	139	0	0	139	Preventative measures in relation to safeguarding, the Prevent agenda and emergency management
Employee Changes	10,434	7,807	(805)	17,436	Costs associated with voluntary redundancy and other employee costs in future years
Empty Homes & Housing Needs	2,293	3,799	(680)	5,412	Housing needs including activities relating to investing in empty homes and bringing them back in use
Energy Conservation (One Planet Cardiff)	1,244	0	(190)	1,054	Energy conservation initiatives
Energy Market Volatility	3,606	125	(770)	2,961	Expected fluctuations in the cost of energy and fuel
Flatholm	7	0	0	7	Initiatives, repairs and renewals
Fraud Detection	44	0	0	44	Supplement staffing and other costs associated with fraud detection
Governance and Legal Services	140	450	0	590	Future Governance & Legal Services initiatives, including projects in connection with ICT upgrades
Grant fall out resilience	557	881	0	1,438	Resilience for potential grant fall out in relation to Shared Prosperity Fund (SPF).
Harbour Authority Project and Contingency Fund	133	32	0	165	Improvement and enhancement of infrastructure, assets, activities or services in or around Cardiff Bay
Highways Section 278	182	0	0	182	Highway investment
Homelessness	2,337	156	0	2,493	Increases in homelessness pressures
Housing Support	734	0	0	734	Improve sustainability by maintaining the independence of people in their own homes
Ice Arena Lifecycle Costs	0	56	0	56	To fund Ice Arena lifecycle costs
ICT Holding Account	544	50	(202)	392	Future business process improvement initiatives and other future ICT initiatives
Insole Court	116	0	(94)	22	Council building repair liabilities in line with lease terms
Inspectorate Support	1,538	600	(910)	1,228	Consultancy for inspections and regulatory environment
Insurance	8,011	0	(1,596)	6,415	Protect from future potential insurance claims
Invest to Save	261	0	(261)	0	Used in connection with revenue invest to save schemes.
Joint Equipment Store	515	150	0	665	Offset deficits or one off expenditure items in the pooled budget, in future years
Local Development Plan	246	250	(240)	256	Local Development Plan and any potential appeals or judicial reviews
Major Projects	155	0	(64)	91	Major Projects
Members Development	33	0	(9)	24	Members' ICT software
Municipal Election	431	498	(38)	891	Local elections

	Balance	Contributions		Balance	Purpose of the Reserve / To fund:
	31 March 2024 Restated £000	From Revenue £000	To Revenue £000	31 March 2025 £000	
Municipal Mutual Insurance	935	0	(129)	806	Liabilities to pay a percentage of claims previously settled by Municipal Mutual Insurance (MMI) and contribute to the cost of future settled claims
New Theatre Repairs	462	25	0	487	Council building repairs liabilities in line with the lease terms
Non-Domestic Rates Due Diligence	60	500	(139)	421	Non-Domestic Rates due diligence
Parking and Enforcement	964	8,987	(8,036)	1,915	Surpluses on parking and enforcement schemes which, under the Road Traffic Act 1984, have to be reinvested in Road Traffic Schemes. Additional details provided in note below
Pierhead Street Multi Storey Car Park	0	577	0	577	To fund annual capital financing costs of Arena Model
Valuers/Property Asset Management	16	0	(16)	0	Managing timing and fluctuations of income from fees relating to the disposal of properties
Red Dragon Centre	1,955	0	(1,098)	857	Premises funding requirements
Rentsmart Wales	588	116	(142)	562	Training and service delivery in respect of Rentsmart Wales
Resources	3,262	2,936	(629)	5,569	Number of areas within the Resources Directorate particularly where transition to methods of operation are required
Scrutiny Development and Training	74	0	0	74	Scrutiny member development and training
Social Care Technology	0	542	0	542	Social care ICT developments
Social Care Worker Mobility	542	0	(542)	0	Increase domiciliary support service capacity in conjunction with decarbonisation of services
South East Wales Construction Framework	1,695	203	(352)	1,546	Ring fenced revenue to fund future costs of the project. Remaining funding to be distributed amongst the participating authorities
Strategic Budget	6,770	7,654	(3,076)	11,348	Financial resilience and the future budget requirements of the Council over the three year budget period within the Medium Term Financial Plan
Town Centre Loan Scheme Administration	120	150	0	270	Administration and re-investment of interest in accordance with the repayable Welsh Government loan scheme
Treasury Management	12,118	3,000	(203)	14,915	Management of risk in relation to major projects and to offer some protection and flexibility to the wider capital programme
Wales Building Safety Loan Scheme (WG)	750	750	(5)	1,495	Administration, set up and due diligence costs for the repayable Welsh Government loan scheme
Wales Interpretation and Translation Service	234	55	0	289	Manage in-year fluctuations in funding and financial performance of the service

	Balance	Contributions		Balance	Purpose of the Reserve / To fund:
	31 March 2024 Restated £000	From Revenue £000	To Revenue £000	31 March 2025 £000	
Waste Management	1,445	154	(275)	1,324	Initiatives to achieve recycling targets and offset the impact of additional tonnage and associated waste management costs
Welfare Reform	2,606	417	(28)	2,995	Mitigate pressures and reduced funding within the Housing Benefit Service following the transfer of services to DWP, as part of the rollout of the Universal Credit Scheme
Youth and Community Education	247	0	(203)	44	Costs connected with the refurbishment of youth centres
	116,921	56,162	(39,898)	133,185	
<b>SHARE OF JOINT COMMITTEE &amp; SUBSIDIARY RESERVES</b>					
CCRCD/SEWJC*	98	1,315	(78)	1,335	The Council's percentage share of the accumulated balances and earmarked usable reserves of Cardiff Capital Region City Deal
Atebion Solutions Limited	26	0	(4)	22	The consolidated usable reserves of Atebion Solutions Ltd
	124	1,315	(82)	1,357	
<b>Total Council Fund Reserves</b>	<b>133,483</b>	<b>70,688</b>	<b>(56,670)</b>	<b>147,501</b>	
<b>HRA RESERVES</b>					
Housing Development Resilience	1,000	1,000	0	2,000	Improve resilience within the Housing Development Capital Programme
Housing Repairs and Building Maintenance	5,752	1,135	0	6,887	Housing repairs and to mitigate against risk within the construction industry
Welfare Reform	467	1,037	(308)	1,196	Project costs and scheme development to address issues for council tenants due to benefit cap and universal credit
<b>Total HRA Reserves</b>	<b>7,219</b>	<b>3,172</b>	<b>(308)</b>	<b>10,083</b>	
<b>TOTAL EARMARKED RESERVES</b>	<b>140,702</b>	<b>73,860</b>	<b>(56,978)</b>	<b>157,584</b>	

## Parking & Enforcement

This reserve is generated from surpluses achieved from Civil Parking Enforcement (CPE). The use of any surplus is governed by Section 55 of the Road Traffic Regulations Act 1984 which specifies that the surplus may be used to fund operational costs including subsidising the enforcement service, supporting public passenger transport services, transport planning and road safety, maintaining off-street car parks and highway and environmental maintenance and improvements.

2023/24 £000		2024/25 £000
747	Operational costs / Parking and Permits	784
6,428	Enforcement service	6,919
<b>7,175</b>	<b>Total Expenditure</b>	<b>7,703</b>
(4,486)	On-street pay car parking fees	(5,266)
(1,308)	Off-street car parking fees	(1,475)
(590)	Residents parking permits	(973)
(2,480)	Penalty charge notices	(3,026)

2023/24 £000		2024/25 £000
(4,276)	Moving Traffic Offences	(5,340)
(765)	Camera car	(467)
(117)	Other income	(143)
<b>(14,022)</b>	<b>Total Income</b>	<b>(16,690)</b>
<b>(6,847)</b>	<b>Civil Parking Enforcement Net (Surplus)/Deficit</b>	<b>(8,987)</b>
	<b>Appropriations to Parking Reserve:</b>	
<b>1,022</b>	<b>Balance 1 April</b>	<b>964</b>
6,847	Contributions from CPE	8,987
(6,905)	Contributions to revenue*	(8,036)
<b>964</b>	<b>Balance 31 March</b>	<b>1,915</b>

\* The Civil Parking Enforcement Account generated a net surplus of £8.987million. Eligible expenditure totalling £8.036 million was drawn down from the reserve leaving a balance of £1.915 million at 31 March 2025. The drawdown included a budgeted sum of £7.556 million to support a range of Council services, including ongoing support and improvements to transport, parking, highways and environmental services. It also included specific drawdowns to support various activities approved in the budget.

### 25.3 Usable Capital Receipts Reserve

The Usable Capital Receipts Reserve represents the capital receipts available to finance future capital expenditure or to repay historical capital expenditure incurred.

2023/24 Restated £000		2024/25 £000
<b>7,680</b>	<b>Balance as at 1 April</b>	<b>11,712</b>
	Movements during Year:	
6,069	Sale of land, buildings and other assets	5,005
1,246	Recoupments of grant/other	2,446
<b>7,315</b>		<b>7,451</b>
(2,735)	Finance Capital Expenditure	(8,898)
(548)	Provide for repayment of external loans	(1,228)
<b>(3,283)</b>		<b>(10,126)</b>
<b>11,712</b>	<b>Balance as at 31 March</b>	<b>9,037</b>

### 25.4 Unapplied Capital Grants

The Usable Capital Grants Reserve represents grants received without conditions that are to be applied to capital expenditure projects identified in the Capital Investment Strategy.

2023/24 £000		2024/25 £000
<b>6,972</b>	<b>Balance as at 1 April</b>	<b>4,972</b>
(2,000)	Transfer of capital grants and contributions to capital grants unapplied	(2,274)
<b>4,972</b>	<b>Balance as at 31 March</b>	<b>2,698</b>

## 26. Unusable Reserves

### 26.1 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its non-current assets. The balance is reduced when assets with accumulated gains are:

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

2023/24 Restated £000		2024/25 £000
362,612	<b>Balance as at 1 April</b>	403,155
0	Adjusting amounts from Capital Adjustment Account	
44,347	Upward revaluation of assets	65,172
(505)	Downward revaluation of assets and impairment losses not charged to the (Surplus)/Deficit on the Provision of Services	(35,365)
43,842	<b>Surplus or deficit on revaluation of non-current assets not posted to the (Surplus)/ Deficit on the Provision of Services</b>	29,807
(3,295)	Difference between fair value depreciation and historical cost depreciation (charged to Capital Adjustment Account)	(2,899)
(4)	Accumulated gains on assets sold or scrapped	0
(3,299)	<b>Amount written off to the Capital Adjustment Account</b>	(2,899)
403,155	<b>Balance as at 31 March</b>	430,063

### 26.2 Capital Adjustment Account

The Capital Adjustment Account reflects differences between normal accounting practice and statutory requirements. The Account is credited with the amounts used as finance for capital expenditure. It contains accumulated gains and losses on Investment Properties, amounts set aside to repay external loans.

Note 1 provides details of the source of all of the transactions posted to this Account, apart from those involving the Revaluation Reserve.

2023/24 Restated £000		2024/25 £000
1,046,902	<b>Balance as at 1 April</b>	1,071,931
	<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</b>	
(86,170)	Charges for depreciation and impairment of non-current assets	(68,032)
(538)	Amortisation of intangible assets	(276)

3,209	Reverse previous impairment on revaluation	25,403
(65,805)	Revaluation losses on Property, Plant and Equipment	(103,847)
0	Movement in Assets Held for Sale	0
(28,071)	Expenditure on REFCUS	(1,461)
(4,749)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,879)
<b>(182,124)</b>		<b>(150,092)</b>
3,300	Adjusting amounts to the Revaluation Reserve (including historic cost adjustment)	2,897
<b>(178,824)</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>(147,195)</b>
	<b>Capital financing applied in the year:</b>	
2,735	Capital Receipts	8,898
10,889	Direct Revenue Financing	11,887
146,632	Grants and contributions credited to CIES applied to capital financing	203,993
2,000	Application of grants from Grants unapplied account	2,274
45,016	Prudent Revenue Provision	52,578
0	Prudent Revenue Provision - Finance lease instalment	2,913
0	Gain on Peppercorn lease	7,148
548	Capital receipts to provide for repayment of external loans	1,228
(553)	Change in loan debtors	158
<b>207,267</b>		<b>291,077</b>
(7,222)	Movements in the value of Investment Properties	(8,973)
3,808	CCRC /SEWCJC Adjustments	(4,466)
<b>1,071,931</b>	<b>Balance as at 31 March</b>	<b>1,202,374</b>

### 26.3 Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. The Council does not treat these gains as usable for financing new capital expenditure until they are realised.

2023/24 £000		2024/25 £000
66	<b>Balance as at 1 April</b>	66
0	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0
0	Transfers to the Capital Receipts Reserve upon receipt of cash	(66)
66	<b>Balance as at 31 March</b>	0

### 26.4 Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Council arising from increases in the value of its investments held as Financial Instruments that are elected to be classified as Fair Value through other Comprehensive Income i.e., those held for service objectives or policy purposes. The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- disposed of and the gains are realised. 'It also includes the difference between the actual value of loans provided and received where the fair value is different as a result of the perceived benefit or

cost of loans at what may be deemed less than commercial rates. This difference is credited to the CIES as a gain or loss as appropriate over the period of the loans

2023/24 £000		2024/25 £000
11,742	<b>Balance as at 1 April</b>	20,177
1,995	(Downwards)/Upwards revaluation of investments not charged to the Surplus/Deficit on the Provision of Services (SDPS)	1,135
0	CCRC/SEWCJC Adjustment	(1,031)
6,440	Soft Loans Interest adjustment charged to SDPS	3,668
20,177	<b>Balance as at 31 March</b>	23,949

The majority of the balance relates to the Council's shareholding in Cardiff Bus which is not listed on any quoted market, and for which a valuation is based on the company's reported net worth as per its Annual Accounts to comply with accounting for Financial Instruments. Any change in value within the Council's accounts does not have an impact on the Council Taxpayer, revenue budget or cash flow in any one year as any movement in value of the asset is offset in this reserve. Any valuation should be treated with care as it is for accounting purposes only.

## 26.5 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 Council 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 a benefit earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2023/24 £000		2024/25 £000
(208,040)	<b>Balance as at 1 April</b>	(53,830)
161,282	Actuarial gains or losses on pensions assets and liabilities	(31,774)
(62,613)	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	(51,385)
(1,117)	Reversal of amounts accrual in respect of pension strain for future years	(2,095)
56,658	Employer's pensions contributions and direct payments to pensioners payable in the year	56,919
(53,830)	<b>Balance as at 31 March</b>	(82,165)

## 26.6 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Council 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 Council Fund Balance is neutralised by transfers to and from the Account.

2023/24 Restated £000		2024/25 £000
(16,978)	<b>Balance as at 1 April</b>	(12,450)
16,972	Settlement or cancellation of accrual made at the end of the preceding year	12,442
(12,444)	Amount accrued at the end of the current year	(17,570)
4,528	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 accounting requirements	(5,128)
(12,450)	<b>Balance as at 31 March</b>	(17,578)

## 26.7 Donated Inventories Account

The Donated Inventories Account represents the value of donated inventories held as at 31 March.

2023/24 £000		2024/25 £000
7,961	<b>Balance as at 1 April</b>	313
(7,648)	Movement in Donated Inventories Account	(92)
313	<b>Balance as at 31 March</b>	221

## 27. *Contingent Assets and Liabilities*

### Assets

The Council holds a proportion of equity in a number of properties arising primarily from the affordable housing contribution that developers provide on new build developments. The equity proportions range from 20% to 40%, with the buyer nominated by the Council providing the balance of the resources to purchase the property. These properties were aimed at first time buyers who could not afford to buy a home on the open market. When the owner of the property wishes to sell their home, the Council has the first opportunity to nominate a purchaser from the assisted home ownership waiting list. If there is no nomination, the owner is free to sell on the open market and the Council is entitled to its relevant proportion of the market value of disposal in accordance with the charge on the property. This is treated as a capital receipt in the year that it is received. The estimated total value of equity at 31 March 2025 is £16.423 million (£14.040 million at 31 March 2024) based on the latest sale valuation for each property and is not updated for any changes in the market value of those properties to 31 March 2025.

There are no further contingent assets as at 31 March 2025.

### Liabilities

Typically, the Council may receive claims in respect of unfair dismissal, disability and race discrimination, and breach of contract. As at 31 March 2025 two claims existed in excess of £10,000 against the Council for which there is no insurance cover. The potential liability in respect of the claims is estimated to be £30,000 (£65,000 at 31 March 2024) and the Council is resisting liability.

The former Authorities of South Glamorgan County Council, Cardiff City Council, Mid Glamorgan County Council and Taff Ely Borough Council are creditors of Municipal Mutual Insurance (MMI) Ltd and are legally bound by the Scheme of Arrangement. MMI ceased taking new business on 30 September 1992. The scheme allows new claims to be made against MMI and outstanding claims with MMI to be settled. The accounts reflect a provision of £172,500 and £806,000 held in an earmarked reserve towards any liability. This is considered prudent based on most recent actuarial advice, however, this is subject to the outcome of settled claims.

From December 2023, the Renting Homes (Wales) Act 2016 brought into effect a change in rights for tenants and increased safety responsibilities for landlords. This has potential financial implications for the Housing Revenue Account; however this cannot be reliably estimated or determined as likely at this time until further guidance is received. The Council continues to be carrying out remedial works and engaging with tenants where appropriate.

The Council has entered into a number of contracts for services involving the transfer of Council employees to the new service provider under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). Admission agreements with the new employers allow transferred employees to remain in membership of the Cardiff and Vale of Glamorgan Pension Fund. In the event that a contractor fails to meet its obligations to the Pension Fund as set out in the admission agreement, the Council acts as guarantor for the accrued pension liabilities.

During 2020/21, the Council as the sole shareholder, agreed a range of measures to address the difficulties faced by Cardiff City Transport Services Limited (Cardiff Bus) and the Trustees of its pension scheme to agree, in accordance with Pension Legislation, the Triennial valuation of the pension scheme at 31 March 2018. On 3 March 2021, the Council entered into an agreement with the Trustees of the Cardiff City Transport Services Limited Pension Scheme meaning that all future liabilities in respect to pension obligations of Cardiff Bus will

fall to Cardiff Council. This means that the Council became statutory employer of the Cardiff Bus pension funds and is responsible for paying contributions into the scheme towards addressing any identified deficit when assets and liabilities are projected as part of three yearly actuarial reviews. The schedule of contributions is currently £250,000 per annum, to be reviewed as part of the next triennial valuation as at 31 March 2027. The Council is also responsible for scheme operating expenses, Pension Protection Fund levy and any other costs and expenses in respect to its obligations as Statutory and Principal employer. All costs are to be recovered from Cardiff Bus; however, the Council is ultimately responsible for such costs in the event the company is unable to meet them. Details of the fund assets and liabilities as at 31 March 2025 are shown in note 13.

The High Court ruled in June 2023 that changes to member benefits in contracted out defined benefit pension schemes between 1996 and 2016 require actuarial certificates under section 37 of the Pension Schemes Act 1993. Where there is no certification, or the certificates are not available, the changes will be considered void. This applies to past service and future service rights whether resulting in detriment or benefit to scheme members. An appeal was dismissed by the Court of Appeal in August 2024. In June 2025, the Department for Work and Pensions (DWP) announced that legislation will be brought forward to cover any potentially impacted benefit changes, and no impact on future liabilities is expected. However, as at the time of writing, no legislation has yet been published so a potential liability remains.

The Council has received a total of 755 claims for equal pay. The Council has entered its defence in respect of each of these claims. A sample copy of the Grounds of Claim and Grounds of the litigation is at a very early stage, and no case management hearings have yet been listed. It is not possible currently to determine the validity, strength or value of the claims."

## 28. Notes to Cash Flow Statement

2023/24 £000 Restated	Adjust net surplus or deficit on the provision of services for non - cash movements	2024/25 £000
(149,304)	Depreciation, impairment & amortisation	(156,555)
(5,910)	Charges made for retirement benefits (IAS19) less employers contributions	5,568
(4,749)	Carrying amount of non-current assets sold or derecognised	(1,879)
(7,757)	Increase/(decrease) in stock	(168)
13,407	Increase/(decrease) in debtors	45,779
(29,275)	Increase/(decrease) in creditors	24,773
(1,916)	Other non-cash items affecting net surplus or deficit on provision of services	1,569
(2,754)	CCRCD/SEWCJC	3,676
<b>(188,258)</b>		<b>(77,237)</b>

2023/24 £000	Items in net surplus/ deficit on provision of services that are investing and financing activities	2024/25 £000
6,070	Proceeds from non-current assets & investments	4,980
147,029	Capital grants/contributions recognised in CIES	195,444
0	CCRCD/SEWCJC	16,021
<b>153,099</b>		<b>216,445</b>

2023/24 £000	Interest and Dividends	2024/25 £000
(7,893)	Interest Received	(4,365)
33,073	Interest Paid	37,525
0	Dividends Received	0
<b>25,180</b>		<b>33,160</b>

## 29. Prior Period Adjustment

There are no prior period adjustments.

## 30. Exceptional Items

There are no exceptional items to disclose.

## 31. Events after the Reporting Period

There are no events after the reporting period to report.

## 32. Date of Authorisation of the Accounts for Issue

This Statement of Accounts was authorised for issue on 23 October 2025 by the Corporate Director Resources. Post Balance Sheet events have been considered up to this date.



# Housing Revenue Account



STRONGER  
FAIRER  
GREENER



## Introduction

The Local Government and Housing Act 1989 places a statutory duty on local authorities to maintain a separate account for the costs associated with the management, repair and maintenance of Council dwellings. This is termed the Housing Revenue Account (HRA).



A 30-year business plan and financial model, completed and updated on an annual basis for submission to Welsh Government, provides financial forecasts, service performance and objectives for the HRA. The plan aims to demonstrate the long-term sustainability and financial viability of the HRA over the period and includes the approach to maintaining the Welsh Housing Quality Standards, energy efficiency, remodelling homes, estate regeneration, building safety works and securing new affordable housing to meet need.

Tenant participation in shaping and delivering services is welcome and encouraged in numerous ways, including a dedicated Tenant Participation team, conferences, Tenants Voice meetings, community action days, information provision at the Citizen Hubs, the Tenants' Times publication and other social media.

A tenant satisfaction survey from September 2024 showed:

- 72.5% of tenants were satisfied with their neighbourhood as a place to live
- 66.1% of tenants were satisfied with the way the Council deals with repairs and maintenance
- 66.2% of respondents were satisfied with the service provided by their social landlord
- 72.1% of tenants were satisfied that their rent provides value for money.

A working group is in place to address service delivery issues raised in the survey.

## Risks and Financial Outlook

The main expenditure items for the Council's 14,108 properties include repairs and maintenance, capital financing charges on borrowing (interest and provision for repayment), supervision and management (including tenant consultation, rent collection, housing allocations and property and estate management). The major income streams include rent and income from service charges.

Where the HRA spends capital monies, particularly where this is paid for by borrowing, this results in long term financial commitments for the rent payer and it is essential that expenditure decisions are prudent, sustainable and affordable, now as well as in the future.

The Council sets the level of HRA rents each year within a policy framework set by the Welsh Government. The 5-year Social Housing Rent policy was introduced in 2020/21 and has now been extended to 2025/26, allowing for a maximum 1% rent increase above the rate of the September Consumer Price Index (CPI). Where CPI is outside the range of 0 to 3%, a ministerial decision is required for that year.

There is no confirmation of the rent policy approach beyond 2025/26, with consultation currently being undertaken. This and other uncertainties particularly around the impact of inflation represent a significant risk to the resilience of the HRA and business planning as the Council cannot control or accurately predict a key component of the plan. In addition, risk and uncertainty remains in terms of a number of factors including impact of rising prices for the management of existing housing stock, new housing quality standards to be complied with, the development of new stock resulting in a significant expansion to borrow money and increasing demand for housing and service provision. New standards are in place to improve the energy performance of the housing stock, without additional funding.

## ***Financial Performance 2024/25***

The HRA reported a balanced position for 2024/25 after a net transfer to earmarked reserves of £2.864 million. Overspends on the Housing Repairs Account due to increased volume of works and additional electrical testing costs were offset by reduced capital financing charges and additional rent and service charge income as a result of a review of trends in rent arrears and write offs. Void property levels were 2.35% as a percentage of overall stock (1.81% in 2023/24).

HRA earmarked reserves and the HRA General Balance were £10.083 million and £15.502 million respectively as at 31 March 2025.

Our housing stock is valued in the accounts at £732.202 million. Dwellings were revalued in 2024/25 with the vacant possession value deemed to be £2.064 billion. In accordance with the valuation requirements, this was adjusted downwards, in our case by an adjustment factor of 36% in order to show the economic cost of providing social housing at less than market rent.

## ***Capital Expenditure and Funding***

Expenditure in 2024/25 on Public Housing Schemes was £137.854 million. During the year additional grant was bid for and awarded by Welsh Government in relation to various funding streams such as Social Housing Grant and Transitional Accommodation.

Investment was made during the year in estate regeneration, housing stock remodelling, the fabric of dwellings, disabled adaptations and in the acquisition and development of new Council Housing.

The table below shows how capital expenditure was paid for:

Funding Source	2024/25 Actual	% of funding
	£000	%
Major Repairs Allowance (WG grant)	9,972	7.23
Welsh Government and other external grants	47,743	34.64
External Contributions	5,727	4.15
Additional Unsupported Borrowing	72,419	52.53
Revenue / Reserves	1,400	1.02
Capital Receipts	593	0.43
<b>Total</b>	<b>137,854</b>	

The Capital Financing Requirement is a measure of borrowing in relation to the HRA and represents expenditure incurred, but not yet paid for. At 31 March 2025, this stands at £421.322 million; an increase of £57.880 million compared to the previous year. This is forecast to increase significantly over the next few years as set out in the 2025/26 HRA Revenue budget and Medium-Term Financial Plan approved by Council in March 2025. Borrowing repayment and any associated interest costs must ultimately be repaid over a prudent period of time from existing budgets and future income.

## ***Income and Expenditure Account***

The HRA Income and Expenditure Account shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices rather than the amount to be funded from rents and government grants. Councils charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost.

2023/24 000		Note	2024/25 £000
	Management and maintenance comprising :		
33,328	Repairs and maintenance		37,587
36,040	Supervision and management		39,550
695	Rents, rates, taxes and other charges		1,171
1,216	Provision for bad and doubtful debts		(727)
67,457	Depreciation, impairment and revaluation losses of non-current assets	8	58,224
0	Movement in Assets Held for Sale		0
44	Sums directed by the Welsh Government that are expenditure in accordance with the Code	9	41
38	Debt management costs		51
<b>138,818</b>	<b>Total Expenditure</b>		<b>135,897</b>
(86,187)	Dwelling rents		(93,891)
(27)	Non-dwelling rents		(35)
(15,389)	Charges for services and facilities		(19,343)

0	Sums directed by the Welsh Government that are income in accordance with the Code		0
<b>(101,603)</b>	<b>Total Income</b>		<b>(113,269)</b>
<b>37,215</b>	<b>Net Cost of HRA Services as included in the Income and Expenditure Statement</b>		<b>22,628</b>
	<b>HRA share of the operating income and expenditure included in the Comprehensive Income &amp; Expenditure Statement:</b>		
(703)	(Gain)/loss on sale of HRA non-current assets		(420)
14,069	Interest payable and similar charges		16,125
0	Changes in fair value of investment properties		492
0	Interest and Investment income		0
(58,553)	Capital grants and contributions applied		(66,516)
<b>(7,972)</b>	<b>(Surplus)/Deficit for year on HRA Services</b>		<b>(27,691)</b>

### Movement on HRA Balance

2023/24 £000		Note	2024/25 £000
<b>(15,502)</b>	<b>Balance at 31 March brought forward</b>		<b>(15,502)</b>
(7,972)	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement		(27,691)
13,172	Adjustments between accounting basis and funding basis under regulations	1	24,827
<b>5,200</b>	<b>Net (increase)/decrease before transfers to or from reserves</b>		<b>(2,864)</b>
(5,200)	Transfers to/(from) earmarked reserves		2,864
<b>0</b>	<b>Increase or decrease in the year on the HRA</b>		<b>0</b>
<b>(15,502)</b>	<b>Balance at 31 March carried forward</b>		<b>(15,502)</b>

## Notes to the Financial Statements

### 1. 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 Council in the year, in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

2023/24 £000		Note	2024/25 £000
	<b>Adjustments to Revenue Resources</b>		

	Amounts by which the income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements		
(448)	Pension costs (transferred to/from the Pensions Reserve )	4	(510)
55	Officer remuneration (transferred to the accumulated absence Reserve )		128
14,828	Charges for depreciation and impairment of non-current assets	8	23,467
52,629	Revaluation losses of non-current assets		35,550
0	Reverse previous impairment on revaluation		(794)
0	Amortisation of intangible assets		0
0	Movement in the market value of investment properties		492
0	Movement in Assets Held for Sale		0
(58,553)	Capital grants and contributions applied		(66,516)
43	Sums directed by Welsh Government		41
(703)	Non-current assets written off as part of the gain/loss on disposal to the HRA Income and Expenditure Statement		(420)
(13,623)	Prudent Provision for the financing of capital investment		(14,865)
(7,400)	Capital expenditure charged against the HRA		(1,400)
0	Credit for disposal costs that qualify to be met from the resulting capital receipts		0
<b>(13,172)</b>	<b>Total Adjustments</b>		<b>(24,827)</b>

## 2. Rental Income

This is the total rent income due for the year after allowance is made for voids etc. Void rent losses accounted for 2.35% of the total potential rental income (1.81% in 2023/24). Average rents were £127.91 per week (£118.84 in 2023/24) based on a 52-week year.

## 3. Rent Arrears, Service Charge Arrears and Bad Debt Provision

The following sums were due from tenants:

31 March 2024			31 March 2025	
Arrears £000	Bad debt provision £000		Arrears £000	Bad debt provision £000
		<b>Rent Arrears</b>		
6,028	4,382	Dwellings	6,510	2,770
857	857	Hostels/Other accommodation	1,104	1,104
<b>6,885</b>	<b>5,239</b>	<b>Total Rent Arrears</b>	<b>7,614</b>	<b>3,874</b>
		<b>Other</b>		
183	110	Service charges	245	147
208	208	Tenants recoverables	241	241
<b>391</b>	<b>318</b>	<b>Total Other Arrears</b>	<b>486</b>	<b>388</b>
<b>7,276</b>	<b>5,557</b>	<b>Total</b>	<b>8,100</b>	<b>4,262</b>

During 2024/25 debts totalling £579,000 were written off as irrecoverable (£277,000 in 2023/24).

#### 4. Pension Costs

In accordance with International Accounting Standards 19 – Employee Benefits (IAS 19) the amount included within Supervision and Management in respect of employee costs includes the current service cost for pensions. In order that the pension cost borne by the HRA equals the total employer's contributions paid to the Pension Fund in the year plus any discretionary benefits payable to ex-housing staff, a transfer has been made to the Pensions Reserve as follows:

2023/24 £000		2024/25 £000
4,906	Current service cost	4,739
(5,354)	Cost of employer's contributions plus discretionary benefits	(5,249)
0	Pension Strain Accrual	0
<b>(448)</b>	<b>Net transfer to Pensions Reserve</b>	<b>(510)</b>

No attempt has been made to apportion a share of the pensions interest cost and expected return on pensions assets to the HRA as there is no valid basis of apportionment.

#### 5. Housing Stock

The Council's housing stock is shown below:

31 March 2024		31 March 2025
7,485	Houses	7,546
635	Bungalows	636
5,389	Flats/Bedsits	5,374
177	Maisonettes	178
330	Retirement complexes	374
<b>14,016</b>	<b>Total</b>	<b>14,108</b>

The Council also has hostels and non-standard/temporary accommodation providing the following:

31 March 2024		31 March 2025
172	Bed spaces in hostels	340
242	Flats in hostels	357
<b>414</b>	<b>Total</b>	<b>697</b>

#### 6. Capital Expenditure and Capital Financing

2023/24 £000		2024/25 £000
<b>335,003</b>	Opening Capital Financing Requirement	<b>363,442</b>
	<b>Capital Expenditure:</b>	
107,188	Property, Plant and Equipment	137,745
0	Intangible assets including intangible AUC	68
141	Investment Properties	0
43	Expenditure on REFCUS	41
1,345	Appropriation of land	3,400

2023/24		2024/25
£000		£000
	<b>Sources of Finance:</b>	
(703)	Capital Receipts	(593)
(58,553)	Government grants and other contributions *	(66,516)
(7,400)	Direct revenue contributions and reserves	(1,400)
(13,622)	Prudent revenue and capital provision for loan repayment	(14,865)
<b>363,442</b>	<b>Closing Capital Financing Requirement</b>	<b>421,322</b>
	<b>Explanation of movements in year:</b>	
28,439	Increase/(Decrease) in underlying need to borrow (unsupported by government financial assistance)	57,880
<b>28,439</b>	<b>Increase in Capital Financing Requirement</b>	<b>57,880</b>

£9.972 million (£9.570 million in 2023/24) of Major Repairs Allowance grant was received from Welsh Government and applied in the year.

## 7. Capital Receipts

Proceeds from the disposal of HRA Assets during 2024/25 were as follows:

- Home Purchase Contributions were £212,000 (£0 in 2023/24)
- Land £208,000 (£703,000 in 2023/24)

## 8. Depreciation, Impairment and Revaluation Charged

Depreciation and impairment were charged on HRA assets as shown in the table below. Such charges to the HRA and changes in valuation do not have any impact on the amount required to be collected from rents as all such adjustments to non-current assets are required to be neutralised from capital reserves.

2023/24		2024/25
£000		£000
8,970	Council dwellings	11,069
715	Land and buildings	1,667
5,143	Vehicles, plant & equipment, intangibles, surplus and AUC	10,731
<b>14,828</b>	<b>Total Depreciation, Amortisation and Impairment</b>	<b>23,467</b>
52,515	Council dwellings	12,023
0	Land and buildings	22,358
114	Vehicles, plant & equipment, intangibles, surplus and AUC	376
<b>52,629</b>	<b>Total Revaluation</b>	<b>34,757</b>
<b>67,457</b>	<b>Total</b>	<b>58,224</b>

## 9. Revenue Expenditure Funded from Capital under Statute (REFCUS)

2023/24		2024/25
£000		£000
	<b>Expenditure:</b>	

2023/24		2024/25
£000		£000
43	Buildings not owned by Cardiff Council	41
0	Grants awarded not housing grants	0
<b>43</b>	<b>Charged to Income and Expenditure Account</b>	<b>41</b>
	<b>Funded by:</b>	
0	Grants and Contributions	0
(43)	Borrowing, Receipts and other Capital Resources	(41)
<b>(43)</b>		<b>(41)</b>



# Group Accounts



CRYFACH  
TECACH  
GWYRDDACH

STRONGER  
FAIRER  
GREENER



## ***Introduction***

The group accounts that follow comply with the requirement of the 2024/25 Code, which states that a local authority with material interests in subsidiaries, associates and joint ventures should prepare group accounts in addition to its single entity accounts. These accounts consolidate the operating results and balances of the County Council of the City and County of Cardiff and its subsidiary Cardiff City Transport Services Ltd (Cardiff Bus) which is a wholly owned subsidiary with limited liability. At the point of drafting these accounts, the 2024/25 accounts for Cardiff Bus are being prepared.

The final audited statements for Cardiff Bus for the year ended 2023/24 can be found on the Companies House website using this [Link](#).

The company, in common with many public transport operators, continues to be significantly impacted by changes in travel patterns since the covid pandemic and is in receipt of Welsh Government Bus Emergency support grant along with all other bus operators.

Journey numbers continue to recover post pandemic, with over a million extra passengers carried in 2024/2025 compared to 2023/2024. However, this is over three and a half million lower than pre-pandemic levels as the Company continues to feel the effects of shifts in working patterns. The Company continues to benefit from the Bus Services Support Grant and will continue its fleet investment programme in the coming year.

The Council also has interests in the following active subsidiaries: Cardiff Business Technology Centre (CBTC), Atebion Solutions Ltd and Cardiff Heat Network Ltd. The interest in Atebion Solutions Limited is consolidated within the Council's accounts. The current interests in the other organisations are considered immaterial in terms of the turnover and net assets and have therefore been excluded from consolidation in 2024/25. The Council does not depend upon these organisations for statutory service provision, and it is not considered that they expose the Council to a material level of commercial risk. Therefore, they have been excluded from the consolidation in 2024/25. Details of the Council's interests in these organisations are included in note 20 to the Core Financial Statements.

## ***Basis of Consolidation***

The group accounts have been prepared on the basis of a full consolidation of the financial transactions and balances of the Council and Cardiff Bus. Inter-group transactions and balances between the Council and its subsidiary have been eliminated in full.

## ***Accounting policies***

The financial statements in the group accounts are prepared in accordance with the policies set out in the Statement of Accounting Policies with the following additions and exceptions:

### **Retirement Benefits**

Cardiff Bus operated two defined benefit funded pension schemes which it accounts for in accordance with FRS102. From March 2021 the liabilities for the pension schemes are included with the Council's Statement of Accounts. The level of contributions made to the schemes and the cost of contributions included in the financial statements are based on the recommendations of independent actuaries. Accounting policies consistent with those of the Council have been adopted although the financial assumptions used may differ.

Both these schemes are now closed to new members. The company also has a money purchase pension scheme for new employees. Pension costs charged to the profit and loss account represent the contributions payable by the group to the pension scheme during the year.

**Value Added Tax**

VAT paid by other group entities is accounted for in the Group Comprehensive Income and Expenditure Statement to the extent that it is irrecoverable from HM Revenue and Customs.

**Charges to Income and Expenditure for Non-Current Assets**

A charge is made from the revaluation reserve of the subsidiary company to the group income and expenditure reserve for the difference between depreciation charged on the current value of non-current assets held by the subsidiary and what would have been the historical cost depreciation for the year.

## Group Comprehensive Income and Expenditure

2023/24 Restated				2024/25		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
22,907	(15,098)	7,809	Corporate Management	4,816	(1,103)	3,713
111,094	(32,385)	78,709	Economic Development	94,917	(36,013)	58,904
490,222	(102,517)	387,705	Education & Lifelong Learning	545,346	(121,521)	423,825
8,884	(785)	8,099	Governance & Legal Services	10,571	(2,793)	7,778
9,552	(6,602)	2,950	Harbour Authority	9,229	(7,244)	1,985
222,073	(171,507)	50,566	Housing and Communities	225,753	(178,474)	47,279
138,818	(101,603)	37,215	Housing Revenue Account	135,897	(113,269)	22,628
19,757	(16,424)	3,333	Performance and Partnerships	56,892	(54,858)	2,034
104,683	(72,251)	32,432	Planning , Transport and Environment	67,143	(37,723)	29,420
38,464	(18,629)	19,835	Resources	43,447	(23,391)	20,056
197,965	(47,547)	150,418	Social Services- Adults	217,698	(53,253)	164,445
140,791	(41,009)	99,782	Social Services- Children's	135,595	(31,200)	104,395
15,549	(909)	14,640	Summary Revenue Account	534	(19,149)	(18,615)
9,555	(780)	8,775	CCRC/SEWCJC	6,296	(1,559)	4,737
<b>1,530,314</b>	<b>(628,046)</b>	<b>902,268</b>	<b>Net Cost of Services</b>	<b>1,554,133</b>	<b>(681,550)</b>	<b>872,583</b>
48,827	0	48,827	Police and Crime Commissioner for South Wales	53,384	0	53,384
542	0	542	Community Council Precepts	569	0	569
21,515	0	21,515	Levies & Contributions	23,468	0	23,468
4,749	(6,150)	(1,401)	(Gain)/loss on sale of non-current assets	2,119	(4,851)	(2,732)
<b>75,633</b>	<b>(6,150)</b>	<b>69,483</b>	<b>Other Operating Expenditure</b>	<b>79,540</b>	<b>(4,851)</b>	<b>74,689</b>
33,882	0	33,882	Interest Payable on debt	37,653	(504)	37,149
8,365	0	8,365	Interest on net defined liability/(asset)	1,076	0	1,076
0	(7,334)	(7,334)	Interest & Investment Income	0	(6,615)	(6,615)
0	0	0	Interest expense on Leases	368	0	368
15,713	(14,313)	1,400	Income and Expenditure in relation to Investment Properties and changes in their fair value	17,426	(14,199)	3,227
0	(6,440)	(6,440)	Movement in Financial Instruments	1,073	(6,126)	(5,053)
<b>57,960</b>	<b>(28,087)</b>	<b>29,873</b>	<b>Financing and Investment Income &amp; Expenditure</b>	<b>57,596</b>	<b>(27,444)</b>	<b>30,152</b>
0	(158,928)	(158,928)	Recognised Capital Grants & Contributions	0	(206,267)	(206,267)
0	(475,312)	(475,312)	Revenue Support Grant	0	(488,634)	(488,634)
0	(118,293)	(118,293)	Non-Domestic Rates	0	(134,524)	(134,524)
2,833	(262,468)	(259,635)	Council Tax Income	4,748	(286,464)	(281,716)
7,648	0	7,648	Donated Inventories	92	0	92

0	0	0	Gain on Peppercorn Lease	0	(7,148)	(7,148)
48	0	48	Corporation Tax (CCRCD/SEWCJC)	85	0	85
	(304)	(304)	Revenue Grants (CCRCD/SEWCJC)	0	(2,209)	(2,209)
10,529	(1,015,305)	(1,004,776)	Taxation & Non-Specific Grant Income	4,925	(1,125,246)	(1,120,321)
1,674,436	(1,677,588)	(3,152)	(Surplus)/Deficit on Provision of Services	1,696,194	(1,839,091)	(142,897)
		(42,927)	(Surplus)/Deficit on revaluation of non current assets			(29,207)
		(1,034)	(Surplus)/Deficit on Financial Instrument Revaluation Reserve			229
		(161,282)	Remeasurement of the net defined benefit liability/(asset)			31,774
		0	Other gains/losses to be included in the Comprehensive Income and Expenditure			0
		(205,243)	Other Comprehensive Income & Expenditure			2,796
		(208,395)	Total Comprehensive Income & Expenditure			(140,101)

The 2023/24 breakdown of the Net Cost of Services has been amended to take account of the changes in structure in 2024/25

## Group Movement in Reserves

	Council Fund Balance	Council Fund Earmarked Reserves	Joint Committee Reserve	HRA Balance	HRA Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves Council	Unusable Reserves - Group Entities	Total Authority Reserves
	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2023 carried forward restated	14,255	145,721	3,792	15,502	12,420	7,680	6,972	206,342	1,188,558	15,707	1,410,607
CCRCO /SEWCJC Adjustments			(3,261)					(3,261)	3,261		0
<b>Movement in Reserves during 2023/24</b>											
Surplus or (deficit) on the provision of Services	(10,167)	0	4,387	7,971	0	0	0	2,191	0	961	3,152
Other Comprehensive Income and Expenditure	0	0		0	0	0		0	205,243		205,243
<b>Total Comprehensive Income and Expenditure</b>	<b>(10,167)</b>	<b>0</b>	<b>4,387</b>	<b>7,971</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,191</b>	<b>205,243</b>	<b>961</b>	<b>208,395</b>
Adjustments between accounting basis & funding basis under regulations	(2,183)	0	(3,940)	(13,172)	0	4,032	(2,000)	(17,263)	17,263	0	0
<b>Net Increase / (Decrease) before Transfers to/(from) Earmarked Reserves</b>	<b>(12,350)</b>	<b>0</b>	<b>447</b>	<b>(5,201)</b>	<b>0</b>	<b>4,032</b>	<b>(2,000)</b>	<b>(15,072)</b>	<b>222,506</b>	<b>961</b>	<b>208,395</b>
Transfers to/(from) Earmarked Reserves	12,350	(12,350)	(865)	5,201	(5,201)	0	0	(865)	865	0	0
<b>Increase / (Decrease) in 2023/24</b>	<b>0</b>	<b>(12,350)</b>	<b>(418)</b>	<b>0</b>	<b>(5,201)</b>	<b>4,032</b>	<b>(2,000)</b>	<b>(15,937)</b>	<b>223,371</b>	<b>961</b>	<b>208,395</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>14,255</b>	<b>133,371</b>	<b>113</b>	<b>15,502</b>	<b>7,219</b>	<b>11,712</b>	<b>4,972</b>	<b>187,144</b>	<b>1,415,190</b>	<b>16,668</b>	<b>1,619,002</b>
<b>Movement in Reserves during 2024/25</b>											
Surplus or (deficit) on the provision of Services	103,641	0	10,201	27,691	0	0	0	141,533	0	1,364	142,897
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	(2,796)	0	(2,796)
<b>Total Comprehensive Income and Expenditure</b>	<b>103,641</b>	<b>0</b>	<b>10,201</b>	<b>27,691</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>141,533</b>	<b>(2,796)</b>	<b>1,364</b>	<b>140,101</b>
Adjustments between accounting basis & funding basis under regulations	(90,858)	0	(7,671)	(24,827)	0	(2,675)	(2,274)	(128,305)	128,305	0	0
<b>Net Increase / (Decrease) before Transfers to/(from) Earmarked Reserves</b>	<b>12,783</b>	<b>0</b>	<b>2,530</b>	<b>2,864</b>	<b>0</b>	<b>(2,675)</b>	<b>(2,274)</b>	<b>13,228</b>	<b>125,509</b>	<b>1,364</b>	<b>140,101</b>
Transfers to/(from) Earmarked Reserves	(12,783)	12,783	(1,296)	(2,864)	2,864	0	0	(1,296)	1,296	0	0
<b>Increase / (Decrease) in 2024/25</b>	<b>0</b>	<b>12,783</b>	<b>1,234</b>	<b>0</b>	<b>2,864</b>	<b>(2,675)</b>	<b>(2,274)</b>	<b>11,932</b>	<b>126,805</b>	<b>1,364</b>	<b>140,101</b>
<b>Other adjustments</b>									12,656	(12,656)	0
<b>Balance at 31 March 2025 carried forward</b>	<b>14,255</b>	<b>146,154</b>	<b>1,347</b>	<b>15,502</b>	<b>10,083</b>	<b>9,037</b>	<b>2,698</b>	<b>199,076</b>	<b>1,554,651</b>	<b>5,376</b>	<b>1,759,103</b>

## Group Balance Sheet

31 March 2024 Restated		31 March 2025
£000		£000
2,279,196	Property, Plant & Equipment incl Infrastructure Assets	2,481,037
68,272	Heritage Assets	68,355
160,276	Investment Properties	158,419
872	Intangible Non-Current Assets including AUC	877
5,241	Long-term Investments	8,351
19,833	Long-term Debtors	26,781
1,977	Deferred tax asset	0
<b>2,535,667</b>	<b>Total Long-Term Assets</b>	<b>2,743,820</b>
2,491	Short-term Investments	16,020
450	Assets Held for Sale	450
3,073	Inventories	3,016
201,194	Short-term Debtors	274,495
111,968	Cash and Cash Equivalents	63,851
<b>319,176</b>	<b>Total Current Assets</b>	<b>357,832</b>
(23,833)	Short-term Borrowing	(47,543)
(157,515)	Short-term Creditors	(156,509)
0	Current Lease Liabilities	(2,710)
(1,065)	Pension Strain	(1,202)
(4,889)	Provisions	(2,943)
(1,745)	Deferred Liabilities	(1,889)
<b>(189,047)</b>	<b>Total Current Liabilities</b>	<b>(212,796)</b>
(867,703)	Long Term Borrowing	(933,637)
(37,743)	Provisions	(35,168)
(12,051)	Deferred Liabilities	(11,053)
(14,340)	Revenue Grants Receipts in Advance	(6,440)
(21,223)	Capital Grants Receipts in Advance	(15,735)
(39,202)	Capital Contributions Receipts in Advance	(41,896)
0	Non Current Lease Liabilities	(3,377)
(2,283)	Pension Strain	(4,241)
(50,482)	Net Pensions Liability	(78,092)
(1,767)	Deferred Tax Liability	(114)
<b>(1,046,794)</b>	<b>Total Long-Term Liabilities</b>	<b>(1,129,753)</b>
<b>1,619,002</b>	<b>NET ASSETS</b>	<b>1,759,103</b>
	<b>Financed by:</b>	
14,255	Council Fund Balance	14,255
133,484	Council Fund Earmarked Reserves	147,501
15,502	Housing Revenue Account Balance	15,502
7,219	Housing Revenue Account Earmarked Reserves	10,083
11,712	Capital Receipts Reserve	9,037
4,972	Capital Grants Unapplied	2,698
<b>187,144</b>	<b>Usable Reserves</b>	<b>199,076</b>
407,004	Revaluation Reserve	433,912
1,071,931	Capital Adjustment Account	1,202,374

66	Deferred Capital Receipts	0
11,993	Financial Instruments Revaluation Reserve	14,724
(66,164)	Pensions Reserve	(82,165)
(12,450)	Accumulated Absences Adjustment Account	(17,578)
313	Donated Inventories	221
2,496	CCRCD /SEWCJ Group Companies Reserve	3,163
16,669	Reserves (Group Entities)	5,376
<b>1,431,858</b>	<b>Unusable Reserves</b>	<b>1,560,027</b>
<b>1,619,002</b>	<b>TOTAL RESERVES</b>	<b>1,759,103</b>

## Group Cash Flow

2023/24 Restated		2024/25
£000		£000
(3,150)	Net (Surplus) /Deficit on the provision of services	(142,897)
(191,894)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	(80,544)
153,099	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	216,445
<b>(41,945)</b>	<b>Net cash flows from operating activities</b>	<b>(6,996)</b>
265,427	Purchase of property, plant and equipment, investment property and intangible assets	303,641
792,341	Purchase of short-term and long-term Investments	639,440
15,931	Other payments for investing activities	8,360
(6,070)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(5,071)
(885,442)	Proceeds from short-term and long-term investments	(639,440)
(138,938)	Capital Grants and Contributions	(165,546)
<b>43,249</b>	<b>Net cash flows from investing activities</b>	<b>141,384</b>
(43,110)	Cash receipts from short-term and long-term borrowing	(103,095)
(6,788)	Other receipts from financing activities	3,335
(1,068)	Cash payments for the reduction of outstanding liabilities relating to finance leases	0
4,466	Repayments of short-term and long-term borrowing	13,490
<b>(46,500)</b>	<b>Net cash flows from financing activities</b>	<b>(86,270)</b>
<b>(45,196)</b>	<b>Net (increase)/ decrease in cash and cash equivalents</b>	<b>48,118</b>
66,773	Cash and cash equivalents at the beginning of the reporting period	111,969
<b>111,969</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>63,851</b>

## Notes to Group Accounts

The following notes to the Group Accounts provide additional information in relation to Cardiff Bus. Further information can be found in the accounts of Cardiff City Transport Services Ltd (Cardiff Bus) company number 02001229.

### 1. Remuneration

The number of Cardiff Bus employees whose remuneration is over £60,000 per annum is disclosed below.

Number of Employees	Remuneration band	Number of Employees
2023/24	£	2024/25
0	60,000-69,999	1
0	70,000-74,999	0
0	75,000-79,999	0
1	80,000-84,999	0
2	85,000-89,999	2
0	90,000-114,999	0
0	115,000-119,999	1
0	120,000-139,999	0
1	140,000-144,999	0
<b>4</b>	<b>Total</b>	<b>4</b>

### 2. Related Parties Disclosures

Related party transactions and balances of the group are as contained in note 10 to the single entity financial statements. Cardiff Bus have separately recognised related party transactions between itself and the Council, and also between itself and its own subsidiary, but not between itself and any other organisations.

### 3. Exceptional Items

There are no exceptional items included in the Group Accounts.

### 4. Financial Instruments

In addition to the financial instrument disclosures in the single entity accounts it should be noted that the Council's shareholding in Cardiff Bus ceases to be a financial instrument, as the group balance sheet includes the net assets of the subsidiary and their corresponding net worth.

### 5. Prior Period Adjustment

There are no prior period adjustments.



# Trust Funds



STRONGER  
FAIRER  
GREENER



## Trust Funds

The Corporate Director Resources is authorised to manage trust funds, including charitable trust funds where, the council or its officers are trustees. Although their financial administration is integrated with that of the Council, the charities are legally separate from it. Separate financial statements are produced for each, which are in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting by Charities, published by the Charity Commissioners.

A Trusts Cabinet Committee has been set up by the Council. One of the fundamental responsibilities of this Committee is to oversee the area of financial governance. The areas of financial governance will be varied but fundamentally will provide assurance that the Trust is operating as an entity consistent with its purpose and that the assets under its control are maintained and that where necessary costs and income are treated appropriately. It is a primary objective that the financial relationship between the Trust and the Council is determined by two separate representative entities.

A multi-disciplinary team of officers from the Council's Estates, Finance and Legal departments has been working on a review of financial relationships, which is under continuous review and requires additional due diligence to identify assets, approach to control and approach to costs and income. The outcome of this work may result in changes to income, expenditure and balance sheet treatment and valuation, with the output to be determined in 2025/26.

The charities are managed, and expenditure is approved in accordance with criteria set out in the governing document of each one.

The Council is the sole trustee of the following charities, the purposes of which are outlined below. Numbers in brackets are the charity registration numbers.

**Llandaff War Memorial Fund** (219060) – Upkeep of the war memorial at Llandaff.

**Maindy Park Foundation** (524137) – Recreation or other leisure-time occupation for the benefit of the inhabitants of the City of Cardiff with the object of improving the conditions of life for those inhabitants.

**Cardiff Further Education Trust Fund/Craddock Wells Trust** (525512) – Provision of premises for educational purposes and grants to eligible students. The property provided by the trust includes part of the Cardiff High School site and 28 The Parade.

**Heath Public Recreation or Pleasure Ground** (524135) – Land is held as a public recreation and pleasure ground. There are no balances or income and expenditure for this trust.

**King George's Field the Heath** (1140393) – Land to be used to provide a public playing field. There are no balances or income and expenditure for this trust.

**Playing Field** (524139) – Land is held for educational use. There are no balances or income and expenditure for this trust.

The accounts for the Cardiff Further Education Trust are required by the Charity Commission to be independently examined. The accounts for the year ended 31 March 2025 have yet to be examined.

The Council administers the following charities, the purposes of which are outlined below:

**R Fice Memorial Trust (702695)** – Provide financial assistance to those playing brass instruments.

**The Howardian Trust (1019801)** – Provide financial support to young people in the former catchment area of Howardian High School.

A financial summary, where relevant, for each fund follows.

	Balance as at 31 March 2024 £	Income £	Expenditure £	Asset Revaluation £	Balance as at 31 March 2025 £
<b>Funds for which the Council is Sole Trustee</b>					
Llandaff War Memorial Fund	(1,541)	(112)	0	0	(1,653)
Maindy Park Foundation	(84,803)	(3,914)	0	0	(88,717)
Cardiff Further Education Trust/Craddock Wells *	(10,476,565)	(205,208)	74,613	(60,963)	(10,668,123)
<b>Total funds for which the Council is Sole Trustee</b>	<b>(10,562,909)</b>	<b>(209,234)</b>	<b>74,613</b>	<b>(60,963)</b>	<b>(10,758,493)</b>
<b>Funds administered by the Council</b>					
R Fice Memorial Trust	(61,274)	(2,528)	2,000	(2,486)	(64,288)
The Howardian Trust	(39,711)	(1,409)	1,250	1,901	(37,969)
<b>Total funds which are administered by the Council</b>	<b>(100,985)</b>	<b>(3,937)</b>	<b>3,250</b>	<b>(585)</b>	<b>(102,257)</b>
<b>Total</b>	<b>(10,663,894)</b>	<b>(213,171)</b>	<b>77,863</b>	<b>(61,548)</b>	<b>(10,860,750)</b>

\*A valuation for accounting purposes of the Trusts share of interest in the site at Llandennis Road (Cardiff High School site) and its full interest in 28 The Parade was undertaken at 31 March 2024. The reduction in the overall valuation reflects confirmation of the actual area of interest of the Trust in the Llandennis Road site is 3.01 acres, as confirmed in a deed of exchange approved by the Charity Commission in March 1980.

There will be differences in the income and expenditure figures quoted above compared to those included in the return to the Charity Commission. The figures above are calculated on an accruals basis whereas the returns are calculated on a cash basis.



# Cardiff Harbour Authority



STRONGER  
FAIRER  
GREENER



## ***Narrative Report***

This document presents the Statement of Accounts for Cardiff Harbour Authority. Section 42(1) of the Harbours Act 1964 sets out that statutory undertakings, such as local authorities that have functions of maintaining, improving or managing a harbour are required to prepare an annual statement of accounts relating to the harbour activities. The financial statements that follow are an extract from the accounts of the County Council of the City and County of Cardiff and have been prepared in line with International Financial Reporting Standards (IFRS) as well as the requirements of the Companies Act 2006. This narrative report replaces the Director's report required by the Companies Act 2006.

### **Annual Governance Statement**

The Harbour Authority is not a separate entity to the Council and the financial transactions and systems, governance and controls of the Harbour Authority are integrated into those of the Council.

### **Agreement**

By an Agreement dated 27 March 2000 made pursuant to and for the purposes of section 165 of the Local Government Planning and Land Act 1980 (as amended), the Council agreed to take responsibility for and to discharge the Harbour Authority undertaking and obligations in regard to the bay and the outer Harbour, under the terms of the Cardiff Bay Barrage Act 1993. The Agreement has been varied by a number of Deeds of Variation between the Welsh Ministers and Council, with the latest dated 8 November 2024

### **Review of the Financial Year**

For the financial year 2024/25, the Council worked with the Welsh Government to identify budget pressures in respect of materials, external contractor costs and income agreements. Cardiff Harbour Authority reported net expenditure of £6.283 million against the approved budget of £6.383 million; an overall underspend of £0.100 million. Expenditure was represented by £6.044 million of Fixed Costs and £239,000 of asset renewal capital spend. The position included increased spend on barrage maintenance, due to cost price pressures, offset by reduced expenditure on facilities management and environmental areas. An increase in car parking income was largely offset by a shortfall in on-site fees and harbour dues.

The financial deficit after accounting adjustments for the year ended 31 March 2025 was £1.872 million (£2.514 million in 2023/24).

Total capital expenditure incurred during the year was £316,000 and included crane replacement, new pontoons at barrage north water bus stop and gantry crane drive upgrades.

### **Key Achievements**

The Harbour Authority action plan and performance indicators, which form part of the Business Plan, reported to the Welsh Government include:

- In its 7th year, the collaborative award winning water safety project Just Jump welcomed 946 school pupils to experience the hard hitting live performance which warns of the dangers of swimming and tombstoning in the Bay as well as participation in workshops.
- 3 Green Flag Awards were retained following judging: Barrage, Cardiff Bay Wetlands and Flat Holm Island.
- ISO14001 audit resulted in retention of the award for Cardiff Harbour Authority ensuring excellent environmental management.
- 407 tonnes of waste were removed from the rivers and safely disposed throughout the year.

- From April 2024 to March 2025, 310,416 dissolved oxygen readings were taken with 99.47% compliance against the 5mg/L statutory standard.
- 14 separate litter picking events took place with 528 volunteers, which is 322 more than the previous year. Figures include the successful World Record litter pick at the Barrage and Dr Who beach as part of Taff Tidy.
- There were 75,302 Cardiff Bay Wetlands users throughout the year.
- 1,114,149 Barrage users throughout the year.
- 28,138 Social Media followers across the Cardiff Harbour managed Facebook, Twitter and Instagram accounts an increase of 80 from 2023/24.
- Successful four day Bay Series music event at Alexandra Head in August 2024 with 3 concerts attracting 32,706 attendees.
- Corporate Digital Marketing Apprentice secured for CHA, Parks and Visit Cardiff commencing February 2025.
- Supported the delivery of the Cardiff Half Marathon.
- Recruitment of second PhD studentship with Cardiff University and the Water Research Institute to investigate environmental challenges to Cardiff Bay to inform the future need for the aeration system.
- Services delivered within budget.
- Over 250 Primary school children participated in dinghy sailing courses with most achieving their Royal Yachting Association (RYA) Stage 1.
- Successful set of Keelboat courses for 16 students from St Illtyds High School (funded by Reardon Smith), achieving their RYA Keelboat Level 1.
- Over 50 new powerboaters have been trained this year, achieving their RYA Powerboat Level 2. The Harbour Authority action plan and performance indicators, which form part of the Business Plan, reported to the Welsh Government include:

## ***Guide to the Financial Statements***

The main statements provided are shown in the pages that follow along with supporting notes. Cash flows of the Harbour Authority are integrated with those of the Council. A Cash Flow Statement has not been provided, in accordance with Section 396 of the Companies Act 2006.

### **Comprehensive Income and Expenditure Statement**

Provides information on how the Harbour Authority has performed throughout the year and as a result, whether or not their operations have resulted in a surplus or a deficit. The Harbour Authority has operated within budget but statutory adjustments including capital charges are the reason the Comprehensive Income and Expenditure Statement is showing a deficit.

### **Balance Sheet**

Provides a 'snapshot' of the Harbour Authority's assets, liabilities, cash balances and reserves at the year-end date.

## ***Statement of Responsibilities for the Financial Statements and Corporate Director Resources Certificate***

### ***The Corporate Director Resources Responsibilities***

The Corporate Director Resources is responsible for the preparation of the Statement of Accounts in accordance with the requirements of the Harbours Act 1964.

In preparing these financial statements, the Corporate Director Resources has:

- selected suitable accounting policies and then applied them consistently except where policy changes have been noted in these accounts.
- made judgements and estimates that were reasonable and prudent.

The Corporate Director Resources has also:

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

### ***The Corporate Director Resources Certificate***

The financial statements for the Cardiff Harbour Authority give a true and fair view of its income and expenditure for the financial year 2024/25 and financial position of the Harbour Authority at 31 March 2025.



**Christopher Lee**  
**Corporate Director Resources**

**Date:** 23 October 2025

# ***The Independent Auditor's Report of the Auditor General for Wales to those charged with governance of Cardiff Harbour Authority***

## **Opinion on financial statements**

I have audited the financial statements of Cardiff Harbour Authority for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

The Cardiff Harbour Authority's financial statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet and related notes.

The financial reporting framework that has been applied in their preparation is applicable law and the International Financial Reporting Standards (IFRSs).

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

- give a true and fair view of the financial position of Cardiff Harbour Authority as at 31 March 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards.

## **Basis of opinion**

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

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

## **Conclusions relating to going concern**

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Cardiff Harbour Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised

for issue.

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

## **Other Information**

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

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

financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters**

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and related notes.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of Cardiff Harbour

Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report.

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

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

### **Responsibilities of the responsible financial officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the

Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error;
- assessing Cardiff Harbour Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible

financial officer anticipates that the services provided by Cardiff Harbour Authority will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

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

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

My procedures included the following:

- enquiring of management, and those charged with governance, including obtaining and reviewing supporting documentation relating to Cardiff Harbour Authority's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As

part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals;

- obtaining an understanding of Cardiff Harbour Authority's

framework of authority as well as other legal and regulatory

frameworks that Cardiff Harbour Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Cardiff Harbour Authority; and

- obtaining an understanding of related party relationships

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

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

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

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's

website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### **Other auditor's responsibilities**

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

**Certificate of completion of audit**

I certify that I have completed the audit of the accounts of Cardiff Harbour Authority in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.



Adrian Crompton  
Auditor General for Wales  
28 October 2025

1 Capital Quarter  
Tyndall Street  
Cardiff, CF10 4BZ

## ***Accounting policies used when formulating the accounts***

In accordance with the Accounts and Audit (Wales) Regulations 2014, this Statement of Accounts summarises the Harbour Authority's transactions for the 2024/25 financial year and its financial position at 31 March 2025. 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:

### ***1. Accruals of Income and Expenditure***

Activity is accounted for in the year that it takes place, not when the cash payments are made or received. Where income 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. There is a de-minimis threshold of £500 under which income and expenditure may not be accrued.

### ***2. Employee Benefits Payable during Employment***

Short-term employee benefits such as wages and salaries, paid annual leave, sick leave and expenses are paid on a monthly basis and reflected as expenditure on an accruals basis within the Employees expenditure line in the Comprehensive Income and Expenditure Statement.

### ***3. Grants and Contributions***

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

- there is reasonable assurance that the Authority will comply with the conditions for their receipt and
- there is reasonable assurance that the grant or contribution will be received.

### **Revenue**

Grants, for which conditions have not yet been satisfied, are carried in the Balance Sheet as Revenue Grants Receipts in Advance. When conditions have been satisfied, the grant or contribution is credited to Income in the Comprehensive Income and Expenditure Statement. Where there is no longer any reasonable assurance that the conditions will be met, sums received will not be recognised as a receipt of grant but as a repayment due to the awarding body and held on the Balance Sheet as a liability if it remains unpaid.

### **Capital**

Grants and contributions that are applied in the year to fund capital schemes are treated as revenue income and credited to the Comprehensive Income and Expenditure Statement. Where a specific Capital grant or contribution has been received but remains unapplied, this is deemed to represent a condition and is shown as a Creditor.

### ***4. Inventories***

Inventories are measured and held at the lower of cost or net realisable value. When such inventories are sold, exchanged or distributed, the carrying amount is recognised as expenditure.

## 5 Overheads and Support Services Costs

Cardiff Council makes recharges in respect of the cost of support services to the Harbour Authority. The total absorption costing principle is used so that the full cost of overheads and support services are shared between users in proportion to the benefits received.

## 6 Non-Current Assets

### Property, Plant, Equipment

These assets are those that have physical substance used in the production or supply of goods or services, those intended to be held indefinitely, those used for the promotion of culture and knowledge and those expected to be used during more than one financial year.

### Investment Properties

Investment properties are those held solely to earn rentals and/or for capital appreciation such as; ground leases, land held for future development as strategic sites and other land and buildings that meet Investment property criteria.

### Intangible Assets

These are assets that do not have physical substance but are identifiable and controlled by the Council. Examples include software, licenses and patents.

### Recognition:

Expenditure on the acquisition, creation or enhancement of such assets is capitalised on an accruals basis. All expenditure incurred on existing assets is assumed to result in enhancement of the asset and will be shown in the accounts as an addition to the asset.

The Harbour Authority recognises heritage assets where it may have incurred separately identifiable expenditure on their acquisition or preservation at historic cost or where it has information on the value of the asset.

Once assets have fully depreciated, they are reviewed in terms of materiality, and if necessary, disposed of and the carrying value removed from the asset register.

### Measurement:

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the specific asset into working condition for its intended use, excluding borrowing costs which are not capitalised. These assets are then carried in the Balance Sheet using the following measurement bases:

Asset Type	Measurement	Range of Remaining Useful Lives
Assets under Construction	Depreciated Historical Cost	n/a
Buildings	Existing Use or Depreciated Replacement Cost	12-87
Community Assets	Depreciated Historical Cost	n/a
Heritage Assets	Historic Cost and only measured at fair value where the benefits of doing so outweigh the costs	n/a
Infrastructure **	Depreciated Historical Cost	1-115

Intangible Assets	Amortised Historical Cost	1-5
Investment Properties	Fair Value	n/a
Surplus Assets	Fair Value	n/a
Vehicles, Plant, Furniture & Equipment	Depreciated Historical Cost	1-12

\* Included within Infrastructure is the Cardiff Bay Barrage which is being depreciated over the design life of 120 years.

### Revaluations:

Land and buildings revaluations are undertaken on a minimum three yearly rolling programme.

Investment Properties and Surplus Assets are reviewed annually for any material changes as a result of the overall Market with a formal revaluation of Investment properties at least every two years.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to expenditure.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only; the date of its formal implementation.

### Charges to Revenue for Non-Current Assets:

The Capital charges line on the Harbour Authority Comprehensive Income and Expenditure Statement is debited with the following amounts to record the cost of holding assets during the year:

- depreciation attributable to the assets
- impairment and revaluation losses on assets where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.

The Harbour Authority does not receive grants for depreciation or any other accounting adjustments for non-current assets.

### Impairment and Downward Revaluation:

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired in value, either due to a significant reduction in service potential or significant permanent market value reduction. Where a material change in value is identified, the accounting treatment is as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance, up to the amount of the accumulated gains
- thereafter, or if there is no balance in the Revaluation Reserve, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the Capital charges line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### Depreciation:

Depreciation is provided for on all Property, Plant and Equipment assets by an allocation of their depreciable amounts over their estimated useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land, heritage and community assets) as well as assets that are not yet available for use (i.e., assets under construction).

## *7. Reserves*

The Harbour Authority holds a general reserve for accumulated operational surpluses and deficits and a revaluation reserve to manage the accounting processes for non-current assets.

## *8. Value Added Tax*

The Harbour Authority does not have a separate VAT registration to the Council and apart from certain cases where the Harbour Authority funds supplies of goods or services to other persons or organisations, the Harbour Authority is reimbursed for VAT. These accounts have been prepared exclusive of VAT, except where deemed irrecoverable.

## Comprehensive Income and Expenditure Statement

2023/24		2024/25
£000		£000
	<b>Expenditure</b>	
2,826	Employees	2,930
1,741	Premises	1,713
124	Transport	105
1,693	Supplies and Services	2,150
404	Support Services	404
4	Third Party Payments	6
2,912	Capital Charges	2,199
<b>9,704</b>	<b>Total Expenditure</b>	<b>9,507</b>
	<b>Income</b>	
(5,619)	Government Grants	(6,076)
(436)	Capital Grants Applied	(239)
(1,135)	Fees and Charges	(1,320)
<b>(7,190)</b>	<b>Total Income</b>	<b>(7,635)</b>
<b>2,514</b>	<b>Net Expenditure for the Year</b>	<b>1,872</b>

## Balance Sheet

31 March 2024		Note	31 March 2025
£000			£000
157,567	Property, Plant and Equipment incl Infrastructure Assets	2	152,836
56	Heritage Assets	2	56
195	Intangible Assets	2	141
445	Investment Properties	2	270
<b>158,263</b>	<b>Total Long Term Assets</b>		<b>153,303</b>
444	Inventory	3	439
0	Debtors	4	42
(720)	Cash		(703)
<b>(276)</b>	<b>Total Current Assets</b>		<b>(222)</b>
(875)	Creditors	5	(870)
<b>(875)</b>	<b>Total Current Liabilities</b>		<b>(870)</b>
<b>157,112</b>	<b>Net Assets</b>		<b>152,211</b>
	<b>Funded by:</b>		
145,692	General Reserve	1	143,820
11,420	Revaluation Reserve	1	8,391
<b>157,112</b>	<b>Total Reserves</b>		<b>152,211</b>

## Notes to the Financial Statements

### 1. Reserves

Held within the General Reserve is an earmarked amount reserved for project activities and contingencies. This amount is £165,000 as at 31 March 2025 (£133,000 as at 31 March 2024).

2023/24			2024/25	
General Reserve £000	Revaluation Reserve £000		General Reserve £000	Revaluation Reserve £000
148,206	11,420	Balance as at 1 April	145,692	11,420
(2,514)	0	Movements in Reserves	(1,872)	(3,029)
145,692	11,420	Balance as at 31 March	143,820	8,391

### 2. Movements in Property, Plant, Equipment & Other Long-Term Assets

Long term assets are primarily Property, Plant and Equipment, with movements analysed in the table that follows.

Property, Plant and Equipment	Other Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Assets under construction	Total Property, Plant & Equipment	Investment Properties	Heritage Assets	Intangible Assets
Movements in Cost or Value	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>1 April 2023</b>	<b>13,163</b>	<b>1,541</b>	<b>1,103</b>	<b>43</b>	<b>539</b>	<b>16,389</b>	<b>425</b>	<b>56</b>	<b>348</b>
Additions	0	103	0	0	142	245	0	0	0
Revaluations Increases/(Decreases) recognised in the RR	0	0	0	0	0	0	0	0	0
Revaluations Increases/(Decreases) recognised in the SDPS	0	0	0	0	0	0	20	0	0
Derecognition - Disposals	0	(330)	0	0	0	(330)	0	0	0
Other Reclassifications - Transfers	0	0	0	0	(681)	(681)	0	0	0
<b>At 31 March 2024</b>	<b>13,163</b>	<b>1,314</b>	<b>1,103</b>	<b>43</b>	<b>0</b>	<b>15,623</b>	<b>445</b>	<b>56</b>	<b>348</b>
Additions	0	316	0	0	0	316	0	0	0
Revaluations Increases/(Decreases) recognised in the RR	(3,609)	0	0	0	0	(3,609)	0	0	0
Revaluations Increases/(Decreases) recognised in the SDPS	90	0	0	0	0	90	(175)	0	0
Derecognition - Disposals	0	(361)	0	0	0	(361)	0	0	0
Other Reclassifications - Transfers	0	0	0	0	0	0	0	0	0

Property, Plant and Equipment	Other Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Assets under construction	Total Property, Plant & Equipment	Investment Properties	Heritage Assets	Intangible Assets
Movements in Cost or Value	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>At 31 March 2025</b>	<b>9,644</b>	<b>1,269</b>	<b>1,103</b>	<b>43</b>	<b>0</b>	<b>12,059</b>	<b>270</b>	<b>56</b>	<b>348</b>
<b>Movements in Depreciation/Impairment</b>									
<b>1 April 2023</b>	<b>389</b>	<b>883</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,272</b>	<b>0</b>	<b>0</b>	<b>99</b>
Depreciation Charge	228	149	0	0	0	377	0	0	54
Depreciation written out to the RR	0	0	0	0	0	0	0	0	0
Depreciation written out to the SDPS	0	0	0	0	0	0	0	0	0
Derecognition - Disposals	0	(330)	0	0	0	(330)	0	0	0
<b>At 31 March 2024</b>	<b>617</b>	<b>702</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,319</b>	<b>0</b>	<b>0</b>	<b>153</b>
Depreciation Charge	171	97	0	0	0	268	0	0	54
Depreciation written out to the RR	(580)	0	0	0	0	(580)	0	0	0
Depreciation written out to the SDPS	(36)	0	0	0	0	(36)	0	0	0
Derecognition - Disposals	0	(361)	0	0	0	(361)	0	0	0
<b>At 31 March 2025</b>	<b>172</b>	<b>438</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>610</b>	<b>0</b>	<b>0</b>	<b>207</b>
<b>Net Book Value:</b>									
<b>At 31 March 2024</b>	<b>12,546</b>	<b>612</b>	<b>1,103</b>	<b>43</b>	<b>0</b>	<b>14,304</b>	<b>445</b>	<b>56</b>	<b>195</b>
<b>At 31 March 2025</b>	<b>9,472</b>	<b>831</b>	<b>1,103</b>	<b>43</b>	<b>0</b>	<b>11,449</b>	<b>270</b>	<b>56</b>	<b>141</b>

2023/24	Net Book Value	2024/25
143,263	Infrastructure Assets	141,387
14,304	Other PPE Assets	11,449
445	Investment Properties	270
56	Heritage Assets	56
195	Intangible Assets	141
<b>158,263</b>	<b>Total Assets</b>	<b>153,303</b>

In accordance with the Temporary Relief offered by the update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

As detailed in the revised guidance applicable to all authorities, the authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

The authority has determined in accordance with Regulation 24L Wales of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (as amended) that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure, is nil.

The Infrastructure Assets Net Book Value is as follows:

2023/24 £000	Infrastructure Assets	2024/25 £000
144,872	<b>Net Book Value at 1 April</b>	143,263
190	Additions	0
(2,480)	Depreciation	(1,876)
681	Other movements in cost (Reclassification)	0
143,263	<b>Net Book Value at 31 March</b>	141,387

### 3. Inventory

31 March 2024 £000		31 March 2025 £000
444	<b>Balance as at 1 April</b>	444
0	Stock adjustment	(5)
444	<b>Balance as at 31 March</b>	439

### 4. Debtors

31 March 2024 £000		31 March 2025 £000
0	Central Government Bodies	0
0	Trade Receivables	42
0	<b>Total Debtors</b>	42

### 5. Creditors

31 March 2024 £000		31 March 2025 £000
(24)	Central Government Bodies	0
(851)	Trade Payables	(870)
(875)	<b>Total Creditors</b>	(870)



# Glossary of Accounting Terms



CRYFACH  
TECACH  
GWYRDDACH

STRONGER  
FAIRER  
GREENER



DEU GWIR BŴSTEDDONS  
RE GWYDDR-HŴRTE CONG  
WYKIALS AWSTALNS

*Knowledge of basic accountancy terminology is assumed. However, there are certain specialist terms related to local government finance, which are described below:*

**Accruals Basis**

The accruals principle is that income is recorded when the goods or services are provided rather than when the payment is received, and expenses are recorded when goods or services are received rather than when the payment is made.

**Actuarial Gains and Losses**

For a defined benefit pension's scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation, or the actuarial assumptions have changed.

**Agency Services**

The provision of services or functions, which are the responsibility of one Authority or public body, by another. The policy and financial resources are set by the principal Authority and implemented by the agent Authority.

**Assets Held for Sale**

Assets meeting all the criteria of: - immediately available for sale, where the sale is highly probable, actively marketed and expected to be sold within 12 months.

**Asset under Construction**

An asset that is not yet complete.

**Borrowing**

Loans taken out taken out by the Council to pay for capital expenditure or for the prudent management of the Council's financial affairs.

**Capital Adjustment Account**

The Account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (revenue expenditure funded by capital under statute). The balance on the account thus represents timing differences between the amount of the historical cost of non-current assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

**Capital Expenditure**

Capital expenditure pays for improvements to existing and new assets used in the delivery of Council services as well as other items determined by Regulation. Capital resources are scarce, costly and also have long term revenue implications over many years and even generations where capital expenditure is funded by borrowing. Hence the requirement of the Prudential Code to ensure what is charged as Capital Expenditure is Prudent, Sustainable and Affordable.

The statutory definition of capital expenditure is given in the Local Government Act 2003, the Local Authorities (Capital Finance) Regulations 2003 and 2004 amended. Statute relies on the accounting measurement of cost in IAS 16 to determine whether expenditure is eligible to be capitalised or whether it should be treated as revenue expenditure. Key to what is eligible as capital spend are the following words in IAS 16 - 'Costs directly attributable to bringing the specific asset into working condition for its intended use'.

### **Capital Financing Requirement**

A Council's underlying need to borrow for a capital purpose. It measures capital expenditure incurred but not yet financed by the receipt of grants, contributions and charges to the revenue account via a prudent minimum revenue provision.

### **Capital Receipts**

Income from the sale of capital assets that can be used to fund new capital expenditure schemes or reduce the underlying need to borrow. Capital receipts cannot be used to fund revenue expenditure, unless they relate to the costs of securing disposal or where a ministerial permission allows.

### **Carrying Amount**

The Balance Sheet value recorded of either an asset or a liability.

### **Cash and Cash Equivalents**

Sums of money available for immediate use and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

### **Chartered Institute of Public Finance & Accountancy (CIPFA)**

CIPFA is the leading professional accountancy body which determines accounting standards and reporting standards to be followed by Local Government.

### **Community Assets**

These are non-current assets that the Council intends to hold in perpetuity which have no determinable finite useful life and, in addition, may have restrictions on their disposal. Examples include parks and historical buildings not used for operational purposes.

### **Contingent Liabilities or Assets**

These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not been made in the Council's accounts.

### **Council Dwellings**

Flats and Houses owned by the Council as part of its Housing Revenue Account and provided at an affordable level of rent which is lower than market rent.

### **Council Fund Balance**

The Council Fund Balance represents the cumulative retained surpluses on the Council's revenue budget. It provides a working balance which can be used to cushion the Council against unexpected events or emergencies. It is reviewed annually to ensure it remains at an appropriate level.

**Credit Criteria**

The parameters used as a starting point in considering with whom the Council may place investments, aimed at ensuring the security of the sums invested.

**Credit Rating**

A credit rating assesses the credit worthiness of an individual, corporation or country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the subject being able to pay back a loan.

**Creditors**

Amounts owed by the Council for work done, goods received, or services rendered, for which payment has not been made at the date of the balance sheet.

**Current Service Cost (Pensions)**

Current Service Cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e., the ultimate pension benefits "earned" by employees in the current year's employment.

**Current Value**

The current value of an asset reflects the economic environment prevailing for the service or function the asset is supporting at the reporting date.

**Curtailement (Pensions)**

For a defined benefit pension scheme an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service.

**Debtors**

These are sums of money due to the Council that have not been received at the date of the Balance Sheet.

**Deferred Capital Receipts**

These represent capital income still to be received after disposals have taken place.

**Defined Benefit Scheme (Pensions)**

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

**Defined Contribution Scheme (Pensions)**

A Defined Contribution Scheme is a pension or other retirement benefit scheme into which an employer pays regular 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 employee benefits relating to employee service in the current and prior periods.

**Depreciation/Impairment/Amortisation**

A charge made to the Comprehensive Income and Expenditure Statement to reflect an estimate of the use or consumption of non-current assets in the year in the provision of Council services.

**De-recognition**

Financial assets and liabilities will need to be removed from the Balance Sheet once performance under the contract is complete or the contract is terminated.

**Direct Revenue Financing**

The amount of revenue funding in the year used to pay for capital expenditure incurred.

**Earmarked Reserves**

Amounts set aside to be used to meet specific, known or predicted future expenditure.

**External Audit**

The independent examination of the activities and accounts of Local Authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Council has made proper arrangements to secure value for money in its use of resources.

**Fair Value**

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

**Finance Lease**

A finance lease is a lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

**Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

**Heritage Asset**

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

**Housing Revenue Account (HRA)**

Local Authorities are required to maintain a separate account - the Housing Revenue Account - which sets out the expenditure and income arising from the provision of Council housing. Other services are charged to the Council Fund.

**Impairment**

A reduction in the value of assets below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in an asset's market value or recoverability and evidence of obsolescence or physical damage to the asset.

**Infrastructure Assets**

Fixed Assets which generally cannot be sold and from which benefit can be obtained only by continued use of the asset created. Examples of such assets are highways, footpaths, bridges and water and drainage facilities.

**Intangible Assets**

These are assets that do not have physical substance but are identifiable and controlled by the Council. Examples include software, licenses and patents.

**Interest Cost (Pensions)**

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

**Investment Properties**

Investment properties are those held solely to earn rentals and/or for capital appreciation such as; ground leases, land held for future development as strategic sites and other land and buildings that meet Investment property criteria.

**Investments**

The purchase of financial assets in order to hold temporary cash balances, receive income and/or make capital gain at a future time.

**Joint Committee**

An arrangement whereby two or more local authorities collaborate to exercise executive functions by setting up a separate sub committee to deliver services.

**Lender Option Borrower Option Loans (LOBOs)**

Loans to the Council where the lender can request a change in the rate of interest payable by the Council at pre-defined dates and intervals. The council at this point has the option to repay the loan.

**Levy**

An amount of money which a Local Authority is required to collect on behalf of another organisation.

**Liabilities**

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

**Materiality**

Information is material if omitting it or misstating it could influence the decisions that users make on the basis of financial information about a specific reporting authority.

**Market Loans**

Borrowing that is sourced from the market i.e., organisations other than the Public Works Loan Board or a Public Body.

**Net Book Value (NBV)**

The amount at which non-current assets are included in the balance sheet, i.e., their historical cost or current value less the cumulative amounts provided for depreciation.

**Non-domestic rates (NDR)**

A levy on businesses collected by billing Authorities, on behalf of the Welsh Government, and paid into an All Wales Pool. The Pool is then redistributed amongst all Welsh Authorities on the basis of population.

**Operating Lease**

This is a type of lease, usually of computer equipment, office equipment, furniture, etc. where the balance of risks and rewards of holding the asset remains with the lessor. The asset remains the property of the lessor and the lease costs are revenue expenditure to the Authority.

**Pension Fund**

A fund built up from deductions from employees' pay, contributions from employers and investment income from which pension benefits are paid.

**Precept**

A demand levied by one public Authority, which is collected on its behalf by another Authority.

**Prior Period Adjustments**

These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

**Projected Unit Method (Pensions)**

An actuarial method of calculating the liabilities of a pension scheme which allows for projected future increases in pensionable pay up to retirement or date of leaving service

**Property, Plant and Equipment (PPE)**

Tangible assets (i.e., assets that have physical substance) that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and are expected to be used during more than one year.

**Provisions**

Amounts set aside in respect of liabilities or losses which are likely or certain to be incurred, but in relation to which the exact amount and date of settlement may be uncertain.

**Prudential Code for Capital Finance**

The system introduced on 1 April 2004 by Part 1 of the Local Government Act 2003 which allows local Authorities to borrow without Government consent, provided that they can afford to service the debt from their own resources and that any such borrowing is prudent and sustainable. This requires the preparation and approval of various indicators.

**Prudent Revenue Provision (PRP)**

An amount set aside as a provision each year to repay loans taken out to pay for capital expenditure. This has the effect of reducing the Capital Financing Requirement (CFR).

**Public Works Loan Board (PWLB)**

The Public Works Loan Board is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. PWLB's function is to lend money from the National Loans Fund to local Authorities and other prescribed bodies, and to collect the repayments.

**Recharge**

An internal charge for services rendered by one Council directorate or section to another.

**Related Parties**

Related parties are Central Government, other Local Authorities, precepting and levying bodies, subsidiary and associated companies, Elected Members, all senior officers from Director and above. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household; and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

**Reserves**

Reserves are amounts set aside for future use (usable) or required for accounting purposes only (unusable). Reserves may be for a specific purpose in which case they are referred to as 'earmarked reserves' or they may be general reserves (or balances) maintained as a matter of prudence.

**Revaluation Reserve**

The Reserve records the accumulated gains on the non-current assets held by the Council arising from increases in value as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

**Revenue Expenditure funded from Capital under Statute (REFCUS)**

Represents expenditure that may properly be capitalised under statutory provisions, but which creates no tangible asset for the Council e.g., house renovation grants to private individuals or revenue expenditure which would normally be charged to the revenue account, but which can be charged to capital following approval by the Welsh Government.

**Revenue Support Grant**

General government grant in support of local Authority services. It seeks to even out the effects on the council taxpayer of differences in needs between Authorities.

**Right of Use Assets**

A Right-of-Use (ROU) Asset represents a lessee's right to use an underlying asset for the lease term under a lease agreement

**Settlement (Pensions)**

An irrevocable action that relieves the employer of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement.

### **Surplus Assets**

Assets that are not being used to deliver services, but which do not meet the criteria to be classified as either Investment Properties or Assets Held for Sale.

### **Supported Borrowing**

Costs of servicing borrowing are included within the annual Revenue Support Grant and any specific grant that the Council receives from Welsh Government

### **Term Deposits**

A term deposit is a money deposit at a banking institution that cannot be withdrawn for a certain "term" or period of time.

### **Treasury Management**

The process by which the Council controls its cash flow, borrowing, investment and lending activities.

### **Trust Funds**

Funds held in trust which are administered by the Council.

### **Unsupported Borrowing**

Costs of servicing borrowing to be met from Council tax, rent, savings, incidental external income or from the proceeds of selling identified assets.