

REGISTERED NUMBER: 07442837 (England and Wales)

CAREER CHOICES DEWIS GYRFA LTD
STRATEGIC REPORT,
DIRECTORS REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

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FOR THE YEAR ENDED 31 MARCH 2016

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CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

COMPANY INFORMATION

DIRECTORS:

Mrs M Foster
Mr N Frow
Mrs K Lennox
Mr I Prys-Jones
Mrs E Richards
Mrs S A Roberts-Davies
Mr R Spear
Mrs L Somme-Dew
Mr J Taylor
Mr R A Wright
Miss K Luckock
Mr R C Francis
Miss S Jones

SECRETARY:

Mrs N J Lawrence

REGISTERED OFFICE:

Unit 1, Brecon Court
William Brown Close
Llantarnam Park
Cwmbran
NP44 3AB

REGISTERED NUMBER:

07442837 (England and Wales)

AUDITORS:

Auditor General for Wales

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

STRATEGIC REPORT

The Directors present their strategic report of the company for the year ended 31 March 2016.

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

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

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

The CCDG remit offers adults and young people access to high quality services through face-to-face, online and telephone interactions. Face-to-face guidance is targeted toward those clients who will benefit most from this approach. The development of digital services has continued to be a key priority to provide up to date service accessible via a range of channels which maximise reach and provide best value. Work continues with the development of website content focusing on job trends, providing up to date labour market information on the Welsh Government growth sectors and sectors where there is demand for labour. New webchat software has also been launched on careerswales.com.

CCDG operates a national helpline to access careers information and advice, during 2015-16, 39,366 calls were made to the helpline to access our services. In setting up this new helpline facility in 2012, CCDG operated the service from a number of centres across Wales. However, during 2015-16 CCDG operated a centralised telephone helpline, with additional support coming from a limited number of centres across Wales. CCDG also manages the Welsh Government's Apprenticeship Matching Service (AMS) and the Jobs Growth Wales (JGW) services.

The delivery of the Welsh Government's new Individual Skills Gateway project continued in 2015-16. This service complements the existing CCDG services by providing additional support to adults who are defined as short-term unemployed. The support involves an assessment of the skills needs of an individual client; provision of individual and group guidance to help with development of effective career management and employability skills; and referral to skills training, education or employment opportunities. The additional funding is for face-to-face services for age 25+ clients and developing an online prospectus of provision for adults. Further website developments are underway to provide tools that support the Individual Skill Gateway project.

CCDG received an additional £0.8m for strategic projects within 2015-16. This covered interim support for the National Work Experience Database and associated Health and Safety checks, Business Engagement Advisors and Engagement Activity in the Enhanced Employer Engagement Business Class activity to initiate the project and undertake pilot activities.

CCDG had expected a national ESF funded project to be approved in 2015-16. However the original national project "Activate your Potential" became integrated with six regional ESF projects in the year. This caused delays to the original expected start date of the project and consequently reduced expected income from the project in this financial year. Welsh Government provided CCDG with an additional £1.4m in year to the original CCDG core funding to deal with subsequent financial pressures.

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

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

COMPANY PERFORMANCE 2015-16

Company performance is assessed both internally and externally in relation to business targets, quality standards and financial health. For the 2015-16 year key output data includes:

	2015-16	2014-15
Number of young people in education receiving a guidance interview	48,643	63,315
Number of post education 16 – 24 year olds receiving a guidance interview	20,739	27,363
Number of Adults 25 plus receiving a guidance interview	5,479	12,701
Number of H&S vetting visits completed	*1,232	4,914
Number of students placed into work experience via the National Work Experience Database	*11,496	21,145
Number of visits (sessions) to careerswales.com	792,021	**995,176
Number of telephone calls to our Freephone helpline – Careers Wales Connect	39,366	37,892
Number of email interactions with clients	110,925	110,089

*Welsh Government required the cessation of these services during 2015-16

**2014-15 figure restated to compare to 2015-16 figure which now relates to a unique user visit figure, previously subsequent visits by the same user had been counted in the total.

The output data in the above table demonstrates that CCDG's performance is in line with the Board's expectations and reflect a £7.6m reduction in the organisation's core funding during 2015-16.

In 2015-16 the Welsh Government set CCDG three key performance indicators (KPIs):

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

CCDG were required to track progress against these KPIs and work with Welsh Government to develop further proposals for outcomes based monitoring and the wider performance and value offered through the differentiated service model. CCDG produces annual Destination Report providing information on the destination of pupils in years 11, 12, 13 and 14 in schools during the business year. The destinations survey was conducted as at 31 October 2015 and was published as Official Statistics in April 2016. A follow-up on the survey was conducted as at 31 March 2016 and analysis, of this update, is underway to determine the extent to which school leavers have sustained their destinations in the period from 31 October 2015 to 31 March 2016. Achievement against KPI 1 and 2 is taken from this analysis of school leaver data.

In terms of achieving the KPIs the following information is based on results for 2014-15 and are measured by improvements from the prior year. Achievement data for 2015-16 KPIs is currently not available. A report on this data will be presented to Welsh Government later in the financial year.

KPI 1: In 2014-15 four criteria were used to assess whether or not Careers Wales had met this KPI, three of which were achieved:

Criteria 1: Year 11 clients entering Employment Education and Training (EET). The proportion of clients entering employment has grown incrementally from a base of 93.48% in October 2012, to 94.7% in October 2013 and to 95.68% in October 2014, demonstrating a sustained rise of 2.2% over the period. The criterion for KPI 1 was therefore met.

Criterion 2: Year 11 Clients remaining in Employment Education and Training.

Findings demonstrate that Year 11 leavers sustainability of EET between October 2014 and March 2015 is relatively poorer than in both 2013 (a difference 0.12% of the cohort) and in 2014 (a difference of 0.93% of the cohort). This criterion for KPI1 has therefore not been met.

Criterion 3: Year 11 Clients: Not in Employment Education and Training (NEET) October Census

This figure has reduced steadily over the three year period between October 2012 and October 2014. 3.76% of the Year 11 cohort were NEET in October 2012, reducing sequentially to 3.43 % in October 2013 and 2.32 % in October 2014. This demonstrates a 1.44% reduction of the Year 11 cohort who were NEET at the October census over the three year period. Criterion 3 for KPI1 has therefore been met. This criterion is the corollary of Criterion 1, thus providing corroborative evidence for the findings associated with Criterion 1.

Criterion 4: Year 11 Clients: NEET March Census

The proportion of the Year 11 cohort not sustaining EET between October and March has reduced over the three year period from March 2013 to March 2015. In March 2013 participation in EET had dropped by 0.69% of the cohort in relation to the previous October. In March 2014 the comparative figure was 0.67% and in March 2015 it was 0.41%. This demonstrates that the proportion of the Year 11 cohort not sustaining EET (i.e. leaving EET prematurely) fell by 0.28% over the three year period. Criterion 4 for KPI1 has therefore been met.

Careers Wales therefore, in overview, met KPI 1 in 2014-15.

KPI 2: Careers Wales met the requirements of KPI2 for the 2014-15 business year. Report findings demonstrated a 0.4% reduction in the total number of Year 11, 12 and 13 year olds who were NEET as at 31 October 2014, as compared to the same date in the previous year. Moreover, the proportion of school leavers from all three Year groups who are NEET reduced by 1.9% between 2010 and 2014. This represents a significant reduction of 41% in the number of schools leavers known to be NEET over the 5 year period to 2014.

KPI 3: This KPI is a populating figure and not something that Careers Wales can achieve on its own without help from partner organisations. Careers Wales commissioned Beaufort Research to look at this area and set a baseline against which improvements could then be measured in the future. The data will be considered on a 2 to 3 year cycle as the impact of this particular KPI is best measured over a longer period. We intend to look at this KPI in the 2016-17 business year.

FINANCIAL PERFORMANCE FOR THE YEAR

The results for the financial year are shown on page 21 onwards.

CCDG's Financial Statements currently show that the company has negative reserves of £14.6m. The primary reason for these negative reserves is the net pension deficit of £20.9m. This deficit is an estimate of the expected shortfall of assets over liabilities in the CCDG Local Government Pension Schemes funds.

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

The Framework Document allows CCDG to carry-over from one financial year to the next any drawn but unspent cash balances of up to 2% of the agreed total gross annual budget (as set out in the remit letter and being exclusive of income deemed to be private funds). The table overleaf shows the position for the 2015-16 period:

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Item	£m
Agreed total gross budget	21.4
Allowable carry over - 2%	0.4
Year end Cash and cash equivalents	3.1
Year end current liabilities	2.3
Unspent cash balance as at 31 March 2016	0.8

The Welsh Government has confirmed that it is content for CCDG to retain this unspent cash balance.

The principal source of income for CCDG is the Welsh Government and during the year the total income from Welsh Government was £25.8m.

FUTURE DEVELOPMENTS

The CCDG Business Plan for 2016-17 expects the Welsh Government income to be £25m. As shown in the table below, this includes funding for specified projects to the value of £7m.

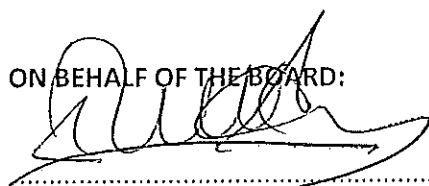
Funding Source	£m
Welsh Government - Core	18.0
Welsh Government – Individual Skills Gateway	2.6
Welsh Government – Strategic Projects	3.3
Welsh Government - React	1.1
Sub-total Welsh Government	25.0
European Funding - ESF	1.9
Other contract Income	0.6
Estimated total income 2016-17	27.5

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks that face CCDG are its potential future budget reduction and the pace of development of its website. Following the completion of a comprehensive review of the website during 2013-14, CCDG has concluded that the website requires significant changes in relation to its infrastructure and database management.

Discussions are continuing with Welsh Government on future budgets. The company are working with PWC to look at the strategic vision for CCDG and a report will be presented to the Welsh Government in April 2016. This will provide recommendations as to how Careers Wales will focus its services to provide a relevant, modern national Careers Service for Wales which achieves positive outcomes for clients.

ON BEHALF OF THE BOARD:



Mr I Prys-Jones - Director

Date: 6 July 2016

DIRECTORS REPORT

The Directors present their report with the Financial Statements of the company for the year ended 31 March 2016. CCDG has adopted the International Financial Reporting Standards (IFRS).

The Welsh Ministers are the sole member of CCDG. The company is limited by guarantee with all Directors agreeing to contribute the sum of £1 in the event of the company being wound up.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2016.

EVENTS SINCE THE END OF THE YEAR

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

DIRECTORS

The Directors shown below have held office during the period from 1 April 2015 to the date of this report:

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

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

Mr P G Davy – resigned 30 August 2015
Ms K Phillips – resigned 25 September 2015
Miss S Jones – appointed 1 July 2015
Mr R C Francis – appointed 1 July 2015
Miss K Luckock – appointed 1 July 2015
Mr J Taylor – resigned 31 March 2016

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

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

Dr D Williams has been appointed as the new Chair for the period 01 April 2016 to 31 March 2019.

GOING CONCERN AND EVENTS AFTER THE REPORTING PERIOD

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

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Following the transfer of ownership to the Welsh Government, on 1 April 2013, CCDG became a public body, funded directly by the Welsh Government. Through the CCDG remit letter the Board of Directors has received confirmation that the Welsh Government will continue to provide both revenue and capital support at a sufficient level to enable CCDG to continue as a going concern until at least 31 March 2017. After making enquiries and having reviewed the company's forecasts, the Directors have concluded that there are no material uncertainties which would create any doubts to CCDG's ability to continue in business over the next 12 months. Therefore, the Board will continue to adopt the going concern basis in preparing the annual report and financial statements.

NON-CURRENT ASSETS

Details of non-current assets are shown in note 8 and 9 to the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main financial risks for CCDG are cash flow management and budgeting. The Welsh Government core Budget for 2015-16 was £20m. Additionally, the Welsh Government has informed CCDG that the Budget for the 2016-17 period will be £18m, a reduction of 10%. Additional funding from Welsh Government has been available to support a number of strategic projects within 2015-16 and this funding is continuing in 2016-17.

With regard to cash flow management, there is no significant credit risk and CCDG maintains a healthy cash balance on short term deposit. At the end of the 2015-16 period CCDG has a positive cash balance of £3.1m therefore credit, liquidity and cash flow are not considered to be a material risk.

As part of the financial planning for 2016-17 the management team have been able to secure an additional £0.5m from Welsh Government to enhance the Individual Skills Gateway work. An additional £1.7m has also been secured as a pilot to increase the parity of esteem for vocational and academic pathways to support successful transition at ages 16, 17 and 18.

STAFF

Policy in respect of disabled persons

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

Employee Consultation

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

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

SUPPLIER PAYMENT POLICY

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

ENVIRONMENTAL REPORT

The purpose of this report is to provide information on the environmental performance of CCDG during 2015 - 2016. CCDG recognises that its wide range of activities and services have both positive and negative impacts on the environment and wish to manage and minimise these wherever possible. To help us achieve this aim we have implemented the independently audited Green Dragon Environmental Standard. CCDG currently holds Level 2 of the award. Following the roll out to the full estate in 2015-16 there are 30 offices which fall within the scope of the award criteria.

Our overarching principles as detailed within our environmental policy and are implemented and monitored through the use of an environment management system.

How we manage the process

Our aim is to seek continued improvement in the process by which we manage our environmental impact. To facilitate this improvement all our offices now have individual responsibility for the implementation of the environment management system. This has allowed each office to establish a unique eco code that best fits the environment they work in and to establish achievable reductions in the resources they manage. Monitoring data for gas, electricity, water consumption and staff travel are collated on a monthly basis. Three staff within the facilities department have been given overall responsibility for undertaking analysis of the data and to undertake six monthly audits of the ten offices under their control.

All legal requirements that are applicable to Careers Wales have been documented in the Environmental Legal Register which is updated every six months. All waste transfer notes, COSHH risk assessments and MSD product sheets are kept at a local level and they are checked during internal audits. The most significant environmental aspects are documented within the Environmental Aspects Register. To support the national direction as detailed within The Welsh Government's Sustainable Development scheme, 'One Wales, One Planet' coupled with the Well Being of Future Generations Bill, we have identified the activities that generate greenhouse gases. We have identified two areas: Carbon Dioxide from travel and energy use.

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Environmental Performance

For the second year in a row we have been able to collect data on CO2 emissions, energy consumption and business mileage and we publish this below so that our performance can be reported and measured in future years.

	2014-2015	2015-2016
Water (Litres)	2,990,000	3,399,000
Business Miles	1,184,887	895,771
Electricity kwh	1,014,928	1,179,211
Gas KHW	1,945,909	2,064,155
Greenhouse gases CO2 tonnes	1,231	1,268
Financial costs	£	£
Gas	40,454	35,578
Electricity	157,573	142,111
Water	20,026	16,437

Although we had planned for a reduction in our CO2 emission compared to last year we actually had a 3% increase due to higher gas and electricity consumption. Our water usage also increased by 14%. The main reason for these increases were due to the implementation of our 5 year estate strategy. This has resulted in the relocation of offices which has given us the ability to collect additional monitoring data on energy consumption and water usage. Water meters have also been installed at some properties giving the company better data to monitor our consumption and also resulting in a cost saving. The decrease in business mileage of 24% was due to the workforce reducing by 103 staff. One of the objectives of the estates strategy is to implement improvements in our estate which will have beneficial effects on our water and energy consumption. We intend to use our greater understanding of our environmental impact to make improvements in the area of energy consumption and CO2 emissions.

ANNUAL CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

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

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

CORPORATE GOVERNANCE

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

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

Each Director and the members of the Senior Management Team complete a Related Party Declaration form to ensure that potential conflicts of interest are identified. This form was last completed to March 2016. The Directors are reminded to declare any conflicts of interest prior to Board and Committee meetings. Any conflicts are then declared in the minutes and the Director does not take part in that agenda item.

The Board appointed three Committees with their own Terms of Reference to discharge its responsibilities and to obtain the assurance required that demonstrate good governance practices are in place. During the year the Board have reviewed the Committee structure of CCDG and agreed to establish three new committees with effect from January 2016 and have the facility for ad hoc Committee. The original Committees are:-

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

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

MEMBERSHIP AND ATTENDANCE RECORD 2015-16

Meetings of the Board of Directors

	24/06/15	24/09/15	02/12/15	21/01/16	01/03/16	24/03/16	Attendance
Mr J Taylor (Chair)	✓	✓	✓	✓	✓	✓	6/6 100%
Mr R A Wright	✓	✓	✓	✓	X	✓	5/6 83.3%
Mrs E Richards	✓	✓	X	✓	X	X	3/6 50%
Mr I Prys-Jones	✓	✓	✓	X	✓	X	4/6 66.6%
Mrs K Lennox	✓	X	X	✓	X	X	2/6 33.3%
Ms K Phillips	X	✓					1/2 50%
Miss K Luckock		✓	✓	X	X	X	2/5 40%
Mrs L Somme-Dew	✓	✓	✓	✓	✓	✓	6/6 100%
Mrs M Foster	✓	✓	X	✓	✓	✓	5/6 83.3%
Mr N Frow	✓	X	✓	✓	✓	✓	5/6 83.3%
Mr P G Davy	X						0/1 0%
Mr R C Francis		✓	✓	✓	✓	X	4/5 80%
Mrs S Roberts-Davies	✓	✓	✓	✓	✓	✓	6/6 100%
Miss S Jones		✓	X	✓	X	X	2/5 40%
Chief Executive	✓	✓	✓	✓	✓	✓	6/6 100%

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Audit & Risk Committee

	21/04/15	07/07/15	28/10/15	Attendance
Mr I Prys-Jones (Chair)	✓	✓	✓	3/3 100%
Ms K Phillips	x	✓		1/2 50%
Mr N Frow	✓	✓	✓	3/3 100%
Mr P G Davy	x			0/1 0%
Chief Executive	✓	✓	✓	3/3 100%

Director of Resources	✓	✓	x	2/3 66.6%
Director of Business Improvement	✓	✓	✓	3/3 100%
WAO (External Auditors)	✓	✓	✓	3/3 100%
KTS (Internal Auditors)	✓	✓	✓	3/3 100%
Mr J Taylor (CCDG Chair)		✓		One off attendance

Employer Services & Recruitment Committee

	12/05/15	06/10/15	Attendance
Miss K Lennox (Chair)	✓	✓	2/2 100%
Ms E Richards	✓	✓	2/2 100%
Mrs S Roberts-Davies	✓	✓	2/2 100%
Chief Executive	✓	✓	2/2 100%

Director of Resources	x	✓	1/2 50%
Head of HR	✓	✓	2/2 100%

Finance & Business Development Committee

	04/06/15	03/09/15	09/12/15	Attendance
Mr A Wright (Chair)	✓	✓	✓	3/3 100%
Mrs L Somme-Dew	✓	✓	x	2/3 66.6%
Mrs M Foster	✓	✓	✓	3/3 100%
Chief Executive	✓	✓	✓	3/3 100%

Director of Resources	✓	✓	✓	3/3 100%
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All Committee meeting minutes are provided to the Board together with a verbal report from the Committee Chair at every Board meeting. The Chief Executive is an Executive member of each Committee.

Audit & Risk Committee

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

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

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

- i. Internal audit reports covering specific business areas;
- ii. Reviewing any recommendations from internal audit;
- iii. Reviewing recommendations from the 2014-2015 external audit;
- iv. Reviewing risk management; and
- v. Review and recommendation to the Board of amendments to the Financial regulations.

Employee Services and Remuneration Committee

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

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

Finance and Business Development Committee

The Committee consisted of three Directors and met three times in the year. The Committee monitor the financial reporting process. The Committee's Terms of Reference are:

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

The three new Committees effective from January 2016 are:-

- i. Finance, Audit and Risk Committee
- ii. People Matters Committee
- iii. Performance and Impact Committee

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Finance, Audit & Risk Committee

	09/02/16	Attendance
Mr I Prys-Jones (Chair)	✓	1/1 100%
Mrs E Richards	x	0/1 0%
Mr N Frow	✓	1/1 100%
Mrs S Roberts-Davies	✓	1/1 0%
Chief Executive	✓	1/1 100%

Director of Resources	✓	1/1 100%
Director of Business Improvement	✓	1/1 100%
WAO (External Auditors)	✓	1/1 100%
KTS (Internal Auditors)	✓	1/1 100%

People Matters Committee

	24/02/16	Attendance
Miss K Lennox (Chair)	✓	1/1 100%
Miss K Luckock	✓	1/1 100%
Mrs M Foster	✓	1/1 100%
Chief Executive	✓	1/1 100%

Director of Business Improvement	✓	1/1 100%
Head of HR	✓	1/1 100%

Performance & Impact Committee

	03/03/16	Attendance
Mr A Wright (Chair)	✓	1/1 100%
Mrs L Somme-Dew	✓	1/1 100%
Mr R Francis	x	0/1 0%
Miss S Jones	✓	1/1 100%
Chief Executive	✓	1/1 100%

Director of Service Delivery	✓	1/1 100%
Director of Service Development	✓	1/1 100%

YEAR ENDED 31 M

Finance, Audit and Risk Committee

The new Committee consists of four Directors and met on

are:

- i. To ensure that the company has a sound system the identification, assessment and management of
- ii. To recommend the appointment of bankers, internal advisers, as required, following due process;
- iii. To establish a sound procedure for procurement;
- iv. To ensure, in accordance with legislation, that the suspected irregularity, fraud or bribery;
- v. To keep under review the financial health of the company;
- vi. To develop and recommend a viable business plan;
- vii. To consider and make recommendations on financial accounts of the company;
- viii. Consider matters referred to Committee by Board;
- ix. Report to Board.

financial year. The Terms of Reference

control, and effective processes for risk register;
external auditors and other financial
efficiency and value for money;
effective policies for dealing with

met for the company each year;
s, and in particular the annual

People Matters Committee

The new Committee consists of three Directors and met on

are:

- i. This Committee will meet for a minimum of 4 occasions wherever possible, be held 2-3 weeks prior to a special
- ii. The meeting will be considered to be quorate if the attendance;
- iii. The Committee will receive and approve any initial Strategy and Implementation Plan(s);
- iv. The Committee will ensure that there is an appropriate determine the pay levels of the Chief Executive and
- v. The Committee will provide robust scrutiny in order employment legislation and regulations;
- vi. The Committee will consider such matters as may
- vii. The Committee will report to the Board on all matters staff of CCDG, and give advice on appropriate matters
- viii. The Committee will also promote and support:
 - ✓ the development of appropriate employment and conditions, discipline, grievance, reward
 - ✓ the ongoing development of the company's culture
 - ✓ employee engagement and involvement; and
 - ✓ effective internal communication within the organisation

financial year. The Terms of Reference

given year; these meetings should, and Meeting;
non-executive directors in

subsequent redrafts of the HR

structure and, subject to affordability, management of the company;
that the company complies with

it by the Board;
the employment and welfare of the

including those for appointment, terms of employees;
issues;

Performance and Impact Committee

The new Committee consists of four Directors and met on

are:

- i. Have an overview of service development, delivery
- ii. Monitor, scrutinise and advise on year performance against business plan;
- iii. To challenge and review the impact of the company
- iv. To scrutinise/monitor the use of feedback from client development of the service (including ICT) and engagement
- v. To promote and support value for money, looking for a good return on investment;
- vi. To support and review the way the company delivers channels;
- vii. To consider such matters as may be referred to the
- viii. To report to the Board.

financial year. The Terms of Reference

functions;
quality and quantity and progress

holders in informing the
strategies;

needs to invest resources in to ensure

is through IT/ Digital/ marketing

by the Board; and

During 2015-16 the Welsh Government held recruitment exercises and as a result 3 new Directors were appointed. Additionally the Welsh Government started a further recruitment exercise for the position of the Chair for CCDG as the current position held by the Chair was until 31 March 2016. As a result Dr D Williams was appointed as the new Chair from 1st April 2016.

The Senior Management Team

The new SMT structure has now been in place for a year and consists of the Chief Executive and four Directors with functional based responsibilities covering the whole of Wales.

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

Whistleblowing

CCDG has, since 2013, had a whistleblowing policy and procedures that were consulted on and agreed with the recognised trade union. The policy was introduced to all employees via the Company newsletter and is available to any employee, bilingually, on the Company intranet. The policy advises employees on what to do and who to report to, both internally and externally, if they believe that there is wrongdoing that it is in the public interest to disclose. The policy also covers employee rights and directs them to sources of information on the relevant reporting bodies. There have been no whistleblowing incidents during this financial year.

Risk Management

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

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

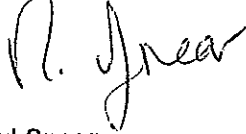
As Chief Executive I have responsibility for reviewing the effectiveness of the system of internal control. This review is informed by the work of the appointed internal auditors and the managers within CCDG who have responsibility for the development and maintenance of the internal control framework,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

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

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

I am satisfied that for the 2015-16 financial year a sound governance framework and system of internal controls were in place. They supported the achievement of CCDG's policies, aims and objectives; facilitated effective exercise of CCDG's functions and safeguarded public funds and assets for which the Accounting Officer is personally responsible. These matters of governance and control are in accordance with the responsibilities that had been assigned to me, in the Framework Document issued to CCDG by the Welsh Government.

A handwritten signature in black ink, appearing to read 'R. Spear', written in a cursive style.

Richard Spear
CCDG Chief Executive and Accounting Officer

YEAR ENDED 31 MARCH 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

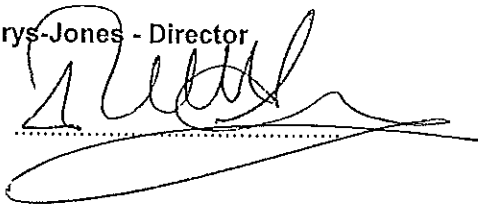
AUDITORS

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

ON BEHALF OF THE BOARD:

Mr I Prys-Jones - Director

Date: _____



Independent Auditor's Report to The Member of Career Choices Dewis Gyrfa LTD

I have audited the financial statements of Career Choices Dewis Gyrfa for the year ended 31st March 2016 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Change in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of Directors and the Auditor

As explained more fully in the Statements of Directors' Responsibilities set out on page 18, the Directors are responsible for the preparation of financial statements which give a true and fair view.

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

Scope of the audit of the financial statements

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

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

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

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the company as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Regularity

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

Opinion on other matter[s] prescribed by the Companies Act 2006

In my opinion

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

Matters on which I report by exception

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

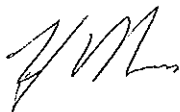
CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

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

Report

I have no observations to make on these financial statements.



Huw Vaughan Thomas
Auditor General for Wales

Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

20th July 2016

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2016

		2016 £'000	Restated 2015 £'000
	Notes		
CONTINUING OPERATIONS			
Revenue	2	26,590	31,458
Administrative expenses		<u>(27,002)</u>	<u>(30,811)</u>
OPERATING PROFIT/(LOSS) BEFORE COST OF FUNDAMENTAL REORGANISATION		(412)	647
Cost of fundamental reorganisation	4	<u>-</u>	<u>(2,485)</u>
OPERATING (LOSS)		(412)	(1,838)
Finance costs	5	(5,801)	(6,376)
Finance income	5	<u>4,960</u>	<u>5,822</u>
(LOSS) BEFORE TAX		(1,253)	(2,392)
Tax expense	7	<u>(3)</u>	<u>(9)</u>
(LOSS) FOR THE YEAR		<u>(1,256)</u>	<u>(2,401)</u>
(Loss) attributable to: Owners of the company		<u>(1,256)</u>	<u>(2,401)</u>

The notes from page 27 to page 52 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

		2016 £'000	Restated 2015 £'000
	Notes		
(LOSS) FOR THE YEAR		(1,256)	(2,401)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Actuarial Gain/(Loss) on pension scheme	15	7,796	(11,723)
Revaluation surplus	12	45	-
		<u>7,841</u>	<u>(11,723)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>7,841</u>	<u>(11,723)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>6,585</u>	<u>(14,124)</u>
Total comprehensive income attributable to: Owners of the company		<u>6,585</u>	<u>(14,124)</u>

The notes from page 27 to page 52 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

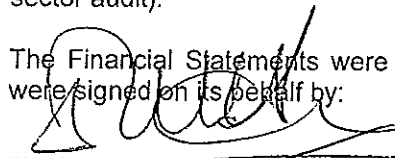
YEAR ENDED 31 MARCH 2016

STATEMENT OF FINANCIAL POSITION
31 MARCH 2016

	Notes	2016 £'000	2015 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,223	3,144
Intangible Assets	9	570	824
		<u>3,793</u>	<u>3,968</u>
CURRENT ASSETS			
Trade and other receivables	10	1,897	2,641
Cash and cash equivalents	11	3,065	4,600
		<u>4,962</u>	<u>7,241</u>
TOTAL ASSETS		<u>8,755</u>	<u>11,209</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Pension liability	15	20,868	27,317
Trade and other payables	13	118	175
		<u>20,986</u>	<u>27,492</u>
CURRENT LIABILITIES			
Trade and other payables	13	2,328	4,855
Tax payable	7	3	9
		<u>2,331</u>	<u>4,864</u>
TOTAL LIABILITIES		<u>23,317</u>	<u>32,356</u>
TOTAL ASSETS LESS LIABILITIES		<u>(14,562)</u>	<u>(21,147)</u>
EQUITY			
Revaluation reserve	12	45	-
Retained earnings	12	(14,607)	(21,147)
TOTAL EQUITY		<u>(14,562)</u>	<u>(21,147)</u>

For the year ended 31 March 2016, the company was entitled to exemption from the requirements of Part 16 of the Companies Act 2006 under section 482 of this Act (non-profit making companies subject to public sector audit).

The Financial Statements were approved by the Board of Directors on 6 July 2016 and were signed on its behalf by:


 Mr I Prys-Jones – Director
 Registered company number: 07442837

The notes from page 27 to page 52 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Retained Earnings £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2014	(7,023)	-	(7,023)
Changes in Equity			
Loss for the year	(2,401)	-	(2,401)
Actuarial Loss	<u>(11,723)</u>	<u>-</u>	<u>(11,723)</u>
Balance at 31 March 2015	<u>(21,147)</u>	<u>-</u>	<u>(21,147)</u>
Changes in Equity			
Revaluation Surplus	-	45	45
Loss for the year	(1,256)	-	(1,256)
Actuarial Gain	<u>7,796</u>	<u>-</u>	<u>7,796</u>
Balance at 31 March 2016	<u>(14,607)</u>	<u>45</u>	<u>(14,562)</u>

The notes from page 27 to page 52 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £'000	Restated 2015 £'000
Cash flows from operating activities			
Cash generated from operations	1	(886)	421
Interest paid	5	(6)	(6)
Tax paid		<u>(9)</u>	<u>(7)</u>
Net cash from operating activities		<u>(901)</u>	<u>408</u>
Cash flows from investing activities			
Purchase of intangible assets	9	(432)	(1,315)
Purchase of property, plant and equipment	8	(220)	(303)
Interest received	5	<u>18</u>	<u>47</u>
Net cash from investing activities		<u>(634)</u>	<u>(1,571)</u>
Cash flows from financing activities		-	-
Decrease in cash and cash equivalents		(1,535)	(1,163)
Cash and cash equivalents at beginning of year	11	<u>4,600</u>	<u>5,763</u>
Cash and cash equivalents at end of year	11	<u>3,065</u>	<u>4,600</u>

The notes from page 27 to page 52 form part of the Financial Statements

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

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

	Note	2016 £'000	Restated 2015 £'000
(Loss) before corporation tax and interest		(1,265)	(2,433)
Depreciation charges	8	186	126
Amortisation and Impairment charge	9	686	967
Interest on pension scheme liabilities	5	5,795	6,370
Expected return on pension scheme assets	5	(4,942)	(5,775)
		<u>460</u>	<u>(745)</u>
Decrease/(Increase) in trade and other receivables	10	744	363
(Decrease)/Increase in trade and other payables	13	(2,584)	683
Difference between pension charge and cash contributions		<u>494</u>	<u>120</u>
Cash generated from operations		<u>(886)</u>	<u>421</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

Basis of preparation

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

The previous year's financial statements included consolidated accounts. These are no longer required as the company subsidiaries were dissolved at Companies House by June 2015.

Revenue recognition

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

Provisions

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

Cash and Cash equivalent

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

Reserves

The company has two reserves. Firstly Retained Earnings are the cumulative profits and losses of the company and secondly the Revaluation Reserve contains the gains made by the company arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The balance on the Revaluation Reserve is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- or disposed of and the gains are realised.

Property, plant and equipment

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

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

IAS16 requires that assets should be split into component parts where the cost is significant in relation to the total cost of the asset. Where the component parts of a building exceed materiality these will become separate entities within the PPE note and will be depreciated over the estimated useful life of the component.

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

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

Valuations

Land and Buildings are valued at fair value, on the basis of open market value for existing use, and are subject to independent professional revaluation every five years in accordance with the RICS valuation standards. All owned properties were valued on this basis on the 29 March 2013 by Hiron, Morgans & Yapp, RICS registered valuers. The valuers assumed that the properties are free from structural or design defects, rot, infestation and that they comply with all necessary statutory requirements. The valuers have also assumed that the properties are free from mortgages and charges. No environmental matters were

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

ACCOUNTING POLICIES – continued

considered to have a significant bearing on value. The properties were physically inspected in February 2012 and for this valuation exercise the valuers relied on floor areas provided by CCDG and did not undertake a detailed measuring exercise. The next revaluation will take place in March 2018, and thereafter at five year intervals. In March 2016 the valuers confirmed that they are of the opinion that there has been no significant movement in values of our portfolio. They undertook a valuation of one building as it is no longer in use.

Intangible Assets

Software Licenses with a finite useful life will be amortised over that life on a straight line basis. Internet web development will be amortised over two years, from the date the development went live on the website. In the first year a full year of amortised costs are included in the statement of profit and loss.

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

Taxation

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

Employee benefit costs

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

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

Operating Leases

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

Government Grants

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

Use of estimates and judgements

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

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

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

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

ACCOUNTING POLICIES – continued

Other significant areas of estimates and critical judgements are:-

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

Going concern

The Directors are aware that in 2016-17 the Welsh Government funding will reduce for CCDG. However the Directors do not consider this will affect the going concern of the company as the company have managed to secure other sources of income from Welsh Government and ESF funds.

2. REVENUE

	2016 £'000	Restated 2015 £'000
Welsh Government	25,845	29,470
ESF projects	92	378
Other contracts	653	955
Income from subsidiaries	-	655
	<u>26,590</u>	<u>31,458</u>

3. EMPLOYEES AND DIRECTORS

	2016 £'000	2015 £'000
Wages and salaries	16,560	20,586
Social security costs	1,196	1,390
Other pension costs	4,498	5,218
	<u>22,254</u>	<u>27,194</u>

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

	2016	2015
Management and Administration	83	99
Service delivery	565	652
	<u>648</u>	<u>751</u>

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

3. EMPLOYEES AND DIRECTORS - continued

	2016		2015	
	Directors	Senior Management	Directors	Senior Management
	£'000	£'000	£'000	£'000
Short Term Employee benefits	110	307	108	418
Post Employment benefits	12	46	13	54
Termination benefits	0	0	0	223
	<u>122</u>	<u>353</u>	<u>121</u>	<u>695</u>

The Senior Management figure for 2015 includes redundancy costs following a voluntary redundancy exercise taken in that year.

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

Final Salary scheme

1 1

4. COSTS OF FUNDAMENTAL REORGANISATION

There has been no fundamental reorganisation during 2015-16. In 2014-15 there was a large reduction forecast in the CCDG Budget for 2015-16. As a result, the company undertook a voluntary release scheme between December 2014 and March 2015 resulting in a reduction of 88 staff. The associated costs of this exercise, including actuarial pension strains, was £2.485m.

5. NET FINANCE INCOME

	2016	Restated 2015
	£'000	£'000
Finance income:		
Deposit account interest	18	47
Expected return on pension scheme assets	<u>4,942</u>	<u>5,775</u>
	<u>4,960</u>	<u>5,822</u>
Finance costs:		
Bank interest	(6)	(6)
Interest on pension scheme liabilities	<u>(5,795)</u>	<u>(6,370)</u>
	<u>(5,801)</u>	<u>(6,376)</u>
Net finance income	<u>(841)</u>	<u>(554)</u>

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

6. (LOSS) BEFORE TAX

The (loss) before tax is stated after charging:

	2016 £'000	2015 £'000
Other operating leases	947	1,045
Depreciation	186	126
Amortisation and Impairment	687	967
Auditors' remuneration - External	77	80
Internal	30	33
ESF Internal Grant Certificate	-	6
	<u>1,927</u>	<u>2,257</u>

7. CORPORATION TAX

Analysis of tax expense

	2016 £'000	2015 £'000
Charge in year	<u>3</u>	<u>9</u>
Total tax expense in income statement	<u>3</u>	<u>9</u>

CCDG only pays corporation tax on interest receivable and profit on non-core activities at the UK corporation tax rate of 20%. Tax charge for 2015-16 based on bank deposit interest of £18k at 20% (2014-15: £46k at 20%)

Tax effects relating to effects of other comprehensive income

	Gross £'000	2016 Tax £'000	Net £'000
Actuarial gain on pension scheme	<u>7,796</u>	<u>-</u>	<u>7,796</u>
	Gross £'000	2015 Tax £'000	Net £'000
Actuarial (losses) on pension scheme	<u>(11,723)</u>	<u>-</u>	<u>(11,723)</u>

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

8. PROPERTY, PLANT AND EQUIPMENT

2015-16

COST OR VALUATION

At 1 April 2015	281	2,885	21	146	3,333
Additions: during the year	197	-	18	5	220
Disposals: during the year	(8)	-	-	-	(8)
Revaluations: during the year	-	25	-	-	25
At 31 March 2016	470	2,910	39	151	3,570

DEPRECIATION

At 1 April 2015	59	85	3	42	189
Charge for year	89	43	7	47	186
Disposals: during the year	(8)	-	-	-	(8)
Revaluations: during the year	-	(20)	-	-	(20)
At 31 March 2016	140	108	10	89	347

NET BOOK VALUE

At 31 March 2016	330	2,802	29	62	3,223
At 31 March 2015	222	2,800	18	104	3,144

Notes relating to PPE:-

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

The carrying value of the one revalued property using the cost model was £475k. The value of this property which has been retired from active use is £500k.

The gross book value of fully depreciated assets still in use is £2,563.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

8. PROPERTY, PLANT AND EQUIPMENT - continued

2014-15					
	Leasehold Improvements	Land and Buildings	Fixtures and Fittings	Computer Equipment	Totals
	£'000	£'000	£'000	£'000	£'000
COST OR VALUATION					
At 1 April 2014	109	2,885	10	31	3,035
Additions: during the year	172	-	14	117	303
Disposals: during the year	-	-	(3)	(2)	(5)
At 31 March 2015	281	2,885	21	146	3,333
DEPRECIATION					
At 1 April 2014	11	43	4	10	68
Charge for year	48	42	2	34	126
Disposals: during the year	-	-	(3)	(2)	(5)
At 31 March 2015	59	85	3	42	189
NET BOOK VALUE					
At 31 March 2015	222	2,800	18	104	3,144
At 31 March 2014	98	2,842	6	21	2,967

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

9. INTANGIBLE ASSETS

	Software Licences £'000	Website Development £'000	Total £'000
COST			
At 1 April 2015	575	1,691	2,266
Additions	67	365	432
Impairment	-	(383)	(383)
At 31 March 2016	642	1,673	2,315
AMORTISATION			
At 1 April 2015	121	1,321	1,442
Charge for the year	138	357	495
Impairment	-	(192)	(192)
At 31 March 2016	259	1,486	1,745
NET BOOK VALUE			
At 31 March 2016	383	187	570
At 31 March 2015	454	370	824

10. TRADE AND OTHER RECEIVABLES

	2016 £'000	2015 £'000
Current:		
Trade receivables	1,356	1,250
Other receivables	122	766
Prepayments	419	625
	1,897	2,641

11. CASH AND CASH EQUIVALENTS

	2016 £'000	2015 £'000
Cash in hand	2	2
Bank accounts	3,063	4,598
	3,065	4,600

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

12. RESERVES

	Retained earnings £'000	Revaluation reserve £'000	Totals £'000
At 1 April 2014	(7,023)	-	(7,023)
(Loss) for the year	(2,401)	-	(2,401)
Pension Actuarial Loss	<u>(11,723)</u>	<u>-</u>	<u>(11,723)</u>
At 31 March 2015	(21,147)	-	(21,147)
(Loss) for the year	(1,256)	-	(1,256)
Revaluation Reserve	-	45	45
Pension Actuarial Gain	<u>7,796</u>	<u>-</u>	<u>7,796</u>
At 31 March 2016	<u>(14,607)</u>	<u>45</u>	<u>(14,562)</u>

13. TRADE AND OTHER PAYABLES

	2016 £'000	2015 £'000
Current liabilities:		
Trade payables	290	763
Social security and other taxes	331	513
Other payables	282	340
Holiday Pay Accrual	297	318
Accruals and deferred income	624	1,873
VAT	447	992
Computer Licenses	<u>57</u>	<u>56</u>
	<u>2,328</u>	<u>4,855</u>
Non-current liabilities:		
Computer Licenses	<u>118</u>	<u>175</u>
	<u>118</u>	<u>175</u>
Aggregate amounts	<u>2,446</u>	<u>5,030</u>

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

14. LEASING AGREEMENTS

Minimum lease payments under operating leases fall due as follows:

	Operating lease	
	2016	2015
	£'000	£'000
Net obligations repayable		
Within one year	879	886
Between one and five years	1,974	2,739
In more than five years	707	3,038
	<u>3,560</u>	<u>6,663</u>

During the financial year the company have evoked some break clause options on a number of leasehold properties which has resulted in the movement on operating leases.

15. EMPLOYEE BENEFIT OBLIGATIONS

CCDG contributes to the Local Government Pension Scheme (LGPS) a defined benefit pension scheme being part of the following Pension Funds in Wales:

Fund

Greater Gwent (Torfaen) Pension Fund
Cardiff and Vale of Glamorgan Pension Fund
Dyfed Pension Fund
Powys County Council Pension Fund
Clwyd Pension Fund
Gwynedd Pension Fund
Rhondda Cynon Taf Pension Fund

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

Fund	Actuary
Greater Gwent (Torfaen) Pension Fund	Hymans Robertson
Cardiff and Vale of Glamorgan Pension Fund	Aon Hewitt
Dyfed Pension Fund	Mercer
Powys County Council Pension Fund	Aon Hewitt
Clwyd Pension Fund	Mercer
Gwynedd Pension Fund	Hymans Robertson
Rhondda Cynon Taf Pension Fund	Aon Hewitt

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

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

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

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

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

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

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

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

	Present Value of funded obligations	Fair Value of plan assets	Sub - total	Present Value of unfunded obligations	Surplus / (Deficit)	Net Asset / (Net Liability)
	£'000	£'000	£'000	£'000	£'000	£'000
Greater Gwent (Torfaen) Pension Fund	(27,820)	19,704	(8,116)	-	(8,116)	(8,116)
Cardiff and Vale of Glamorgan Pension Fund	(18,770)	23,370	4,600	(70)	4,530	4,530
Dyfed Pension Fund	(43,006)	36,328	(6,678)	(241)	(6,919)	(6,919)
Rhondda Cynon Taf Pension Fund (MG)	(31,339)	29,587	(1,752)	-	(1,752)	(1,752)
Powys County Pension Fund	(7,530)	6,170	(1,360)	-	(1,360)	(1,360)
Clwyd Pension Fund	(19,465)	14,761	(4,704)	-	(4,704)	(4,704)
Gwynedd Pension Fund	(21,622)	18,638	(2,984)	(31)	(3,015)	(3,015)
Rhondda Cynon Taf Pension Fund (CWA)	(1,432)	1,900	468	-	468	468
	<u>(170,984)</u>	<u>150,458</u>	<u>(20,526)</u>	<u>(342)</u>	<u>(20,868)</u>	<u>(20,868)</u>

Duration Information as at the end of the accounting period

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

LGPS Fund	C&V	CWA	Clwyd	Dyfed	MG	Powys
Years	20.8	24.5	21	21	20.4	18.8

Note that the above figures are for funded obligations only and do not include the unfunded pensioner liabilities. Two of the Funds, Gwynedd Pension Fund and Greater Gwent (Torfaen) Pension Fund actuaries Hymans Robertson do not provide the duration liabilities information.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

The aggregated impact on the Financial Statements is as follows

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

	Defined benefit pension plans	
	2016 £'000	2015 £'000
Present value of funded obligations	(170,984)	(176,532)
Fair value of plan assets	<u>150,458</u>	<u>149,573</u>
	(20,526)	(26,959)
Present value of unfunded obligations	<u>(342)</u>	<u>(358)</u>
Deficit	<u>(20,868)</u>	<u>(27,317)</u>
Net liability	<u>(20,868)</u>	<u>(27,317)</u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2016 £'000	2015 £'000
Current service cost	3,797	3,385
Interest cost	5,795	6,370
Expected return	(4,942)	(5,775)
	<u>4,650</u>	<u>3,980</u>
Actual return on plan assets	<u>335</u>	<u>17,351</u>

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

	Defined benefit pension plans	
	2016 £'000	2015 £'000
Opening defined benefit obligation	176,890	145,134
Current service cost	3,797	3,385
Contributions by scheme participants	969	1,095
Interest cost	5,795	6,370
Actuarial (gain)/loss	(12,207)	23,983
Benefits paid	(4,647)	(3,096)
Curtailments	729	19
	<u>171,326</u>	<u>176,890</u>

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2016	2015
	£'000	£'000
Opening fair value of scheme assets	149,573	130,255
Contributions by employer	4,082	3,350
Contributions by scheme participants	969	1,095
Assets administration expenses	(50)	(76)
Expected return	4,942	5,775
Actuarial (loss)/gain	(4,411)	12,260
Benefits paid	(4,647)	(3,086)
	<u>150,458</u>	<u>149,573</u>

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

	Defined benefit pension plans	
	2016	2015
	£'000	£'000
Actuarial gain/(loss)	<u>7,796</u>	<u>(11,723)</u>
	<u>7,796</u>	<u>(11,723)</u>
Cumulative amount of Actuarial (loss)	<u>(17,944)</u>	<u>(25,740)</u>

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

Rhondda Cynon Taf Pension Fund (MG)

	31.03.16	31.03.15
	(%)	(%)
Principal Financial Assumptions		
Discount rate	3.5	3.3
RPI Inflation	2.9	3.0
CPI Inflation	1.8	1.9
Rate of increase to deferred pensions	1.8	1.9
Rate of increase to pensions in payment	1.8	1.9
Rate of general increase in salaries	3.3	3.4

Mortality assumptions

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

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

	31.03.16	31.03.15
Males		
Future lifetime from age 65 (aged 65 at accounting date)	23.1	23
Future lifetime from age 65 (aged 45 at accounting date)	25.3	25.2
Females		
Future lifetime from age 65 (aged 65 at accounting date)	26.0	25.9
Future lifetime from age 65 (aged 45 at accounting date)	28.4	28.3
	31.03.16 (%)	31.03.15 (%)
Asset allocation		
Equities	70.1	69.0
Property	6.4	5.6
Gov Bonds	9.2	9.7
Corporate Bonds	10.6	11.7
Cash	3.7	4.0
Total	100	100

Expected contribution for accounting period ending 31 March 2017 - £927k

Sensitivity analysis

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

Funded LGPS benefits

Discount rate assumption		
Adjustment to discount rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	30.706	31.985
% change in present value of total obligation	-2.0%	2.1%
Projected service cost (£M's)	0.561	0.602
Approximate % change in projected service cost	-3.5%	3.6%
Rate of general increase in salaries		
Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	31.475	31.205
% change in present value of total obligation	0.4%	-0.4%
Projected service cost (£M's)	0.581	0.581
Approximate % change in projected service cost	0.0%	0.0%

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

15. EMPLOYEE BENEFIT OBLIGATIONS – continued

Rate of increase to pensions in payment and deferred pensions assumption

Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	31.847	30.839
% change in present value of total obligation	1.6%	-1.6%
Projected service cost (£M's)	0.602	0.561
Approximate % change in projected service cost	3.6%	-3.5%

Post retirement mortality assumption

Adjustment to mortality age rating assumption *	-1 year	+1 year
Present value of total obligation (£M's)	32.125	30.552
% change in present value of total obligation	2.5%	-2.5%
Projected service cost (£M's)	0.600	0.562
Approximate % change in projected service cost	3.2%	-3.2%

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

Powys County Council Pension Fund

	31.03.16 (%)	31.03.15 (%)
Principal Financial Assumptions		
Discount rate	3.4	3.2
RPI Inflation	2.9	2.9
CPI Inflation	1.8	1.8
Rate of increase to deferred pensions	1.8	1.8
Rate of increase to pensions in payment	1.8	1.8
Rate of general increase in salaries	3.3	3.3

Mortality assumptions

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

	31.03.16	31.03.15
Males		
Future lifetime from age 65 (aged 65 at accounting date)	23.1	23.0
Future lifetime from age 65 (aged 45 at accounting date)	25.3	25.2
Females		
Future lifetime from age 65 (aged 65 at accounting date)	25.6	25.5
Future lifetime from age 65 (aged 45 at accounting date)	28.0	27.8

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

	31.03.16 (%)	31.03.15 (%)
Asset allocation		
Equities	51.6	53.0
Property	14.2	7.4
Gov Bonds	13.4	16.3
Corporate Bonds	7.6	8.6
Cash	0.9	5.2
Other	12.3	9.5
Total	100	100

Expected contribution for accounting period ending 31 March 2017 - £100k

Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2016 and the projected service cost for the year ending 31 March 2017 is set out below. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

Funded LGPS benefits

	+0.1% p.a.	-0.1% p.a.
Discount rate assumption		
Adjustment to discount rate		
Present value of total obligation (£M's)	7.39	7.67
% change in present value of total obligation	-1.9%	1.9%
Projected service cost (£M's)	0.12	0.12
Approximate % change in projected service cost	-3.0%	3.1%

Rate of general increase in salaries

	+0.1% p.a.	-0.1% p.a.
Adjustment to salary increase rate		
Present value of total obligation (£M's)	7.56	7.51
% change in present value of total obligation	0.3%	-0.3%
Projected service cost (£M's)	0.12	0.12
Approximate % change in projected service cost	0.0%	0.0%

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

	+0.1% p.a.	-0.1% p.a.
Adjustment to pension increase rate		
Present value of total obligation (£M's)	7.65	7.41
% change in present value of total obligation	1.6%	-1.5%
Projected service cost (£M's)	0.12	0.12
Approximate % change in projected service cost	3.1%	-3.0%

Post retirement mortality assumption

	-1 year	+1 year
Adjustment to mortality age rating assumption *		
Present value of total obligation (£M's)	7.72	7.34
% change in present value of total obligation	2.6%	-2.6%
Projected service cost (£M's)	0.12	0.12
Approximate % change in projected service cost	3.2%	-3.2%

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

Cardiff and Vale of Glamorgan Pension Fund

	31.03.16	31.03.15
Principal Financial Assumptions	(%)	(%)
Discount rate	3.5	3.2
RPI Inflation	2.9	2.9
CPI Inflation	1.8	1.8
Rate of increase to deferred pensions	1.8	1.8
Rate of increase to pensions in payment	1.8	1.8
Rate of general increase in salaries	2.8	2.8

Mortality assumptions

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

	31.03.16	31.03.15
Males		
Future lifetime from age 65 (aged 65 at accounting date)	23.8	23.8
Future lifetime from age 65 (aged 45 at accounting date)	25.9	25.8
Females		
Future lifetime from age 65 (aged 65 at accounting date)	26.8	26.7
Future lifetime from age 65 (aged 45 at accounting date)	29.1	29.0

	31.03.16	31.03.15
	(%)	(%)
Asset allocation		
Equities	75.1	77.4
Property	7.3	5.9
Gov Bonds	8.1	6.8
Corporate Bonds	7.2	7.9
Cash	2.3	1.7
Other	0.0	0.3
Total	100	100

Expected contribution for accounting period ending 31 March 2017 - £400k

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

15. EMPLOYEE BENEFIT OBLIGATIONS - continued**Sensitivity analysis**

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2016 and the projected service cost for the year ending 31 March 2017 is set out below. In each case, only the assumption mentioned is altered. We have not included sensitivity of unfunded benefits on materiality grounds.

Funded LGPS benefits

Discount rate assumption		
Adjustment to discount rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	18.38	19.16
% change in present value of total obligation	-2.1%	2.1%
Projected service cost (£M's)	0.52	0.56
Approximate % change in projected service cost	-3.5%	3.6%
Rate of general increase in salaries		
Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	18.87	18.67
% change in present value of total obligation	0.5%	-0.5%
Projected service cost (£M's)	0.54	0.54
Approximate % change in projected service cost	0.0%	0.0%
Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption		
Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	19.06	18.48
% change in present value of total obligation	1.6%	-1.5%
Projected service cost (£M's)	0.56	0.52
Approximate % change in projected service cost	3.6%	-3.5%
Post retirement mortality assumption		
Adjustment to mortality age rating assumption *	-1 year	+1 year
Present value of total obligation (£M's)	19.24	18.30
% change in present value of total obligation	2.5%	-2.5%
Projected service cost (£M's)	0.56	0.52
Approximate % change in projected service cost	3.2%	-3.2%

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

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Rhondda Cynon Taf Pension Fund (CWA)

	31.03.16 (%)	31.03.15 (%)
Principal Financial Assumptions		
Discount rate	3.5	3.3
RPI Inflation	3.0	3.0
CPI Inflation	1.9	1.9
Rate of increase to deferred pensions	1.9	1.9
Rate of increase to pensions in payment	1.9	1.9
Rate of general increase in salaries	3.4	3.4

Mortality assumptions

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

	31.03.16	31.03.15
Males		
Future lifetime from age 65 (aged 65 at accounting date)	23.1	23
Future lifetime from age 65 (aged 45 at accounting date)	25.3	25.2
Females		
Future lifetime from age 65 (aged 65 at accounting date)	26.0	25.9
Future lifetime from age 65 (aged 45 at accounting date)	28.4	28.3

	31.03.16 (%)	31.03.15 (%)
Asset allocation		
Equities	70.1	69.0
Property	6.4	5.6
Gov Bonds	9.2	9.7
Corporate Bonds	10.6	11.7
Cash	3.7	4.0
Other	0	0
Total	<u>100</u>	<u>100</u>

Expected contribution for accounting period ending 31 March 2017 - £27k

Sensitivity analysis

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Funded LGPS benefits

Discount rate assumption	+0.1% p.a.	-0.1% p.a.
Adjustment to discount rate		
Present value of total obligation (£M's)	1.397	1.467
% change in present value of total obligation	-2.4%	2.5%
Projected service cost (£M's)	0.033	0.035
Approximate % change in projected service cost	-3.8%	3.9%

Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	1.438	1.426
% change in present value of total obligation	0.4%	-0.4%
Projected service cost (£M's)	0.034	0.034
Approximate % change in projected service cost	0.0%	0.0%

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

Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M's)	1.461	1.403
% change in present value of total obligation	2.1%	-2.0%
Projected service cost (£M's)	0.035	0.033
Approximate % change in projected service cost	3.9%	-3.8%

Post retirement mortality assumption

Adjustment to mortality age rating assumption *	-1 year	+1 year
Present value of total obligation (£M's)	1.468	1.396
% change in present value of total obligation	2.5%	-2.5%
Projected service cost (£M's)	0.035	0.033
Approximate % change in projected service cost	3.3%	-3.3%

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

Dyfed Pension Fund

Financial assumptions	Beginning of period (%)	End of period (%)
Rate of CPI inflation	2.0	2.0
Rate of increase in salaries	3.5	3.5
Rate of increase in pensions	2.0	2.0
Discount rate	3.3	3.6

Mortality assumptions

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

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Life expectancy of a male (female)

Future pensioner aged 65 25.5 (28.1) years 25.7 (28.2) years

Current pensioner aged 65 23.3 (25.8) years 23.4 (25.9) years

Expected contribution for accounting period ending 31 March 2017 - £597k

Sensitivity analysis

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
		+ 0.1% p.a. discount rate	+ 0.1% p.a. inflation	+ 0.1% p.a. pay growth	1 year increase in life expectancy
	£'000	£'000	£'000	£'000	£'000
Liabilities	43,247	42,349	44,164	43,498	44,070
Assets	(36,328)	(36,328)	(36,328)	(36,328)	(36,328)
Deficit/(Surplus)	6,919	6,021	7,836	7,170	7,742
Projected Service Cost for next year	898	869	928	898	918
Projected Net Interest Cost for next year	238	212	272	248	268

Clwyd Pension Fund

Financial assumptions	Beginning of period (%)	End of period (%)
Rate of CPI inflation	2.0	2.0
Rate of increase in salaries	3.5	3.5
Rate of increase in pensions	2.0	2.0
Discount rate	3.3	3.6
Mortality assumptions		
Non Retired members	87% male	87% males
	82% females	82% females
Retired members	94% male	94% males
	93% females	93% females

Life expectancy of a male (female)

Future pensioner aged 65 26.3 (29.3) years 26.4 (29.4) years

Current pensioner aged 65 23.4 (25.9) years 23.5 (26) years

Expected contribution for accounting period ending 31 March 2017 - £335k

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Sensitivity analysis

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
		+ 0.1% p.a. discount rate	+ 0.1% p.a. inflation	+ 0.1% p.a. pay growth	1 year increase in life expectancy
	£000s	£000s	£000s	£000s	£000s
Liabilities	19,465	19,066	19,872	19,567	19,835
Assets	(14,761)	(14,761)	(14,761)	(14,761)	(14,761)
Deficit/(Surplus)	4,704	4,305	5,111	4,806	5,074
Projected Service Cost for next year	319	309	330	319	326
Projected Net Interest Cost for next year	163	153	178	167	177

Greater Gwent (Torfaen) Pension Fund

Financial assumptions	31.03.16	31.03.15
	% p.a.	% p.a.
Pension increase rate	2.2	2.1
Salary increase rate	3.7	3.6
Discount rate	3.5	3.4

Mortality

Average future life expectancy at age 65	Males	Females
Current pensioners	23.0 years	25.4 years
Future pensioners	25.2 years	27.8 years

Expected contribution for accounting period ending 31 March 2017 - £389k

Sensitivity analysis

	Approx. % increase to Employer Liability	Approx. monetary amount (£'000)
Changes in assumptions at 31.03.16		
0.5% decrease in Real Discount Rate	15%	4,053
1 year increase in member life expectancy	3%	835
0.5% increase in the Salary Increase Rate	6%	1,556
0.5% increase in the Pension Increase Rate	9%	2,417

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

15. EMPLOYEE BENEFIT OBLIGATIONS - continued

Gwynedd Pension Fund

Financial assumptions	31.03.16	31.03.15
	% p.a.	% p.a.
Pension increase rate	2.2	2.5
Salary increase rate	4.2	4.4
Discount rate	3.6	3.3

Mortality

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

Expected contribution for accounting period ending 31 March 2017 - £403k

Sensitivity analysis

	Approx. % increase to Employer Liability	Approx. monetary amount (£'000)
Changes in assumptions at 31.03.16		
0.5% decrease in Real Discount Rate	14%	3,096
1 year increase in member life expectancy	3%	656
0.5% increase in the Salary Increase Rate	5%	1,201
0.5% increase in the Pension Increase Rate	8%	1,822

Amounts for the current and previous period are as follows:

	2016 £'000	2015 £'000
Aggregate defined benefit pension plans		
Defined benefit obligation	(171,326)	(176,890)
Fair value of scheme assets	150,458	149,573
Deficit	<u>(20,868)</u>	<u>(27,317)</u>

16. EVENTS AFTER THE REPORTING PERIOD

The Financial Statements were authorised for issue by the Board of Directors on the 23rd June 2016.
The Welsh Government have the power to amend the Financial Statements after issue.

17. SHARE CAPITAL

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

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2016

18. GOING CONCERN

The Financial Statements currently show that the company has negative reserves of £14,562k. The primary reason for the negative reserves is the pension deficit of £20,868k. This deficit is an estimate of the expected shortfall of assets over liabilities in the pension funds.

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

The Directors are aware that in 2016-17 the Welsh Government funding will reduce for CCDG, however the Directors do not consider this will affect the going concern of the company.

19. RELATED PARTY

CCDG is a wholly owned subsidiary of the Welsh Government, and therefore the Welsh Government is regarded as a related party. During the year, CCDG received income from the Welsh Government of £25.845m and made payments of £48k to Welsh Government. At the year end, CCDG was owed £1,217k including VAT by the Welsh Government.

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

Director	Body	Payments Received by CCDG	Nature of link
Mr I. Prys-Jones	North Wales Economic Ambition Board	£52,987	Consultant Programme Manager

Directors	Body	Payments Made by CCDG	Nature of link
Mr R.C. Francis	UCAS	£180	Council Member
Mr R.C. Francis	Milford Haven School	£150	Head Teacher
Miss S. Jones	Tinopolis	£7,000	Executive Producer
Mr P. G. Davy	Caerphilly Borough Council	£9,642	Head of Programmes
Mrs K. Phillips	Coleg-y-Cymoedd	£474	Deputy Principal

Senior Management	Body	Payments Made by CCDG	Nature of link
Mrs S. Finnegan-Dehn	Career Development Institute	£33,289	Director of CDI

20. CAPITAL COMMITMENTS

Purchase orders to the value of £10k have been raised for capital expenditure but these have not been provided for in the Financial Statements.

CAREER CHOICES DEWIS GYRFA LTD

YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

21. RESTATED 2015 FIGURES

The comparative figures relating to the 2014-15 financial year have been restated due the winding up of all subsidiaries in June 2015. As no trading by any subsidiary took place in the 2015-16 financial year the financial statements now represent the activities and position of the Company rather than the group. This has impacted in the following areas:

Statement/Note	Original 2015 £000	Restated 2015 £000	Explanation
Statement of Profit and Loss	30,803	31,458	Income from subsidiary company
Statement of Profit and Loss and Other Comprehensive Income	(3,056) (14,779)	(2,401) (14,124)	Income from subsidiary company
Statement of Cash Flows and Note 1 to the Cash Flow	(1,249) 46 (2,834) 7,434 (3,047) (5,821) (653) 6,376	421 47 (1,163) 5,763 (2,433) (5,775) 363 6,370	Various intercompany transactions
Note 2	0	655	Income from subsidiary company
Note 5	46	47	Intercompany transactions