Draft Statement of Accounts 2025/26

The County Council of the City and County of Cardiff

CRYFACH TECACH GWYRDDACH | STRONGER FAIRER GREENER

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Narrative Report by Council's Statutory Finance Officer

CRYFACH TECACH GWYRDDACH | STRONGER FAIRER GREENER

Introduction

This report presents the 2025/26 Statement of Accounts for the County Council of the City and County of Cardiff (the Council). It sets out our financial performance for the past year and is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

Our City

As the Capital City of Wales, Cardiff is an economic, cultural and political capital city and a city of strong and safe communities, great schools and universities, creative, talented, and welcoming people.

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

Stronger, Fairer, Greener

'Stronger Fairer Greener' are the key policy themes that underpin the Council's work.

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

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

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

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

Further information can be found using this link

Stronger Fairer Greener (cardiff.gov.uk)

Our Democracy

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

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

The role of Cabinet is to:

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

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

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

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

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

With effect from 1 April 2026 the Council has implemented changes in senior management arrangements to better integrate services and improve coordination, to build on our strengths and prepare us to meet the challenges ahead with confidence. The changes include the creation of new directorates focused on frontline services, city development, and strategic transformation. These adjustments will help us better integrate services, improve coordination, and ensure the Council is equipped to meet the needs of our communities in a sustainable and effective way. During 2026/27 new Council Leader and Chief Executive appointments are to be made building on the momentum created over the past decade and more.

Our Services and the way we work

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

Planning, Transport and Environment	**Economic Development**
• Bereavement and Registration • Highways infrastructure and street cleaning • Transport and Civil Parking Enforcement • Planning	• Business and Investment • Regeneration and major projects • Corporate Landlord • Culture, Venues and tourism • Leisure, Parks and Sport • Waste Collection, Recycling, Treatment, Disposal and Education
People and Communities - Housing and Communities	**People and Communities -** Social Services
• Community Hubs and Libraries • Customer facing services e.g. preventive and 'into work' services • Independent living and community alarm • Adult and community learning • Performance, Partnerships and Housing Revenue Account – council dwellings management	• Adult learning disabilities and mental health • Youth offending • Children's safeguarding, early help, fostering and residential services • Support for older people and those with physical disabilities
Education and Lifelong Learning	**Resources**
• Nursery, Primary, Secondary and Special schools • Youth and community education and community learning • Achievement and Inclusion • Schools Catering • Schools Transport	• Finance • Human Resources • Commissioning and Procurement • ICT, Customer and Digital services • Central Transport Services
Corporate Management	**Resources -** Governance and Legal Services
• Precepts, levies and contributions • Corporate initiatives	• Democratic, electoral and legal services • Scrutiny, member and bilingual services

Our Performance

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

Both the Annual Well-being Report and the Mid-Year Self-Assessment draws on a number of sources of intelligence to make judgements about the Council's performance, including performance against Corporate Plan Commitments, budget monitoring, risk management as well as the judgements of external regulators. The report is formally considered by the Council's Senior Management Team and Cabinet as well as the Council's wider political governance, which includes the Policy Review and Performance Committee and the Governance and Audit Committee. The Annual Wellbeing report for 2025/26 will be considered by Cabinet and Council in July 2026.

Link to be inserted

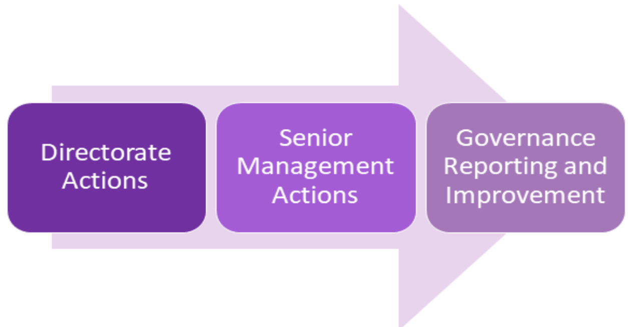
Risks and Financial Outlook

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

Link to be inserted following Council consideration

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

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

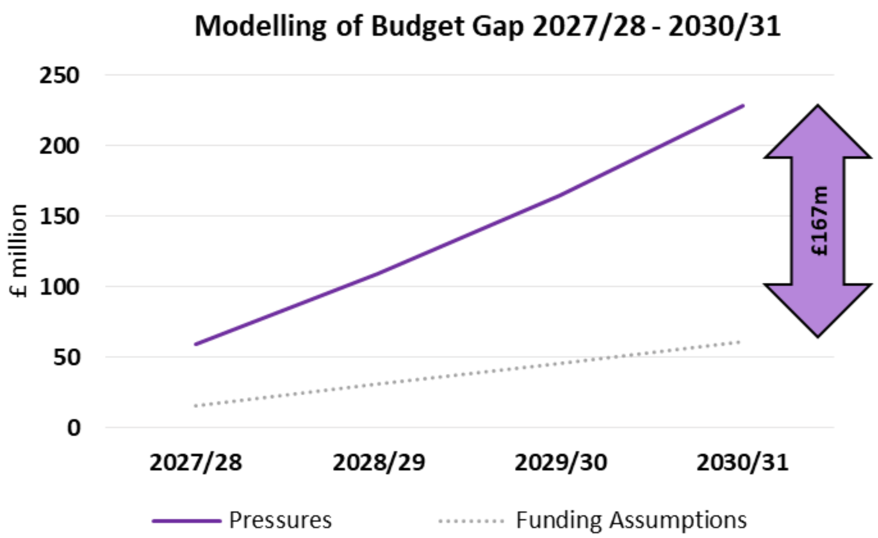


The Council's risk management regime supports the identification, assessment, reporting and management of risks in directorate, corporate, programme and project activities. It involves quarterly risk assessments to support the timely identification and escalation of the Council's most critical risks to Senior Management Team for ownership, mitigation, review and reporting. At 31 March 2026, the corporate risks at a 'red' residual risk status i.e., major or significant consequence is likely without further mitigation, are shown in the table below.

Schools Organisation Programme
Failure of the Council to deliver against the Education Investment Strategy results in significant investment not being optimised and the estate being inequitable and imbalanced.
Ensuring Access
Failure to meet statutory responsibility to provide an appropriate or indeed any, education place to all children and young people. The risk is greater in relation to learners with Additional Learning Needs, due to a shortfall in the provision of specialist places.
Condition of School Estate
Failure to deliver a comprehensive asset management programme for our school’s estate whilst school budgets (for maintenance) are limited poses several risks, including Health & Safety and legislation.
Schools’ Delegated Budgets
Continued increase in the number of deficit schools. Schools facing financial shortfalls may struggle to maintain educational standards. Potential cuts in staff, resources, and programs could negatively impact students' learning experiences and outcomes. Persistent deficits also place additional pressures on the Local Authority funding position and schools increasing deficit position poses risk of irrecoverable debt. Administrative burden on both LA and school and risk of budgetary control.
City Security
Major security-related incident in 'crowded places' as a result of international or domestic terrorism.
Climate Change – Biodiversity, Extreme weather, Flooding, Energy Security and Decarbonisation
Cardiff is not able to manage the effects of climate change and energy security due to lack of future proofing for key (social and civil) infrastructure and business development.
Cyber Security
Potential for compromise or loss of services and data resulting from a cyber attack or data breach in our organisation.
Financial Resilience
Within the context of there being a Budget Gap of £167 million for the period 2027/28 to 2030/31. There is a risk of: •Failure to deliver a balanced annual budget. • Failure to provide a fully informed Medium Term Financial Plan along with a timely strategy to address resultant gap. • Lack of appropriate mechanisms to identify and manage unexpected financial liabilities.
Housing Emergency
In December 2023, Cabinet declared a housing emergency in the city due to an unprecedented demand for homelessness services and Temporary Accommodation. Introduction of new legislation may increase pressures further.

Private rent and mortgages remain high, resulting in more residents requiring affordable homes and as the cost-of-living crisis continues, people are struggling to pay their housing costs. Waiting lists for social housing remain high and the number of social lets is low. New homelessness legislation to be introduced in 2026, will lead to increase in demand on services.
Coastal Erosion
Breach of current defences resulting in widespread flooding (current defences are ad hoc and are in a very poor condition).
Increase in Demand (Children's Services)
Failure to effectively manage demand (and respond to the longer-term impact of Covid-19 on demand for services), resulting in an increase in the number of children requiring services and the financial pressures this presents.

Budget Gap is the term used to describe the difference between the funding the Council expects to receive, and the estimated cost of continuing to deliver services at the current level. Put simply, the gap is a result of funding failing to keep pace with demand, inflation and other financial pressures. A budget gap of £167 million between 2027/28 and 2030/31 was forecast as part of the medium-term financial plan approved in March 2026. This continues to be updated as part of emerging information.



This is due to factors such as employee costs, price inflation, allowance for emerging pressures, paying for capital projects and demand pressures from increasing population and service specific factors in Adult Social Care, Looked after Children and Additional Learning Need within Education.

A range of options were considered in order to address the budget gap in 2025/26 and future years including continuing to review and challenge all directorate budgets for efficiency savings such as staffing, premises costs, external spend; income generation and grant maximisation; early intervention, preventions and targeting productivity.

Looking ahead, with increased levels of risk to the delivery of savings targets and demand likely to remain unpredictable as a result of uncertainty, financial resilience risk will need to be managed and monitored closely to ensure financial sustainability. Significant capital expenditure investment is proposed in areas such as new schools; to address the condition of existing assets used in service delivery; to develop new council housing; for sustainable travel schemes; completion of the indoor arena and a replacement core office at Atlantic Wharf. The five-year investment plan requires a significant increase in borrowing to pay for investment, the cost implications of which are included in the medium-term financial plan. The investment programme is reviewed annually being mindful of changes in interest rates, external grant funding opportunities and as business cases develop.

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

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

Further details of the Council's budget for 2026/27 and Medium Term are available on the Council's website **Link** and include the key documents below:

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

Financial Performance 2025/26

The Council's budget for 2025/26 was approved in March 2025. The budget was set against a backdrop of financial uncertainty, significant challenges in funding services, increasing demand for our services, further savings targets to be made and a 6% Council Tax increase. A net revenue budget of £914.943 million was approved for 2025/26 as well as a Medium Term Financial Plan based on a rolling four-year period from 2025/26 to 2029/30, ensuring that resources are aligned to outcomes in the Corporate Plan.

Revenue Expenditure and Funding

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

Directorate	Net Expenditure Budget	Net Expenditure Outturn	Variance (Under)/Over
	£000	**£000**	**£000**
Corporate Management	36,487	36,443	(44)
Economic Development	10,456	11,938	1,482
Economic Development - Recycling & Neighbourhood Services	43,241	43,372	131
Education & Lifelong Learning	395,289	395,083	(206)
People & Communities - Housing & Communities	57,243	56,743	(500)
People & Communities - Performance & Partnerships	2,750	2,833	83
People & Communities - Social Services - Children's	107,573	108,625	1,052
People & Communities - Social Services - Adults	176,804	175,768	(1,036)
Planning, Transport & Environment	7,183	8,170	987
Resources - Governance & Legal Services	8,031	8,031	0
Resources	19,929	20,070	141
Directorate Outturn Subtotal	**864,986**	**867,076**	**2,090**
Capital Financing	43,134	38,788	(4,346)
Summary Revenue Account	6,423	9,519	3,096
Council Tax collection and Discretionary Relief	400	(440)	(840)
Total Council Outturn	**914,943**	**914,943**	**0**

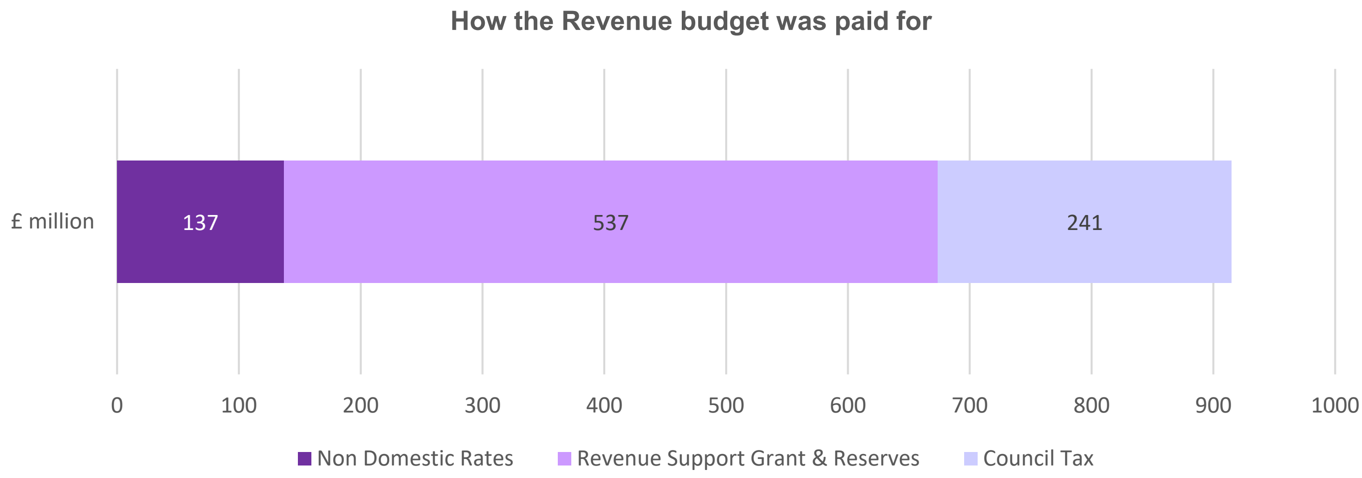
The Council contained its spending within the £914.943 million budget approved for the year, after transfers to and from earmarked reserves. The directorate position reflected a net overspend of £2.090 million and was offset by variances against the Summary Revenue Account, capital financing and Council Tax collection. The most significant directorate adverse variances were in respect of Economic Development, Children's Services and Planning Transport and Environment. The final outturn position was considered by Cabinet in June 2026, with detail on each directorate included in appendices as well as transfers to and from Revenue Reserves. The final position improved as the year progressed with all services reviewing opportunities to deliver in year efficiencies. There remained a focus on avoiding front line impact, with efficiencies being taken where opportunities arose.

Non-Domestic Rates (NDR) are collected by the Council for Welsh Government based on the value of buildings used in business or for non-domestic purposes and a rate is set annually. The net NDR collectable by Cardiff for 2025/26 totalled £173.349 million of which Cardiff received £137.400 million after redistribution by Welsh Government. The in-year collection rate was 93.89% (95.72% in 2024/25).

All Wales collection statistics can be found using this link **Non-domestic rates (gov.wales).**

Revenue Support Grant of £537.485 million from Welsh Government was received in the year. Council Tax collected by the Council includes precepts for the police and community councils and where applicable these were passed onto the relevant bodies. Council Tax income attributable to the Council of £240.808 million funds just over a quarter of the Council's net expenditure. The in-year collection rate was 94.37% (94.84% in 2024/25).

All Wales collection statistics can be found using this link **Council Tax (gov.wales).**



Housing Revenue Account (HRA)

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

- The council has 14,417 dwellings as at 31 March 2026.
- The average weekly net rent for 2025/26 was £131.30. Income including rent and charges for services totalled £123.102 million.
- Revenue expenditure included £39.564 million on repairs and maintenance, £41.941 million on supervision and management and £34.571 million on capital financing costs, including interest, provision for the repayment of debt and towards capital expenditure.

The Housing Revenue Account reported a balanced position for 2025/26 after a net transfer to reserves of £2.747 million. Overspends on the Housing Repairs Account primarily within responsive repairs and rent and service charge income below target were offset by reduced capital financing charges, reduced utilities and other premises costs and vacancy savings across the functions.

Capital Expenditure and Funding by the Council

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

Schemes	Detail	£m
Business and City Development	Town Centre Loans and Heritage Buildings; Indoor Arena; Multi-storey car park and development of New County Hall.	94.0
Parks and Leisure	Parks play areas, Llanrumney Skate Park, Flatholm Heritage; Leisure Buildings roof and energy retrofit; Pentwyn leisure centre pool and Harbour asset renewal.	9.6
Property	Investment Property Strategy acquisitions; City Hall mechanical works design; Acquisition of land at Pengam Green.	14.7
Education & Lifelong Learning	21st Century schools Band B including construction works for new Cantonian, Ysgol Cynefin and Willows new schools; investment in the condition and suitability of school buildings including for additional learning needs; Flying Start.	134.8
Neighbourhood Regeneration and Private Housing	Disabled adaptation grants allowing people to live independently in their homes; neighbourhood regeneration and community safety schemes, Traveller sites.	10.7
Social Services – Adults and Children	Day centre respite feasibility; Acquisition and adaptation of properties in accordance with the Right Homes, Right Support, Children Looked After Commissioning Strategy.	1.0
Highways & Transportation	Road and footpath resurfacing; structures design works; coastal and flood risk mitigation; public transport and road safety improvements; cycling strategy implementation; investment in active travel; Cardiff Crossrail and Castle Street.	50.7
Fleet	Waste vehicle and other fleet replacement	2.1
Public Housing	Disabled adaptations; estate regeneration; investment in existing stock condition; acquisition of land and existing dwellings from the private market; construction of new dwellings.	149.9
Other	Recycling and Waste Management; Energy projects including grant to Cardiff Heat Network; Shared Prosperity Fund, Bereavement asset renewal; ICT Refresh.	6.6
Total		**474.1**

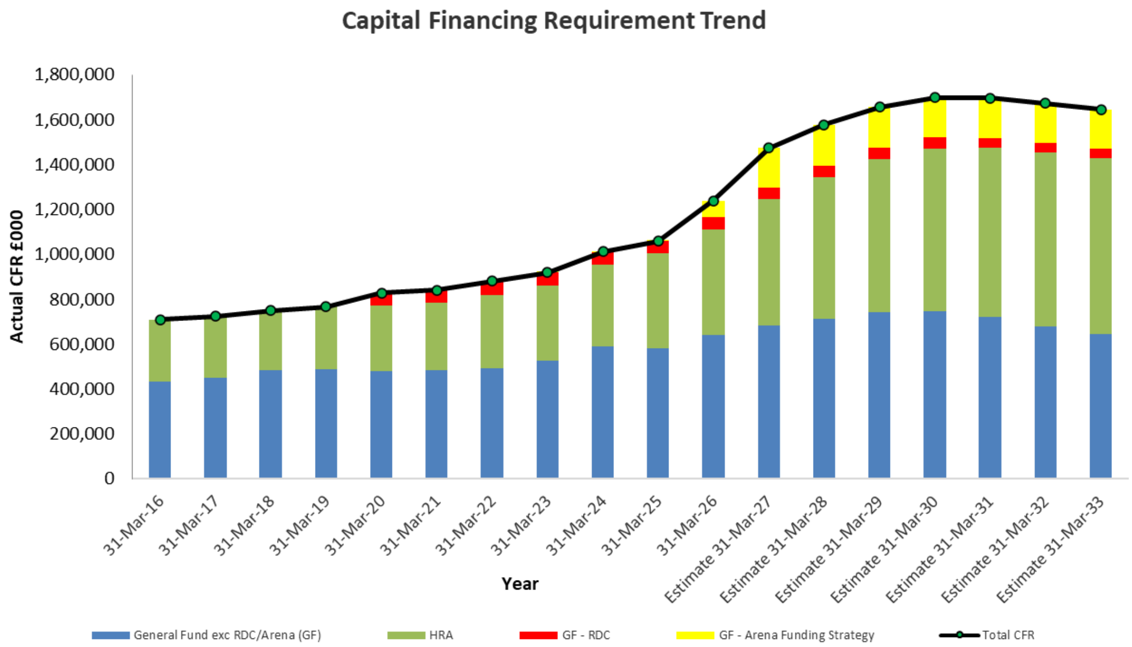
Capital spending must be paid for, and the table below highlights the various sources of capital funding for 2025/26. This includes grants from Welsh Government and other public bodies including the Major Repair Allowance and General Capital grant, capital receipts i.e. money from selling Council assets, external contributions from developers and the Council's own revenue budget or earmarked reserves previously put aside towards capital expenditure projects.

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

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

Funding Source	**2025/26 Actual**	**% of funding**
	£000	**%**
Welsh Government and other external grants	183,498	38.71
External Contributions	8,503	1.79
General Capital Funding (WG Grant)	16,996	3.59
Major Repair Allowance (WG Grant)	12,739	2.69
General Capital Funding - WG Supported Borrowing	9,363	1.97
Additional - Unsupported Borrowing	95,766	20.20
Invest to Save - Unsupported Borrowing	128,189	27.04
Revenue / Reserves	9,479	2.00
Capital Receipts	9,555	2.01
Total	**474,086**	

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



The CFR and associated financing costs, interest and repayment, of capital investment are to increase significantly in future years, with the Council's 2026/27 Capital and Treasury Management Strategies setting out a range of indicators for affordability, prudence and sustainability of the Council's capital investment plans. This includes creation of new Council owned affordable housing, indoor arena, investment in school buildings and investment in the City's infrastructure assets. Much of this investment is assumed to pay for itself over future years from future incidental income. Subject to the timing and delivery of those capital expenditure plans approved by the Council as part of its budget, the CFR is forecast to be approximately £1.7 billion at the end of the medium term plan, resulting in a need to borrow significant sums of money in future years. Each year, an amount deemed prudent is charged to our revenue budgets to reduce the CFR.

The Council is also continuing to develop several strategic projects, which, subject to approval of business cases, due diligence and affordability may be considered for approval as part of future iterations of the detailed investment programme. Unless funded by disposal of assets, revenue budgets or external grant, approval this will result in further increases in the Council's borrowing requirement. Where this is the case, the priority and timing of any implementation of such investment will need to be phased over periods where affordability, prudence and sustainability is more certain, given the risks identified in the Medium Term Financial Plan.

Financial Position

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

Property, Plant, Equipment and Other Non-Current Assets

The valuation of assets involves a number of assumptions; however, movements in asset valuations as well as any accounting charges such as depreciation have no impact on the council tax or rent payable, as they are required to be reversed from unusable reserves. Note 14 details movements in assets, capital expenditure and its financing:

- Capital receipts from the disposal of property assets and similar income for Cardiff Council was £11.564 million.
- As part of the Council's rolling programme, revaluations took place during the year for investment properties, surplus assets, Council Dwellings, operational land and buildings, including indexation in accordance with new accounting requirements, and the Council's art and civic regalia. Valuations are for technical accounting purposes only.
- The Charity Commission has issued guidance to local authorities where authorities undertake a role as Charity Trustees. This included the approach to managing the Trust, decision making, managing conflicts of interests, identifying assets and liabilities etc. A multi-disciplinary team of officers from the Council's Estates, Finance and Legal departments has been working on a review of the latter, which is under continuous review and requires additional due diligence to identify assets, approach to control and approach to costs and income. Many of building assets are historic and there is no clear information held regarding previous decision making which indicates under which capacity the previous Council were acting when the assets were provided. Following an internal governance review, the Council has only in recent years established a trusts committee for clearer separation of its roles to address this issue going forward.
- Monies spent on assets during the year are reflected in the note, with the Council's property asset management plan updates during the course of the year identifying likely future changes, particularly in respect to new schools developments, new affordable housing, a strategy for addressing maintenance and suitability issues in respect to Council offices, major development projects such as the new indoor arena and the approach to making Council buildings energy efficient.

Financial Assets and Liabilities

Treasury Investment and borrowing activities were undertaken in accordance with regulatory requirements and the Council's Treasury Management Strategy for 2025/26. Investments held by the Council for Treasury Management purposes were £67.920 million at 31 March 2026, represented by temporary cash balances deposited with financial institutions. The average rate of interest earned for the year was 4.17%.

The Council borrows money to manage its daily cash flows and to pay for capital expenditure. In accordance with the Treasury Management Strategy, borrowing is undertaken to manage the Capital Financing Requirement. The net change in actual external borrowing during the year was an increase of £167.619 million to £1.148 billion.

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

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

Provisions

The Council sets aside money for liabilities or losses which are likely to be incurred, but where the exact amount and timing of payment may be uncertain. This includes insurance claims received as well as for landfill aftercare. During 2025/26, total provisions reduced by £2.254 million to £34.172 million. Details of the movement of individual provisions are shown in note 21 of the accounts.

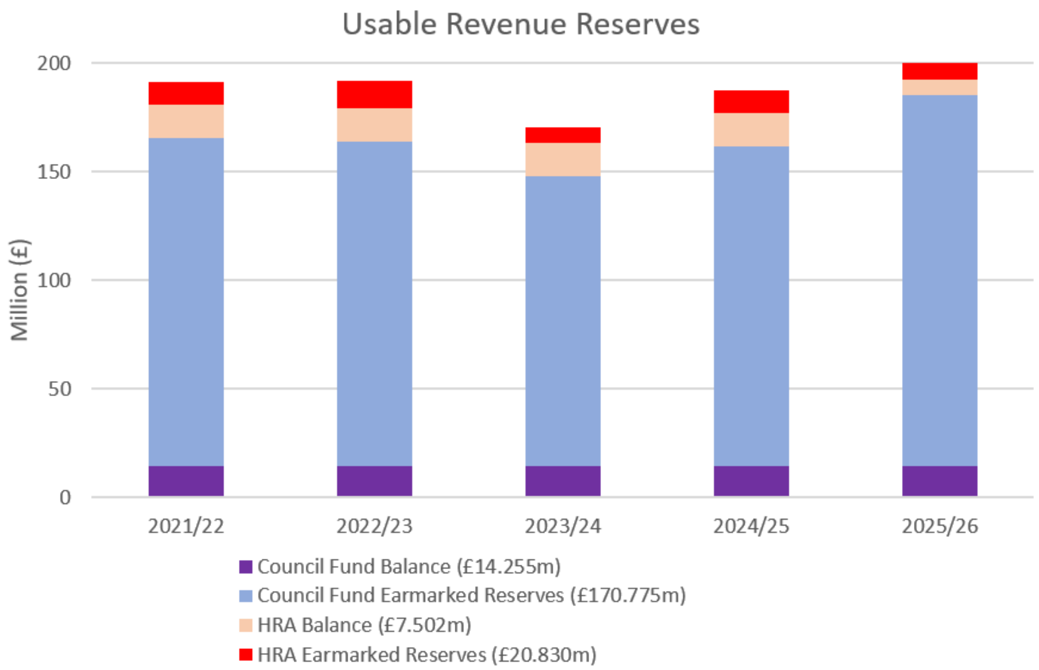
Pensions Liabilities

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

- The cost to the Council during the year towards pension liabilities is £62.200 million.
- The Council's future liability in respect of pension benefits payable, compared to assets held, is £25.360 million at 31 March 2026. This is based on the latest actuarial assumptions, resulting in a decrease of £50.810 million from 2024/25, with movements detailed in Note 13.2 - Table entitled Basis for estimating Assets and Liabilities.
- The Local Government Pension Scheme is revalued every three years, with the fund's assets at 31 March 2025 deemed to cover 111% of future liabilities. The next valuation will take place in the 2028/29 financial year.

Balances and Reserves

Balances and Reserves are sums of money put aside for specific policy purposes or for general contingencies and cash flow management. The use of reserves, creation of new reserves and assessment of their sufficiency also considers risks to financial resilience. The Council's overall level of earmarked reserves increased in the year to improve the Council's overall level of financial resilience. However, Schools Balances, which are the responsibility of each individual school, reduced. This increase is shown in the chart below along with the values for 31 March 2026. Earmarked revenue and other usable reserves are detailed in note 25 of the accounts whilst unusable reserves are shown in note 26.



Reserves are a one off resource and any use carefully prioritised to ensure that, this is in line with their intended purpose, they are either spent on areas of most impact or retained as a buffer against areas of highest risk.

Financial Statements

The Statement of Accounts are set out in this document, accompanied by a Statement of Responsibilities for the financial statements and the Audit Report. The single entity statements are also defined as including the income, expenditure, assets, liabilities, reserves and cash flows of the local authority-maintained schools in England and Wales within the control of the local authority.

The core statements are:

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

The supplementary statements are:

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

- Other statements for regulatory purposes include Trust Funds and Cardiff Harbour Authority.

Conclusions

Despite in year pressures, the Council was able to remain within its net revenue budget set for 2025/26 and increase its levels of reserves, however the future financial challenges cannot be met by efficiencies alone. Demand for all Council services continues to increase with significant inflationary impacts on the Council. These pressures represent a significant challenge to the Council's financial resilience and will require further changes in what we do and how we do it. A challenge which requires difficult choices to be made and a focus on working with our partners to deliver key priorities in order to remain financially sustainable and able to support the most vulnerable into the medium and longer term.

Under Section 114 of the Local Government Finance Act 1988, as the Council's Section 151 Officer I am required to make a formal report if it appears that the Authority's expenditure is likely to exceed the resources available to meet that expenditure. The Council has a statutory duty to set a balanced revenue budget and is mindful of the risk of not being able to meet this requirement. The challenges for Cardiff are similar to other local authorities, with specific additional pressures in respect of its Capital City status and related pressures including housing need, transport and demographic impacts on services. The Council is always mindful of the risk of not being able to meet the balanced budget requirement in this and future years and takes into account a number of factors in determining the risk of escalating any emergency actions required. Throughout 2025/26, I was assured the Council could maintain a balanced budget position, supported by robust in year budget monitoring and timely management action where financial pressures emerged. Considerations also included the level of current and forecasts for earmarked reserves; the 2026/27 budget process and continuous medium term financial planning processes; savings and efficiency proposals risk rated for achievability and impact; compliance with financial rules and governance requirements; affordability of investment plans and the increasing borrowing requirement having regard to indicators of affordability including within the ringfenced Housing Revenue Account.

Financial resilience is managed as part of wider risk management and reporting on external factors such as the economic environment in the UK and internationally, alongside close working with partners such as Welsh Government highlighting financial pressures and identifying solutions to key risks. These arrangements, together with established governance and escalation processes through senior officers and members, ensured that the Council's financial position was kept under continual review, including consideration of whether the statutory conditions for issuing a Section 114 report were met. On this basis, as the Section 151 Officer I have concluded that those conditions did not arise during the year and no Section 114 notice was issued in 2025/26.

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

Christopher Lee

Corporate Director Resources and Section 151 Officer

Statement of Responsibilities for the Financial Statements

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The Council's responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In 2025/26 that officer was Christopher Lee, Corporate Director Resources who holds the statutory post of Section 151 Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the statement of accounts.

Councillor Michael Michael **Date:**
Lord Mayor

The Corporate Director Resources responsibilities

The Corporate Director Resources is responsible for the preparation of the Council's financial statements in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code).

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

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

The Corporate Director Resources has also:

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

The Corporate Director Resources Certificate

The financial statements for the Council give a true and fair view of its income and expenditure for the financial year 2025/26 and financial position of the Council at 31 March 2026.

Christopher Lee **Date:** 30-Jun-26
Corporate Director Resources

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

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Accounting Policies, Critical Judgements and Assumptions

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Accounting policies used when formulating the accounts

The Statement of Accounts summarises the Council's income and expenditure for the year ended 31 March 2026 and its financial position at that date. The accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code).

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

Accounting Standards issued but not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The following standards have been issued but are not expected to have an impact on the future financial statements:

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

1. Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract

- supplies are recorded as expenditure when they are consumed

- services received are recorded as expenditure when the services are received, rather than when the payments are made

- there is a de minimis threshold of £500, under which income and expenditure may not be accrued

- interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract

- where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debtors are not considered to be collectable the balance is reduced by a provision for doubtful debt.

2. *Assets Held for Sale*

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

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

The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where this results in a loss, this is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale. An annual review is undertaken as to whether assets still meet the criteria for Assets Held for Sale and where this is not the case they are reclassified and revalued in accordance with the appropriate class.

3. *Cash and Cash Equivalents*

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

4. *Contingent Assets and Liabilities*

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

5. *Deferred Liabilities*

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

6. *Disposals and Capital Receipts*

When assets are disposed of or decommissioned, the value of those assets included in the Balance Sheet along with any proceeds from disposal are used to calculate a gain or loss on disposal.
Disposals greater than £10,000 are treated as capital receipts and are credited to the Capital Receipts Reserve.

7. Employee Benefits

Benefits Payable during Employment

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

Termination Benefits

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

Post-Employment Benefits

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

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

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

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

Defined Contribution Schemes

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

Defined Benefit Schemes

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

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

- property – market value.

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

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

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

8. Financial Assets

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

There are three main classes of financial assets measured at:

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

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

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

Financial Assets Measured at Amortised Cost

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

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

Expected Credit Loss Model

Impairment losses are calculated to reflect the expectation that future cash flows might not take place because the borrower could default on their obligations. Such a review would take place on an individual financial asset or collective basis, based on materiality and cost benefit of individual assessment.
The Council undertakes a review of expected credit losses on all financial assets held at amortised cost either on a 12-month or lifetime basis. Where provision for such losses is not already undertaken e.g. as part of a provision for bad debts, adjustments to the value of financial assets disclosed in the accounts would be made. Credit risk plays a crucial part in assessing expected credit loss. Where risk has increased significantly since a financial asset was initially recognised, provisions for losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, provisions for losses are assessed on the basis of 12-month expected loss.

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

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

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

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

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

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

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

Fair Value Measurement of Financial Assets

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

- instruments with quoted market prices – the market price

- other instruments with fixed and determinable payments – discounted cash flow analysis

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

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

9. Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. They are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. Interest that is due but is unpaid at the end of the year is recognised in the Balance Sheet as a current liability.

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

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

10. Grants and Contributions

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

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

Revenue

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

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

Capital

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

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

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

11. Heritage Assets

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

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

The unique nature of heritage assets makes reliable valuations complex. These difficulties are recognised by the Code and therefore many individual assets are not recorded in the accounts, but additional narrative disclosures are made about the nature and scale of such assets within the notes to the accounts. A valuation is undertaken every 3 years by an external expert for insurance purposes. A valuation of paintings, artefacts, civic regalia took place during 2025/26.

12. Intangible Non-Current Assets

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

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

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

13. Interest Costs of Borrowing

Interest costs of borrowing are charged to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement in the financial year in which they were incurred. This will continue for non-qualifying assets, however this is to be supplemented to capitalise borrowing interest costs for qualifying assets, the latter of which is defined below:

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

Capitalisation of interest costs will cease when all the activities necessary to prepare the qualifying asset for its intended use are complete. This policy recognises that some items of property, plant and equipment take a substantial period of time to construct, acquire or produce the asset for their intended use.

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

14. Interests in Companies and Other Entities

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

15. Inventories

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

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

16. Investment Property

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

Investment properties are measured at fair value, based on the market value that would be received to sell an asset in an orderly transaction between market participants at the measurement date, reflecting the asset's highest and best use. A valuation is completed every year, the most recent of which was undertaken by Jones Lang LaSalle in 2025/26.

Investment properties are not depreciated. Gains and losses on revaluation and disposal in addition to rentals received are posted to the Financing and Investment Income and Expenditure line in the

Comprehensive Income and Expenditure Statement. However, revaluation and disposal gains and losses are not permitted to have an impact on the Council Fund Balance and are therefore reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

17. Joint Committees

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

18. Leases

The Council as Lessee

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

Initial Measurement

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

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

Subsequent Measurement

The right-of-use asset is subsequently measured using the fair value model. For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The Council as Lessor

Finance Leases
The Council does not recognise any leases of this type.

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

19. Local Authority Maintained Schools

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

20. Property, Plant, Equipment

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

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

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

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

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

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

Asset Type	Measurement	Valuation Frequency	Last Full Valuation	Surveyor for Last Valuation	Next Full Valuation	Depreciation*
Assets under Construction	Depreciated Historical Cost	n/a	n/a	n/a	n/a	n/a
Community Assets	Depreciated Historical Cost	n/a	n/a	n/a	n/a	n/a
Council Dwellings	Existing Use Value for Social Housing	Annually	2025/26	Savills	2026/27	Land: n/a Buildings: 50 years
Infrastructure	Depreciated Historical Cost	n/a	n/a	n/a	n/a	10-120 years**
Other Operational Land & Buildings	Existing Use Value or Depreciated Replacement Cost if specialist nature without market-based evidence	Every 5 years Indexation of buildings only in between	2024/25	Cooke & Arkwright	2029/30	Land: n/a Buildings: 1-83 years
School Assets	Detailed Depreciated Replacement Cost (Modern Equivalent Asset)	Every 5 years Indexation in between	2024/25	Cooke & Arkwright	2027/28	Land: n/a Buildings: 1-50 years
Surplus Assets	Fair Value	Every 5 years Indexation in between	2025/26	Jones Lang LaSalle	2030/31	n/a
Vehicles, Plant, Furniture & Equipment	Depreciated Historical Cost	n/a	n/a	n/a	n/a	5-20 years

***** Calculated on a straight-line basis over the below estimated useful lives, unless there is not a determinable finite useful life.
****** Included within Infrastructure is the Cardiff Bay Barrage, which is being depreciated over the design life of 120 years.

Revaluations

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

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

- undertaking an annual impairment review of property with the Council's in-house valuation team to identify significant changes
- having an agreed rolling revaluation programme which exceeds the minimum five year cycle set out in CIPFA Guidance for revaluations, where the Council deems this is appropriate. This may be where

it is deemed asset classes have significant in year expenditure or change and also to ensure a sustainable and manageable professional valuation cycle.

- In the interim years between full valuations of specific asset classes, asset values are supported through indexation adjustments for assets that are not formally revalued. In addition, the Council may undertake sample valuations within an asset class to assess whether prevailing economic or market conditions have had a material impact on reported asset values.

It should be noted that revaluation movements are an accounting exercise only and do not impact on the financial performance of the Council, including where such assets are continued to be intended to be held for service delivery purposes.

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

Indexation

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, authorities revalue their assets every five years with annual indexation applied to assets during the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

Full revaluations are carried out in accordance with RICS Red Book requirements, while indexation reflects market-based movements applied in intervening periods. Although the valuation approaches differ, both are treated equally for accounting purposes under the revaluation model.

The following table indicates the Asset Types to which indexation is applied, in line with the CIPFA Code, whether indexation is applied in 2025/26, or allowable exemptions have been applied.

Asset Type	Index Deemed Appropriate or Exemptions applied?	Applied 2025/26 (Y/N)?	Applied in future years?	Indexation Movement in 2025/26	Next Full Valuation
Operational Land	No index deemed appropriate	N	N	0%	Desktop 2027/28
Operational Buildings – DRC	Building Cost Information Service (BCIS) All in Tender Price Index (TPI). Q1 2025 (399) to Q1 2026 (410)	Y	Y	2.8%	2029/20
Operational Buildings - EUV Office	MSCI UK Property Index – All Office*	Y	Y	(2.7%)	2029/30
Operational Buildings - EUV All other property	MSCI UK Property Index – All Property*	Y	Y	0.8%	2029/30
Vehicles, Plant, Furniture and Equipment	Elect to retain at Historic Cost due to short life and low value	N	N	n/a	n/a

Asset Type	Index Deemed Appropriate or Exemptions applied?	Applied 2025/26 (Y/N)?	Applied in future years?	Indexation Movement in 2025/26	Next Full Valuation
Surplus Assets	MSCI UK Property Index – All Property	N	Y	0%	2030/31

* MSCI UK Property Index

		All Property	All Office
Period		**Capital Value Growth % change YTD**	**Capital Value Growth % change YTD**
01 Jan 25 – 31 Dec 25		1.34	(2.26)
01 Jan 25 – 31 Mar 25	Less	0.59	(0.20)
01 Jan 26 – 31 Jan 26	Add	0.06	(0.61)
Estimate 01 Apr 25 – 31 Mar 26		0.81	(2.67)
Index % uplift to Apply		**0.80**	**(2.70)**

Indexation is applied to current value balances. In any year where operational land and building assets within the categories listed below are not subject to full a quinquennial valuation. indexation will be applied as follows:

• For Operational Land and Building assets existing at the start of the year, the relevant index will be applied to the closing net book valuation of the asset as well as in year capital expenditure.

• For Operational Land and Building assets newly created or acquired during the year, indexation will be applied using the relevant index in the following year.

Indexation is calculated prior to Depreciation. Depreciation is the Elimination Method where the Accumulated depreciation is eliminated against the Gross carrying amount.

Impairment and Downward Revaluation

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

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

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

Component Accounting

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

These factors are:

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

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

21. Provisions

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

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

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

23. Reserves

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

24. Presentation

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

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

25. Value Added Tax (VAT)

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

Critical Judgements and Assumptions

Critical judgements in applying accounting policies

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

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

Assumptions made about the future and other sources of estimation uncertainty

The Statement of Accounts contains figures that are based on assumptions or estimates about the future or that are otherwise uncertain. Whilst these take into account historical experience, current trends, professional guidance and other relevant factors, actual results could be different. The main items in the Council's Balance Sheet at 31 March 2026 for which there is a risk of adjustment in future financial years are:

Item	Uncertainty	Effect if Actual Results Differ from Assumptions
Valuation, where required of Property, Plant and Equipment assets, Heritage assets and Investment properties	Valuation of property interests involves assessment of a number of variables such as market conditions, useful life, cost of reconstruction, assessment of condition, use of discount factors for social housing etc. Valuations are undertaken by qualified Chartered Surveyors, or experts in the relevant field, in accordance with the Practice Statements and Guidance notes set out in the Royal Institution of Chartered Surveyors (RICS) Valuation Standards (The Red Book) and any other relevant guidance. The Council's approach to undertaking valuations on a more frequent basis than the minimum 5-year period required by the CIPFA Code, where deemed beneficial, ensures that changes in all variables impacting on a valuation are captured in that next full and professional valuation Whilst indexation is applied in the intervening years to capture market based movements, a full valuation may result in more significant changes. Industry indices are where deemed relevant to Cardiff Council and the relevant asset types. Building Cost Information Service (BCIS) All in Tender Price Index (TPI) is used for Operational land and Building assets valued at Depreciated Replacement Cost. The MSCI Property indices are used for Operational land and Building assets valued at Existing Use Value. The indices include data from across the UK and may not be specific to Cardiff.	Any changes to valuations and any associated depreciation charges to services for non-current assets are required to be reversed out in the accounts, so this will not have an impact on Council Tax or rents in the year of full revaluation or indexation.
Financial Instrument assets	These are reviewed annually for significant impairment using data such as historic risk of default and other reviews of recoverability. For financial assets not quoted on a recognised exchange or where it is difficult to provide accounting valuations e.g. valuations of the Council's shareholding in Cardiff City Transport Services Ltd. The fair value is deemed to be Net Worth.	Any change in the fair value of Cardiff City Transport Services Ltd has no impact on the level of Council Tax as changes are reflected by a corresponding amendment in the Financial Instrument Revaluation Reserve.

Item	Uncertainty	Effect if Actual Results Differ from Assumptions
Provisions	The Council makes a number of provisions for liabilities that it may face where a reasonable estimate of value can be made at the balance sheet date. In most cases these are subject to legal claims, such as those for insurance. Provisions relating to landfill sites are subject to a high level of estimation primarily given the length of period over which they are to be considered. Professional internal and external advice is used to determine the need and value of provisions.	The outcomes of assumptions will have an impact on the Outturn in future years, however due to the uncertain nature of these events, are difficult to quantify.
Arrears	The Authority is owed for items such as sundry debtors, Council Tax, Non-Domestic Rates (NDR) and rents. After taking into account trends in past collection experience and other relevant changes which may impact on collectability, a level of impairment or provision for expected credit losses is assumed. It is not certain however that this impairment allowance would be sufficient as the Council cannot assess with certainty which debts will be collected or not. The current economic situation has made the estimation of debt impairment more difficult as there is more uncertainty about the economic viability of debtors and hence their ability to settle their debts which may or may not be sufficient.	Improvements in collection will improve the reported net cost of services position, however where customers are finding it difficult to pay this will require increases in the level of provisions currently set aside.
Pensions Liability	Estimation of the net asset or liability to pay pensions depends on a number of complex judgements relating to the discount rate used, inflation, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. This also includes market volatility caused by geo-political and macro-economic factors. Professional actuaries , AON , are engaged to provide the Council with expert advice about the assumptions to be applied.	It is difficult to measure the effects on the net pension asset or liability of changes in individual assumptions, as they can result in multiple variations to the figure. A sensitivity analysis is provided in Note 13.

Core Financial Statements and Notes to the Financial Statements

CRYFACH
TECACH
GWYRDDACH

STRONGER
FAIRER
GREENER

The Statement records all the Council's revenue income and expenditure for the year. Expenditure represents a combination of statutory duties and discretionary spend focused on local priorities and needs. The CIPFA Code of Local Authority Accounting regulates how expenditure and income relating to services is classified in the CIES.

2024/25					2025/26		
Gross Expenditure	Gross Income	Net Expenditure		Note	Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000			£000	£000	£000
5,558	(1,103)	**4,455**	Corporate Management		12,073	(2,852)	**9,221**
94,775	(36,013)	**58,762**	Economic Development		100,667	(48,473)	**52,194**
545,346	(121,624)	**423,722**	Education & Lifelong Learning		549,690	(120,011)	**429,679**
10,571	(2,793)	**7,778**	Governance & Legal Services		9,805	(1,897)	**7,908**
9,229	(7,244)	**1,985**	Harbour Authority		9,621	(7,949)	**1,672**
226,491	(179,064)	**47,427**	Housing & Communities		203,663	(151,083)	**52,580**
135,897	(113,269)	**22,628**	Housing Revenue Account		186,283	(123,101)	**63,182**
19,010	(16,161)	**2,849**	Performance & Partnerships		15,799	(13,166)	**2,633**
79,022	(50,030)	**28,992**	Planning, Transport & Environment		80,393	(55,492)	**24,901**
42,068	(21,479)	**20,589**	Resources		35,295	(17,521)	**17,774**
218,340	(54,585)	**163,755**	Social Services - Adults		236,896	(64,766)	**172,130**
135,595	(31,261)	**104,334**	Social Services - Children's		143,292	(37,552)	**105,740**
534	(19,149)	**(18,615)**	Summary Revenue Account		1,020	(7,527)	**(6,507)**
6,296	(1,559)	**4,737**	SEWCJC		5,291	(2,170)	**3,121**
1,528,732	**(655,334)**	**873,398**	**Net Cost of Services**		**1,589,788**	**(653,560)**	**936,228**
53,384	0	**53,384**	Police & Crime Commissioner for South Wales	3	58,157	0	**58,157**
569	0	**569**	Community Council Precepts		612	0	**612**
23,468	0	**23,468**	Levies & Contributions		25,256	0	**25,256**
2,119	(4,806)	**(2,687)**	(Gain)/loss on sale of non-current assets		3,131	(9,158)	**(6,027)**
79,540	**(4,806)**	**74,734**	**Other Operating Expenditure**		**87,156**	**(9,158)**	**77,998**
37,653	0	**37,653**	Interest Payable on debt	15	42,582	0	**42,582**
1,076	0	**1,076**	Interest on net defined benefit liability/(asset)	13	2,664	0	**2,664**
0	(6,615)	**(6,615)**	Interest & Investment Income	15	0	(6,895)	**(6,895)**
368	0	**368**	Interest expense on Leases		298	0	**298**
17,426	(14,199)	**3,227**	Income & Expenditure in relation to Investment Properties and changes in their fair value	14	17,198	(12,216)	**4,982**
1,073	(6,126)	**(5,053)**	Movement in Financial Instruments		1,030	0	**1,030**
57,596	**(26,940)**	**30,656**	**Financing & Investment Income & Expenditure**		**63,772**	**(19,111)**	**44,661**
0	(206,267)	**(206,267)**	Recognised Capital Grants & Contributions	24	0	(223,235)	**(223,235)**

2024/25					2025/26		
Gross Expenditure	**Gross Income**	**Net Expenditure**		**Note**	**Gross Expenditure**	**Gross Income**	**Net Expenditure**
£000	**£000**	**£000**			**£000**	**£000**	**£000**
0	(488,634)	**(488,634)**	Revenue Support Grant		0	(537,485)	**(537,485)**
0	(134,524)	**(134,524)**	Non-Domestic Rates	6	0	(137,400)	**(137,400)**
4,748	(286,464)	**(281,716)**	Council Tax Income	5	6,130	(305,707)	**(299,577)**
92	0	**92**	Donated Inventories	26	172	0	**172**
0	(7,148)	**(7,148)**	Gain on Peppercorn Lease		0	0	**0**
85	0	**85**	Corporation Tax (SEWCJC)		72	0	**72**
0	(2,209)	**(2,209)**	Revenue Grants (SEWCJC)		0	(1,507)	**(1,507)**
4,925	**(1,125,246)**	**(1,120,321)**	**Taxation & Non-Specific Grant Income**		**6,374**	**(1,205,334)**	**(1,198,960)**
1,670,793	**(1,812,326)**	**(141,533)**	**(Surplus)/Deficit on Provision of Services**		**1,747,090**	**(1,887,163)**	**(140,073)**
		(29,207)	(Surplus)/Deficit on revaluation of non current assets	26			**(25,911)**
		(1,135)	(Surplus)/Deficit on Financial Instrument Revaluation Reserve				**(690)**
		31,774	Remeasurement of the net defined benefit liability/(asset)	13			**(32,297)**
		1,432	**Other Comprehensive Income & Expenditure**				**(58,898)**
		(140,101)	**Comprehensive Income & Expenditure (Surplus)/Deficit**				**(198,971)**

The 2024/25 breakdown of the Net Cost of Services has been amended to take account of the changes in structure in 2025/26

The statement is a summary of the changes to the Council's reserves over the course of the year. Reserves are divided into "usable", which can be invested in capital projects or service improvements, and "unusable" which must be set aside for specific legal or accounting purposes.

	Council Fund Balance	Council Fund Earmarked Reserves	Joint Committee Reserve	HRA Balance	HRA Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2024 carried forward	**14,255**	**133,371**	**113**	**15,502**	**7,219**	**11,712**	**4,972**	**187,144**	**1,431,858**	**1,619,002**
Movement in Reserves during 2024/25										
Surplus/(deficit) on the provision of Services	103,641	0	10,201	27,691	0	0	0	**141,533**	0	**141,533**
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	**0**	(1,432)	**(1,432)**
Total Comprehensive Income and Expenditure	**103,641**	**0**	**10,201**	**27,691**	**0**	**0**	**0**	**141,533**	**(1,432)**	**140,101**
Adjustments between accounting basis & funding basis under regulations (note 1)	(90,858)	0	(7,671)	(24,827)	0	(2,675)	(2,274)	**(128,305)**	128,305	**0**
Net Increase/(Decrease) before Transfers to/(from) Earmarked Reserves	**12,783**	**0**	**2,530**	**2,864**	**0**	**(2,675)**	**(2,274)**	**13,228**	**126,873**	**140,101**
Transfers to/(from) Earmarked Reserves	(12,783)	12,783	(1,296)	(2,864)	2,864	0	0	**(1,296)**	1,296	**0**
Increase/(Decrease) in 2024/25	**0**	**12,783**	**1,234**	**0**	**2,864**	**(2,675)**	**(2,274)**	**11,932**	**128,169**	**140,101**
Balance at 31 March 2025 carried forward	**14,255**	**146,154**	**1,347**	**15,502**	**10,083**	**9,037**	**2,698**	**199,076**	**1,560,027**	**1,759,103**
Movement in Reserves during 2025/26										
Surplus/(deficit) on the provision of Services	124,714	0	12,464	2,895	0	0	0	**140,073**	0	**140,073**
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	**0**	58,898	**58,898**
Total Comprehensive Income and Expenditure	**124,714**	**0**	**12,464**	**2,895**	**0**	**0**	**0**	**140,073**	**58,898**	**198,971**
Adjustments between accounting basis & funding basis under regulations (note 1)	(101,971)	0	(12,769)	(148)	0	(1,150)	(1,587)	**(117,625)**	117,625	**0**
Net Increase/(Decrease) before Transfers to/(from) Earmarked Reserves	**22,743**	**0**	**(305)**	**2,747**	**0**	**(1,150)**	**(1,587)**	**22,448**	**176,523**	**198,971**
Transfers to/(from) Earmarked Reserves (note 25)	(22,752)	22,752	0	(10,747)	10,747	0	0	**0**	0	**0**
Other transfers to reserves including SEWCJC transfers to reserves & adjustments	9	6	821	0	0	1,713	0	**2,549**	(3,477)	**(928)**

	Council Fund Balance	Council Fund Earmarked Reserves	Joint Committee Reserve	HRA Balance	HRA Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Increase/(Decrease) in 2025/26	**0**	**22,758**	**516**	**(8,000)**	**10,747**	**563**	**(1,587)**	**24,997**	**173,046**	**198,043**
Balance at 31 March 2026 carried forward	**14,255**	**168,912**	**1,863**	**7,502**	**20,830**	**9,600**	**1,111**	**224,073**	**1,733,073**	**1,957,146**

This statement is a summary of the Council's assets, liabilities, cash balances and reserves at the year-end date.

31 March 2025 £000		Note	31 March 2026 £000
2,457,101	Property, Plant & Equipment incl Infrastructure Assets	14	2,743,336
68,355	Heritage Assets		72,217
158,419	Investment Properties		147,310
877	Intangible assets		709
35,793	Long-term Investments	15	36,891
26,781	Long-term Debtors		29,427
2,747,326	**Total Long-Term Assets**		**3,029,890**
16,020	Short-term Investments	15	10,611
450	Assets Held for Sale	16	0
2,514	Inventories		2,859
272,773	Short-term Debtors	17	267,847
45,229	Cash and Cash Equivalents	18	93,033
336,986	**Total Current Assets**		**374,350**
(47,543)	Short-term Borrowing	15	(67,244)
(153,444)	Short-term Creditors	19	(161,415)
(2,710)	Current Lease Liabilities		(2,549)
(1,202)	Pension Strain	22	(2,992)
(2,943)	Provisions	21	(3,624)
(1,889)	Deferred Liabilities	23	(1,950)
(209,731)	**Total Current Liabilities**		**(239,774)**
(933,637)	Long-term Borrowing	15	(1,084,113)
(33,483)	Provisions	21	(30,548)
(11,053)	Deferred Liabilities	23	(9,993)
(6,440)	Revenue Grants Receipts in Advance	24	(6,771)
(4,009)	Capital Grants Receipts in Advance		(6,471)
(41,896)	Capital Contributions Receipts in Advance		(39,160)
(3,377)	Non Current Lease Liabilities		(3,577)
(4,241)	Pension Strain	22	(1,130)
(77,342)	Net Pensions Liability	13	(25,557)
(1,115,478)	**Total Long-Term Liabilities**		**(1,207,320)**
1,759,103	**NET ASSETS**		**1,957,146**
	Financed by:		
14,255	Council Fund Balance	25	14,255
147,501	Council Fund Earmarked Reserves		170,775
15,502	Housing Revenue Account Balance		7,502
10,083	Housing Revenue Account Earmarked Reserves		20,830
9,037	Capital Receipts Reserve		9,600
2,698	Capital Grants Unapplied		1,111
199,076	**Total Usable Reserves**		**224,073**
430,063	Revaluation Reserve	26	452,745
1,202,374	Capital Adjustment Account		1,295,088
0	Deferred Capital Receipts		0

31 March 2025 £000		Note	31 March 2026 £000
23,949	Financial Instruments Revaluation Reserve		25,161
(82,165)	Pensions Reserve		(29,679)
(17,578)	Accumulated Absences Adjustment Account		(13,879)
221	Donated Inventories Account		49
3,163	Group Companies Reserve (SEWCJC)		3,588
1,560,027	**Total Unusable Reserves**		**1,733,073**
1,759,103	**TOTAL RESERVES**		**1,957,146**

This statement shows the reason for changes in the Council's cash balances during the year, and whether that change is due to operating activities, new investment, or financing activities (such as repayment of borrowing and other long-term liabilities.

2024/25 £000		Note	2025/26 £000
(141,533)	Net (surplus)/deficit on the provision of services		(140,073)
(77,237)	Adjustments to net (surplus)/deficit on the provision of services for non-cash movements	28	(175,833)
216,445	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities*		226,983
(2,325)	**Net cash flows from operating activities**		**(88,923)**
303,641	Purchase of property, plant and equipment, investment property and intangible assets		462,509
639,440	Purchase of short-term and long-term Investments		1,062,682
10,411	Other investing activities		903
(5,071)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets		(9,157)
(639,440)	Proceeds from short-term and long-term investments		(1,062,682)
(165,546)	Capital Grants and Contributions		(249,703)
143,435	**Net cash flows from investing activities**		**204,552**
(103,095)	Cash receipts from short-term and long-term borrowing		(233,965)
2,571	Other financing activities		1,287
13,490	Repayments of short-term and long-term borrowing		69,244
(87,034)	**Net cash flows from financing activities**		**(163,434)**
54,076	**Net (increase)/decrease in cash and cash equivalents**		**(47,805)**
99,304	Cash and cash equivalents at the beginning of the reporting period		45,228
45,228	**Cash and cash equivalents at the end of the reporting period**	18	**93,033**

Notes to the Financial Statements

1. Adjustments between Accounting Basis and Funding Basis under Regulation

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

Usable Reserves 2024/25					Movement in Unusable Reserves		Usable Reserves 2025/26					Movement in Unusable Reserves
Council Fund Balance	Joint Committee Reserve	Housing Revenue Account	Capital Receipts Reserves	Unapplied Capital Grants		Adjustments between Accounting and Funding Basis	Council Fund Balance	Joint Committee Reserve	Housing Revenue Account	Capital Receipts Reserves	Unapplied Capital Grants	
£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000
						Adjustments to Revenue Resources						
						Amounts by which the income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements						
(2,930)	0	(510)	0	0	3,440	Pension costs (transferred to/from the Pensions Reserve)	(17,780)	62	(2,347)	0	0	20,065
4,996	0	128	0	0	(5,124)	Officer remuneration (transferred to the accumulated absence Reserve)	(3,715)	1	14	0	0	3,700
44,562	0	23,467	0	0	(68,029)	Charges for depreciation and impairment of Non-Current Assets	62,415	182	15,627	0	0	(78,224)
68,297	0	35,550	0	0	(103,847)	Revaluation losses of Non-Current Assets	39,051	0	88,646	0	0	(127,697)
(24,609)	0	(794)	0	0	25,403	Reverse previous impairment on revaluation	(11,566)	0	(1,509)	0	0	13,075
276	0	0	0	0	(276)	Amortisation of Intangible Assets	216	0	0	0	0	(216)
8,481	0	492	0	0	(8,973)	Movements in the market value of Investment Properties	10,340	0	0	0	0	(10,340)
0	0	0	0	0	0	Movement in the value of Assets Held for Sale	0	0	0	0	0	0
(127,716)	(12,035)	(66,516)	0	0	206,267	Capital grants and contributions applied	(132,578)	(13,094)	(77,563)	0	0	223,235
2,274	0	0	0	(2,274)	0	Capital grants unapplied drawdown	1,587	0	0	0	(1,587)	0

Usable Reserves 2024/25						Adjustments between Accounting and Funding Basis	Usable Reserves 2025/26					
Council Fund Balance	Joint Committee Reserve	Housing Revenue Account	Capital Receipts Reserves	Unapplied Capital Grants	Movement in Unusable Reserves		Council Fund Balance	Joint Committee Reserve	Housing Revenue Account	Capital Receipts Reserves	Unapplied Capital Grants	Movement in Unusable Reserves
£000	**£000**	**£000**	**£000**	**£000**	**£000**		**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
1,420	0	41	0	0	(1,461)	Revenue expenditure funded from capital under statute	1,401	0	0	0	0	(1,401)
(7,148)	0	0	0	0	7,148	Gain on Peppercorn Lease	0	0	0	0	0	0
92	0	0	0	0	(92)	Transfer to Donated Inventories	172	0	0	0	0	(172)
(5,051)	0	0	0	0	5,051	Movement of Financial Instruments	1,029	0	0	0	0	(1,029)
(2,507)	0	(420)	4,806	0	(1,879)	Amount of Non-Current Assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	809	0	(6,835)	9,157	0	(3,131)
(39,563)	**(12,035)**	**(8,562)**	**4,806**	**(2,274)**	**57,628**	**Total adjustments to Revenue Resources**	**(48,619)**	**(12,849)**	**16,033**	**9,157**	**(1,587)**	**37,865**
						Adjustments between Revenue and Capital Resources						
(40,626)	0	(14,865)	0	0	55,491	Statutory provision for the financing of capital investment	(43,708)	0	(16,181)	0	0	59,889
(10,487)	0	(1,400)	0	0	11,887	Capital expenditure charged against the Council Fund and HRA balances	(9,479)	0	0	0	0	9,479
0	0	0	0	0	0	Credit for disposal costs that qualify to be met from the resulting capital receipts	0	0	0	0	0	0
0	0	0	0	0	0	Capital receipts set aside for the repayment of debt and reduction in Loan debtors	0	0	0	(917)	0	917
(51,113)	**0**	**(16,265)**	**0**	**0**	**67,378**	**Total adjustments between Revenue and Capital resources**	**(53,187)**	**0**	**(16,181)**	**(917)**	**0**	**70,285**
						Adjustments to Capital resources						
(182)	0	0	182	0	0	Transfers to the Capital Receipts Reserve upon receipt of cash	(165)	0	0	165	0	0
0	0	0	66	0	(66)	Transfers to /from the Deferred Capital Receipts Reserve in relation to gain/loss on disposal	0	0	0	0	0	0
0	0	0	(8,898)	0	8,898	Use of the Capital Receipts Reserves to finance new capital expenditure	0	0	0	(9,555)	0	9,555

Usable Reserves 2024/25					Movement in Unusable Reserves		Usable Reserves 2025/26					Movement in Unusable Reserves
Council Fund Balance	Joint Committee Reserve	Housing Revenue Account	Capital Receipts Reserves	Unapplied Capital Grants		Adjustments between Accounting and Funding Basis	Council Fund Balance	Joint Committee Reserve	Housing Revenue Account	Capital Receipts Reserves	Unapplied Capital Grants	
£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000
(182)	0	0	(8,650)	0	8,832	Total adjustments to Capital resources	(165)	0	0	(9,390)	0	9,555
0	4,364	0	1,169	0	(5,533)	SEWCJC Adjustments	0	80	0	0	0	(80)
(90,858)	(7,671)	(24,827)	(2,675)	(2,274)	128,305	Total adjustments	(101,971)	(12,769)	(148)	(1,150)	(1,587)	117,625

2. *Expenditure and Funding Analysis*

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

2024/25			Directorate	2025/26		
Net Expenditure Charged to CF and HRA	Adjustments between accounting & funding basis	Net expenditure CIES		Net Expenditure Charged to CF and HRA (outturn)	Adjustments between accounting & funding basis (see note 2.1)	Net expenditure CIES (Net Cost of Services)
£000	£000	£000		£000	£000	£000
33,661	(29,207)	4,454	Corporate Management	36,444	(27,223)	9,221
54,914	3,848	58,762	Economic Development	55,310	(3,116)	52,194
367,466	56,256	423,722	Education & Lifelong Learning	395,086	34,593	429,679
7,769	9	7,778	Governance & Legal Services	8,031	(123)	7,908
0	1,985	1,985	Harbour Authority	0	1,672	1,672
48,964	(1,583)	47,427	Housing & Communities	56,744	(4,164)	52,580
0	22,628	22,628	Housing Revenue Account	0	63,182	63,182
2,926	(77)	2,849	Performance & Partnerships	2,845	(212)	2,633
8,470	20,524	28,992	Planning Transport & Environment	8,170	16,731	24,901
17,873	2,844	20,588	Resources	20,070	(2,296)	17,774
164,169	(498)	163,756	Social Services - Adults	175,767	(3,637)	172,130
103,059	1,275	104,334	Social Services - Children's	108,625	(2,885)	105,740
40,012	(58,626)	(18,614)	Summary Revenue Account	47,853	(54,360)	(6,507)
6,015	(1,279)	4,737	SEWCJC	3,121	0	3,121
855,298	18,099	873,398	Net Cost of Services	918,066	18,162	936,228
(812,940)	(201,991)	(1,014,931)	Other income and expenditure	(855,887)	(220,414)	(1,076,301)
42,358	**(183,892)**	**(141,533)**	**(Surplus)/Deficit on Provision of Services**	**62,179**	**(202,252)**	**(140,073)**
	Council Fund	**HRA Balance**			**Council Fund**	**HRA Balance**
	(14,255)	**(15,502)**	**Opening Balance as at 1 April**		**(14,225)**	**(15,502)**
	0	0	Surplus/(Deficit)		0	8,000
	(14,255)	**(15,502)**	**Closing Balance as at 31 March**		**(14,225)**	**(7,502)**

The 2024/25 breakdown of the Net Cost of Services has been amended to take account of the changes in structure in 2025/26

2.1 Note to the Expenditure and Funding Analysis

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

2024/25				Directorate	2025/26			
Adjustments for capital purposes (a)	Net change for Pensions Adjustments (b)	Other Adjustments (c)	Total Adjustments		Adjustments for capital purposes (a)	Net change for Pensions Adjustments (b)	Other Adjustments (c)	Total Adjustments
£000	£000	£000	£000		£000	£000	£000	£000
(8,740)	648	(21,115)	**(29,207)**	Corporate Management	(3,591)	5,684	(29,316)	**(27,223)**
3,845	807	(804)	**3,849**	Economic Development	(3,383)	(5,807)	6,074	**(3,116)**
59,915	(3,262)	(396)	**56,257**	Education & Lifelong Learning	54,763	(12,052)	(8,118)	**34,593**
34	(65)	39	**9**	Governance & Legal Services	34	(361)	204	**(123)**
1,996	(31)	20	**1,985**	Harbour Authority	2,170	(159)	(339)	**1,672**
(836)	(380)	(321)	**(1,537)**	Housing & Communities	(470)	(1,772)	(1,922)	**(4,164)**
53,693	(510)	(30,555)	**22,628**	Housing Revenue Account	102,764	(2,346)	(37,236)	**63,182**
(137)	(53)	113	**(77)**	Performance & Partnerships	0	(216)	4	**(212)**
22,094	(184)	(1,388)	**20,523**	Planning, Transport & Environment	20,542	(1,172)	(2,639)	**16,731**
2,604	(386)	497	**2,714**	Resources	(2,523)	(2,468)	2,695	**(2,296)**
571	(640)	(345)	**(414)**	Social Services - Adults	467	(2,468)	(1,636)	**(3,637)**
1,236	(460)	499	**1,275**	Social Services - Children's	240	(2,596)	(529)	**(2,885)**
(368)	0	(58,258)	**(58,626)**	Summary Revenue Account	1,587	0	(55,947)	**(54,360)**
(1,277)	0	0	**(1,277)**	SEWCJC	0	0	0	**0**
134,630	**(4,516)**	**(112,014)**	18,102	**Net Cost of Services**	**172,600**	**(25,733)**	**(128,705)**	18,162
(203,160)	1,076	92	**(201,992)**	Other income and expenditure from the Expenditure & Funding Analysis	(223,250)	2,664	172	**(220,414)**
(68,529)	**(3,440)**	**(111,922)**	**(183,891)**	**(Surplus)/Deficit on Provision of Services**	**(50,650)**	**(23,069)**	**(128,533)**	**(202,252)**

The 2024/25 breakdown of the Net Cost of Services has been amended to take account of the changes in structure in 2025/26

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

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

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

- **for the net cost of services** – the removal of the employer pension contributions made by the Council as determined by statute and their replacement with current service costs and past service costs.
- **for financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the CIES.

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

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

2.2. Expenditure and Income Analysed by Nature

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

2024/25 £000		2025/26 £000
664,075	Employee benefits expenses	681,855
815,654	Other service expenses	833,351
54,518	Depreciation, amortisation & impairment	78,258
17,426	Expenditure in relation to investment properties & changes in their fair value	16,833
37,685	Interest payments	42,755
77,421	Precepts & levies	84,025
2,119	Loss on sale of non-current assets	3,131
0	Movement in Financial Instruments	1,030
1,895	SEWCJC Adjustments *	5,852
1,670,793	**Total Expenditure**	**1,747,090**

(250,015)	Fees, charges & other service income	(268,101)
(14,199)	Income in relation to investment properties & changes in their fair value	(12,216)
(11,669)	Interest & investment income	(5,349)
(420,988)	Income from Council Tax & Non-Domestic Rates	(443,107)
(1,090,077)	Grants & contributions	(1,130,920)
(14,604)	SEWCJC Grants and Contributions *	(16,120)
(4,806)	Gain on sale of non-current assets	(9,158)
(5,967)	SEWCJC Adjustments *	(2,192)
(1,812,326)	**Total Income**	**(1,887,163)**
(141,533)	**(Surplus)/Deficit on the Provision of Services**	**(140,073)**

** The above table includes separate lines for SEWCJC adjustments whereas the SEWCJC figures in the CIES table may be combined with Cardiff Council.*

3 Precepts and Levies

2024/25 £000		2025/26 £000
	Precepts	
53,384	Police and Crime Commissioner for South Wales	58,157
	Community Councils:	
73	- Lisvane	85
195	- Pentyrch	199
165	- Radyr & Morganstown	182
52	- St Fagans	56
55	- Old St Mellons	59
29	- Tongwynlais	31
53,953	**Total Precepts**	**58,769**
	Levies & Contributions	
23,141	South Wales Fire and Rescue Service	24,914
166	Natural Resources Wales	173
155	Cardiff Port Health Authority	163
6	Newport Port Health Authority	6
23,468	**Total Levies and Contributions**	**25,256**

4. Participation in Joint Committees

During 2025/26 the Council was lead Authority for three Joint Committees, a member Authority of two others and a member of the South-East Wales Corporate Joint Committee. The table below shows the revenue contributions made to these Committees. The Statement of Accounts for each Joint Committee will be available on the lead authority's website following approval.

2024/25 restated £000	Committee	Purpose	Lead Authority / Accountable Body	2025/26 £000
3,534	Central South Consortium Joint Education Service (CSCJES) *	To provide a regional approach to improvement in schools. Closed in 2025/26.	Rhondda Cynon Taf Council	0
291	Glamorgan Archives	Management and administration of the Glamorgan Records Office	Cardiff Council	288
0	National Adoption Service	To oversee the strategic direction of adoption services. Established in 2024/25	Cardiff Council	0
27	Prosiect Gwyrdd	To manage residual waste treatment	Cardiff Council	27
813	Regional Adoption Service	To share best practice, develop and improve adoption services	Vale of Glamorgan Council	859
5,387	Shared Regulatory Service	To provide environmental health services	Vale of Glamorgan Council	5,553
303	South East Wales Corporate Joint Committee (SEWCJC)**	To bring together the ten councils of South East Wales, working with the UK and Welsh Governments to attract investment, grow the regional economy and support local community endeavour.	N/A, separate legal entity	303
10,355	**Total**			**7,030**

* CSCJES – following the Welsh Government's Middle Tier Review, the five local authorities agreed to close down CSCJES by 31 August 2025. After that date, it no longer operated as a Joint Committee.

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

The balances for SEWCJC in 2025/26 included in the accounts are based on draft accounts for the SEWCJC**.** The Council has accounted for its share of the transactions and balances with SEWCJC based on perceived materiality and control. For the other Joint Committees, the Council recognises only the annual contributions to the Committees.

5. Council Tax

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into nine valuation bands, estimating 1 April 2003 values for this specific purpose. Charges are calculated by taking the amount of income required for the Council and the Police and Crime Commissioner for the forthcoming year and dividing this amount by the Council Tax base. The Council Tax base is the number of properties in each band adjusted to a proportion to convert the number to a band D equivalent, totalled across all bands and adjusted for discounts. Cardiff's Council Tax base for tax-setting purposes for 2025/26 was 153,582 (2024/25 was 151,372).

The amounts for a band D property in Cardiff during 2025/26 were as follows:

2024/25	Band D Council Tax:	2025/26
£		**£**
1,470	Cardiff Council	1,543
353	Police and Crime Commissioner for South Wales	379
1,823	**Total**	**1,922**

The above amount (£1,922) is multiplied by the proportion specified for the particular band (see following table) to give the individual amount due. Community Council precepts are then added in each of the six Community Council areas.

Analysis of property bandings

Band	**A***	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**Totals**
Multiplier	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	21/9	
No of Band D equivalent dwellings	22	2,638	12,573	25,363	32,001	31,482	27,634	15,792	5,255	3,116	**155,876**
Apply Collection rate										**98.50%**	**153,538**
Class O (Ministry of Defence) dwellings											44
Council Tax Base											**153,582**

Analysis of the net proceeds from Council Tax

2024/25		2025/26
£000		**£000**
(286,464)	Council Tax collectable	(305,707)
4,748	Impairment for non-payment of Council Tax	6,130
(281,716)	**Net proceeds**	**(299,577)**
	Represented by:	
53,953	Precepts	58,769
227,763	Council Tax attributable to the Council	240,808
281,716	**Total**	**299,577**

The cumulative impairment for non-payment of Council Tax held at the 31 March 2026 is £20.095 million (31 March 2025 is £15.281 million).

Council Tax that is past due but not impaired

31 March 2025 £000		31 March 2026 £000
8,031	Debts less than one year	9,147
2,647	Debts between two and five years	3,406
169	Debts over five years	199
10,847	**Total Council Tax due but not impaired**	**12,752**

6. Non-Domestic Rates (NDR)

The Welsh Government specifies an amount for the rate 56.8p in 2025/26 (56.2p in 2024/25) and, subject to the effects of transitory arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. The Council is responsible for collecting rates due from ratepayers in its areas but pays the proceeds into the NDR pool administered by the Welsh Government. The sums collected are redistributed back to Councils on the basis of a fixed amount per head of population. The rateable value was £427.427million for 2025/26 (£439.534 million for 2024/25). An analysis of the net proceeds from non-domestic rates is shown below:

2024/25 £000		2025/26 £000
179,437	Non-Domestic Rates collectable	173,349
(927)	Cost of collection allowance	(922)
(1,441)	Impairment for non-payment	(2,324)
177,069	**Payment into national pool**	**176,595**
(134,524)	**Redistribution from national pool**	**(137,400)**

7. Agency Income and Expenditure

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

Welsh Government

- Non-Domestic Rates (NDR) collection - a net debtor of £32.760 million at 31 March 2026 (£26.242 million at 31 March 2025) is included in the balance sheet which represents the amount paid over to Welsh Government exceeds the amount collected from ratepayers.
- Welsh Government NDR Rate Relief – the Council managed £10.544 million of relief in 2025/26 (£9.874 million of relief in 2024/25).
- Houses into Homes Loans - provide loans to bring back unused properties into homes. At 31 March 2026 the Welsh Government had provided £2.173 million of funding, of which £692,000 is outstanding as loans provided. The balance available for new loans was £1.481 million (£1.763 million at 31 March 2025)
- Home Improvement loans – provide loans for home improvements. At 31 March 2026 the Welsh Government had provided £1.624 million of funding which has been fully utilised (£46,000 at 31 March 2025)
- Ukraine-The Council provided sponsor payments for Ukrainian guests on behalf of Welsh Government totalling £23,000.

Department for Levelling Up, Housing and Communities (DLUHC)

A total of £324,000 has been administered for sponsor payments for Ukrainian guests in 2025/26.

South Wales Trunk Road Agency

The total reimbursement received by the Council was £314,000 in 2025/26 (£328,000 in 2024/25).

FOR Cardiff

This is a partnership between the local business community and the Council to form a Business Improvement District in a defined area within the city centre. A levy is charged on all business rate payers of all relevant businesses in addition to their business rates bill. This is used to develop projects benefitting the local area. Further information is available on their website https://www.forcardiff.com. The Council collects the income and pays this over to FOR Cardiff. The amount paid to FOR was £1.265 million in 2025/26 (£1.140 million in 2024/25).

Prosiect Gwyrdd

The Council is responsible for the payments to Viridor to provide waste treatment in relation to residual waste. The Council made payments of £9.130 million in 2025/26 (£9.515 million in 2024/25) on behalf of all the partners.

8. Remuneration

8.1 The ratio of the remuneration of the Chief Executive to the median remuneration of all the body's employees. The multiple between the median full time equivalent earnings and the Chief Executive in 2025/26 was 1:6 (1:6 in 2024/25). The median full time equivalent earnings for 2025/26 were £36,385 (£34,497 in 2024/25). These figures include staff directly employed by the governing bodies of schools including a Voluntary-Controlled and a Foundation school and several Voluntary-Aided schools, as well as those employed by the Council.

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

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

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

Number of Employees 2024/25		Remuneration band £	Number of Employees 2025/26	
Non Schools	Teaching		Non Schools	Teaching
84	223	60,000-64,999	63	287
28	90	65,000-69,999	75	140
15	48	70,000-74,999	27	76
30	46	75,000-79,999	22	39
2	51	80,000-84,999	25	39
0	32	85,000-89,999	4	44
0	7	90,000-94,999	0	34
11	13	95,000-99,999	0	17
1	7	100,000-104,999	13	6
0	4	105,000-109,999	0	7
0	5	110,000-114,999	1	2
1	2	115,000-119,999	0	3
0	2	120,000-124,999	1	3
0	5	125,000-129,999	0	2
0	2	130,000-134,999	0	3
0	3	135,000-139,999	0	1
6	0	140,000-144,999	0	3
0	0	145,000-149,999	6	3
2	0	150,000-154,999	0	0

Number of Employees		Remuneration band	Number of Employees	
2024/25		£	2025/26	
Non Schools	Teaching		Non Schools	Teaching
0	0	155,000-159,999	2	0
0	0	160,000-164,999	0	0
0	2	165,000-169,999	0	0
0	0	170,000-174,999	0	0
0	0	175,000-179,999	0	1
0	1	180,000-184,999	0	1
0	0	185,000-189,999	0	1
0	0	190,000-194,999	0	0
0	1	195,000-199,999	0	1
1	0	200,000-204,999	0	0
0	0	205,000-209,999	1	0
181	**544**	**Total**	**240**	**713**

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

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

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

Remuneration also includes the cost of any additional contributions that the Council is required to make to the Pension Fund in respect of the individuals who are leaving the Council i.e., Enhancement of Retirement Benefits (Pension Strain costs). No bonuses have been paid during 2025/26 (£0 in 2024/25).

Post title	Note	Year	Salary, fees & allowances received	Taxable benefits	Compensation for loss of employment			Employers pension contribution (19.4% of salary)	Total remuneration including pension contributions	Explanatory notes
					Received via payroll (taxable)	Received via payroll (non-taxable)	Enhancement of Retirement Benefits			
			£	£	£	£	£	£	£	
Chief Executive - Paul Orders	(a)	2025/26	208,116	0	0	0	0	40,375	**248,491**	
		2024/25	201,663	0	0	0	0	39,123	**240,786**	
Corporate Director Resources & Section 151 Officer - Chris Lee		2025/26	159,643	0	0	0	0	30,971	**190,614**	
		2024/25	154,693	0	0	0	0	30,010	**184,703**	
Corporate Director People & Communities - Sarah McGill		2025/26	121,263	0	0	0	0	23,228	**144,491**	Reduced 0.75 FTE 01/06/2024
		2024/25	122,465	0	0	0	0	23,758	**146,223**	Annualised salary £159,643
Director Planning, Transport & Environment		2025/26	147,524	0	0	0	0	28,620	**176,144**	

Post title	Note	Year	Salary, fees & allowances received £	Taxable benefits £	Compensation for loss of employment: Received via payroll (taxable) £	Compensation for loss of employment: Received via payroll (non-taxable) £	Compensation for loss of employment: Enhancement of Retirement Benefits £	Employers pension contribution (19.4% of salary) £	Total remuneration including pension contributions £	Explanatory notes
		2024/25	142,950	0	0	0	0	27,732	**170,682**	
Director Economic Development		2025/26	147,524	0	0	0	0	28,620	**176,144**	
		2024/25	142,950	0	0	0	0	27,732	**170,682**	
Director Education & Lifelong Learning		2025/26	147,524	0	0	0	0	28,620	**176,144**	
		2024/25	142,950	0	0	0	0	27,732	**170,682**	
Director Governance & Legal Services & Monitoring Officer		2025/26	147,524	0	0	0	0	28,620	**176,144**	Commenced 17/06/2024
		2024/25	112,772	0	0	0	0	22,013	**134,783**	
Director Children's Services		2025/26	147,524	0	0	0	0	28,620	**176,144**	
		2024/25	142,950	0	0	0	0	27,732	**170,682**	
Director Adults Housing & Communities Services		2025/26	117,691	0	0	0	0	22,832	**140,524**	Reduced 0.6 FTE 29/09/2025
		2024/25	142,950	0	0	0	0	27,732	**170,682**	Annualised salary £147,524
Chief Digital Officer		2025/26	118,846	0	0	0	0	23,056	**141,902**	
		2024/25	115,161	0	0	0	0	22,341	**137,502**	

Post title	Note	Year	Salary, fees & allowances received £	Taxable benefits £	Compensation for loss of employment: Received via payroll (taxable) £	Compensation for loss of employment: Received via payroll (non-taxable) £	Compensation for loss of employment: Enhancement of Retirement Benefits £	Employers pension contribution (19.4% of salary) £	Total remuneration including pension contributions £	Explanatory notes
Assistant Director Adult Services		2025/26	56,949	0	0	0	0	11,048	**67,997**	Commenced 08/09/2025
		2024/25	0	0	0	0	0	0	**0**	Annualised salary £100,993
Assistant Director County Estates		2025/26	100,993	0	0	0	0	19,593	**120,586**	
		2024/25	97,861	0	0	0	0	18,985	**116,846**	
Assistant Director Education & Lifelong Learning		2025/26	100,993	0	0	0	0	19,593	**120,586**	Commenced 08/04/2024
		2024/25	95,958	0	0	0	0	18,616	**114,574**	
Assistant Director Housing & Communities		2025/26	100,993	0	0	0	0	19,593	**120,586**	
		2024/25	97,861	0	0	0	0	18,985	**116,846**	
Assistant Director Street Scene		2025/26	100,993	0	0	0	0	19,593	**120,586**	
		2024/25	97,861	9	0	0	0	18,985	**116,855**	
Programme Director - Schools Organisation Programme		2025/26	100,993	0	0	0	0	19,593	**120,586**	
		2024/25	97,861	0	0	0	0	18,985	**116,846**	
Chief Human Resources Officer		2025/26	68,973	0	0	0	0	13,153	**82,126**	Left authority 30/11/2025

Post title	Note	Year	Salary, fees & allowances received £	Taxable benefits £	Compensation for loss of employment: Received via payroll (taxable) £	Compensation for loss of employment: Received via payroll (non-taxable) £	Compensation for loss of employment: Enhancement of Retirement Benefits £	Employers pension contribution (19.4% of salary) £	Total remuneration including pension contributions £	Explanatory notes
		2024/25	97,861	0	0	0	0	19,625	**117,486**	Annualised salary £100,993
Chief Human Resources Officer		2025/26	41,519	0	0	0	0	8,055	**49,574**	Commenced 03/11/2025
		2024/25	0	0	0	0	0	0	**0**	Annualised salary £100,993
Chief Finance & Deputy Section 151 Officer		2025/26	100,993	0	0	0	0	19,593	**120,586**	
		2024/25	97,861	0	0	0	0	18,985	**116,846**	
Head of Performance & Partnerships		2025/26	100,993	0	0	0	0	19,593	**120,586**	
		2024/25	97,861	0	0	0	0	18,985	**116,846**	
Assistant Director Development & Regeneration		2025/26	100,993	0	0	0	0	19,593	**120,586**	
		2024/25	97,861	0	0	0	0	18,985	**116,846**	

(a) In addition to the remuneration fees detailed in the table above, the Chief Executive is the Council's nominated Returning Officer. Any subsequent fees owed in relation to this role have been waived.

8.4 Exit Packages

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

Schools 2025/26				Exit package cost band (including special payments)	Non-schools 2025/26			
Number of compulsory redundancies *	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £	£	Number of compulsory redundancies *	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £
4	19	**23**	160,016	0 - 20,000	10	29	**39**	343,935
0	5	**5**	148,840	20,001 – 40,000	3	37	**40**	1,153,764
0	0	**0**	0	40,001 – 60,000	0	6	**6**	275,583
0	1	**1**	78,286	60,001 – 80,000	2	5	**7**	505,751
0	0	**0**	0	80,001 – 100,000	0	3	**3**	260,020
0	0	**0**	0	100,001 – 150,000	0	4	**4**	484,485
0	0	**0**	0	150,001 – 200,000	0	1	**1**	199,303
0	0	**0**	0	200,001 - 250,000	0	1	**1**	212,281
4	**25**	**29**	**387,142**	**Total**	**15**	**86**	**101**	**3,435,122**

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

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

8.5 Members' Allowances

The total amount of Members' Allowances (including basic and special responsibility) paid in 2025/26 was £1.951 million (£1.839 million in 2024/25). As required by the Code, this figure includes all remuneration paid to members including basic and special allowances, care allowances and directly reimbursed expenses.

9. Health Act 1999 Pooled Funds and Similar Arrangements

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

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

Income and expenditure for these pooled budget arrangements for the year ending 31 March 2026 are as follows:

2024/25 £000			**2025/26 £000**	
Joint Equipment	**Care Homes for older people**		**Joint Equipment**	**Care Homes for older people**
		Expenditure		
2,556	0	Equipment	2,315	0
18	0	Stock adjustment	(205)	0
487	0	Contribution to overheads (including donated stock)	487	0
150	77,219	Care home costs	452	81,989
3,211	**77,219**	**Total Expenditure**	**3,049**	**81,989**
		Funding		
(2,133)	(26,433)	Cardiff and Vale University Health Board	(1,927)	(28,652)
(570)	(31,248)	Cardiff Council	(542)	(32,654)
(416)	(19,538)	Vale of Glamorgan Council	(408)	(20,683)
(92)	0	Donated Stock	(172)	0
(3,211)	**(77,219)**	**Total Funding**	**(3,049)**	**(81,989)**
0	**0**	**(Surplus)/Deficit transferred to Reserve**	**0**	**0**

10. Related Parties

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

Central Government has effective control over the general operations of the Council. It is responsible for providing the statutory framework, within which the Council operates, providing the majority of its funding in the form of grants and prescribing the terms of many of the transactions that the Council has with other parties. For 2025/26 financial transactions with the Welsh Government totalled £3.219 million of expenditure and approximately £331.348 million of income. At the year-end, in addition to financial instruments (note 15) and expenditure incurred as an agent for Welsh Government (note 7), £0 was owed to Welsh Government (£0 in 2024/25) and £119.311 million owed from Welsh Government (£137.724 million in 2024/25).

Members of the Council have direct control over the Council's financial and operating policies. The total members' allowances paid in 2025/26 is shown in note 8. Members' interests in other organisations have been identified by an inspection of the Members' and Officers' Declaration of Interest Register. This is available on the Council's website **Link .** The Code of Conduct for Members of Local Authorities in Wales specifies Members have 28 days to register any changes to declared interests. Democratic Services remind Members of this requirement on a regular basis. This process is relied upon for the related parties notes as all Members are required to comply with the Code of Conduct. Within this process, the length of time between declarations being updated by Members is not an indication that they have not complied but instead an indication that no changes have been made since they were last updated.

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

2024/25				Related Party	Related Party Relationship	Transaction details	2025/26			
Transactions		Balances					Transactions		Balances	
Amounts paid by the Authority	Amounts received by the Authority	Amounts owed by the Authority	Amounts owed to the Authority				Amounts paid by the Authority	Amounts received by the Authority	Amounts owed by the Authority	Amounts owed to the Authority
£000							£000			
0	(2)	0	0	Arts Council for Wales	Independent Member	Sundry charges	0	0	0	0
0	0	0	0	Artes Mundi	Trustee /Board Member	Grant	21	0	0	0
2	0	1	0	Awen	Chair	Performance Management	0	0	0	0
10	0	0	0	Bangladesh Association	Chair	Grant	0	0	0	0
0	(2)	0	0	Butetown Community Centre	Committee Member	Primarily Trade Refuse	0	0	0	0
404	(5)	2	0	Cathays Community Centre	Director	Day Care	0	0	0	0
0	0	0	0	Cylch Meithrin Pwll Coch	Trustee	Childcare	0	(14)	0	(8)
4	(1)	0	(1)	Cylch Meithrin Glan Morfa	Family Member is Trustee	Childcare	0	(5)	0	(4)
0	0	0	0	Cylch y Coed	Chair	Childcare	2	0	0	0
74	(12)	0	0	Chapter Arts Centre	Board Member	Rent charges	0	0	0	0
27	0	0	0	Data Cymru	Director	Maintenance of Portal	50	0	0	0
0	(2)	0	0	Friends of Llwynfedw Gardens	Chair	Sundry charges	1	0	0	0
1,644	(279)	14	(174)	Huggard	Member of Management Committee	Primarily Supporting people	1,857	(179)	30	(179)
26	(4)	0	0	Llanrumney Hall Community Trust Ltd	Trustee	Primarily Trade Refuse	24	(5)	0	0
19	0	0	0	Llanrumney Phoenix Boxing Club	Trustee	Training Courses	1	0	0	0
23	(9)	0	(2)	Moorland Community Centre	Board Member	Day Care	23	(9)	0	0
258	(3)	0	0	Oasis	Trustee	Homeless Support	4	(3)	0	0
0	0	0	0	Omidaze	Chair	Creative Programme for Schools	15	0	0	0
0	(1)	0	0	Penrhys Pilgrimage Project	Chair	Signage	0	0	0	0
20	0	0	0	Private Leasing Scheme	Owner	Rent payment	20	0	0	0

2024/25				Related Party	Related Party Relationship	Transaction details	2025/26			
Transactions		Balances					Transactions		Balances	
Amounts paid by the Authority	Amounts received by the Authority	Amounts owed by the Authority	Amounts owed to the Authority				Amounts paid by the Authority	Amounts received by the Authority	Amounts owed by the Authority	Amounts owed to the Authority
£000							£000			
0	0	0	0	Quantum Actuarial LLP	Family Member is Chief Executive	Fees	0	(2)	0	0
107	0	0	0	Race Council Cymru	Trustee	Staff training	56	0	0	0
227	(11)	9	(6)	Safer Wales	Chief Executive Officer	Grant for Domestic Abuse support	220	(6)	0	(1)
0	0	0	0	S and S Brothers	Director	Rent	0	(1)	0	0
9	0	0	0	Seren in the Community CIO	Trustee	Primarily Children's Play Grant	3	0	0	0
0	0	0	0	Sight Support Cymru	Chief Executive	Guide Dogs Contract	53	(1)	0	0
2	0	0	0	Splott Community Volunteers	Trustee	Grant provision	1	0	0	0
0	0	0	0	St John's Ambulance Cymru	Board Member	Primarily Training	21	(3)	0	0
0	(3)	0	(1)	Tester Accountancy and Bookkeeping Services Ltd	Director	Catering	0	(5)	0	(1)
0	(5)	0	0	The City Hospice Trust Ltd	Vice President	Primarily Trade Refuse	0	(4)	0	0
0	0	0	0	Ty Hafan	Non Exec Director	Premised Hire and Trade Refuse	0	(3)	0	0
709	(12)	8	0	Wales and the West Housing Association	Family Member is Chief Executive	Primarily Rent	711	(269)	0	0
0	(2)	0	0	Welsh Hospitals and Health	Non Executive Director	Primarily Trade Refuse	14	(2)	0	0
33	0	9	0	Wildlife Trust of South and West Wales	Trustee	Wildlife Surveys	21	0	0	0
3,598	**(353)**	**43**	**(184)**	**Total transactions**			**3,118**	**(511)**	**30**	**(193)**

Officer's emoluments are shown in note 8. In 2025/26, for organisations in which Senior Officers had an interest there was £2,000 of goods or services commissioned (£22,000 in 2024/25). For goods and services provided, income of £134,000 was received in 2025/26 (£105,000 in 2024/25). £15,000 was owed to Cardiff Council (£0 in 2024/25)

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

Precepts and Levies collected on behalf of other organisations and an analysis of amounts levied on the Council by other bodies can be found in note 3 to the Core Financial Statements. Separate to the precept, the Council made payments of £25,000 to Police and Crime Commissioner for South Wales during 2025/26 (£31,000 in 2024/25).

11. External Audit Costs

2024/25 £000		2025/26 £000
462	Fees payable to Audit Wales for external audit services	486
57	Fees payable to Audit Wales for the certification of grant claims	58
17	Fees payable to Audit Wales for other financial audit work	18
536	**Total**	**562**

12. Leasing

Council as Lessee

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

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

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

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

Right of Use Assets

The Authority recognises right-of-use (ROU) assets and corresponding lease liabilities for all leases, except for short-term and low-value leases.

ROU assets are measured at cost less accumulated depreciation and impairment.

Lease liabilities are measured at the present value of lease payments.

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

31 March 2025			31 March 2026	
Property Leases £000	**Other Leases £000**		**Property Leases £000**	**Other Leases £000**
13,762	**1,651**	Recognition of Right of Use Assets	**12,445**	**990**
327	341	Additions	21	118
501	0	Revaluations	1,847	842
(2,145)	(1,002)	Depreciation and Amortisation	(2,162)	(677)
0	0	Disposals	(1,998)	0
12,445	**990**		**10,153**	**1,273**

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

31 March 2025 Maturity analysis of Lease liabilities			31 March 2026 Maturity analysis of Lease liabilities	
Property Leases £000	**Other Leases £000**		**Property Leases £000**	**Other Leases £000**
2,385	564	Not later than one year	1,996	805
1,803	298	Later than one year but not later than five years	2,269	199
8,594	0	Later than five years	8,367	0
12,782	**862**		**12,632**	**1,004**

Application of the Code's adaptation of IFRS16 has resulted in the following additions to the balance sheet at 1 April 2025:

- £16.582 million of Property, plant and equipment – land and buildings (right-of-use assets)
- £3.577 million of Non-current creditors (lease liabilities)
- £2.549 million of Current creditors (lease liabilities)

The net position between ROU assets and lease liabilities is held within the Capital Adjustment Account

Council as Lessor

Operating Leases

Operating leases exist in respect of land and buildings, and the Council received income of £9.904 million in 2025/26 (£9.222 million in 2024/25)

At 31 March 2026, the Council was committed to receiving income as shown in the table below.

31 March 2025 £000	Minimum Income	31 March 2026 £000
7,934	Not later than one year	8,251
28,052	Later than one year and not later than five years	28,966
425,134	Later than five years	421,487
461,120		**458,704**

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

13. Pensions

Participation in Pension Schemes

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

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

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

13.1 Teachers' Pension Scheme

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

In 2025/26 the Council paid £47.541 million in respect of teachers' pension costs, which represents 28.7% of teachers' pensionable pay (£45.660 million representing 28.7% of teachers' pensionable pay for 2024/25). An inflation-linked increase in employers' contributions, to increase the rate to 28.7%, was applied nationally as at 1 April 2024. In addition, the Council is responsible for the costs of any additional benefits awarded on early retirement outside of the Teachers' scheme. These benefits are fully accrued in the pension's liability for unfunded liabilities.

13.2 Local Government Pension Scheme

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

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

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

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

Transactions relating to retirement benefits

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

The Council's actuary has assessed the defined benefit pension scheme position as at 31 March 2026 and determined that the fair value of plan assets exceeds the present value of the defined benefit obligations, resulting in a net surplus. This is primarily as a result of elevated interest rates being used to estimate the future liabilities of the fund at a point in time. Where there is a surplus giving rise to a pensions net asset, the extent to which it is recoverable is determined by the "asset ceiling" which represents the economic benefits in the form of refunds from the Scheme or reductions in future contributions. The 2025/26 surplus determined by the actuary of £478.380 million has been capped at an asset ceiling of £nil.

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

2024/25			Local Government Pension Scheme	2025/26		
Funded scheme £000	**Unfunded liabilities £000**	**Total £000**		**Funded scheme £000**	**Unfunded liabilities £000**	**Total £000**
			Comprehensive Income and Expenditure Statement (CIES)			
			Net Cost of Services			
49,056	0	**49,056**	Current service cost	34,380	0	**34,380**
1,080	220	**1,300**	Past service costs	6,340	10	**6,350**
			Financing & investment income and expenditure			
(420)	1,400	**980**	Interest on net defined benefit liability/(asset)	1,200	1,440	**2,640**
49,716	**1,620**	**51,336**	**Total post employment benefits charged to the surplus or deficit on the provision of services**	**41,920**	**1,450**	**43,370**
			Remeasurement of the net defined liability comprising			
21,060	0	**21,060**	Returns on plan assets excluding amounts included in net interest	(180,020)	0	**(180,020)**
(298,820)	(2,240)	**(301,060)**	Actuarial (gains)/losses arising from changes in financial assumptions	(20,910)	(150)	**(21,060)**
(12,750)	(180)	**(12,930)**	Actuarial (gains)/losses arising from changes in demographic assumptions	12,990	520	**13,510**
284,500	0	**284,500**	Adjustment (gains)/losses due to restriction in surplus	177,380	0	**177,380**
42,424	(550)	**41,874**	Other experience and Actuarial adjustments	(21,880)	120	**(21,760)**

36,414	**(2,970)**	**33,444**	**Total post employment benefits charged to the Comprehensive Income and Expenditure Statement**	**(32,440)**	**490**	**(31,950)**
86,130	**(1,350)**	**84,780**	**Total charged to CIES**	**9,480**	**1,940**	**11,420**

2024/25			**Local Government Pension Scheme**	**2025/26**		
Funded scheme £000	**Unfunded liabilities £000**	**Total £000**		**Funded scheme £000**	**Unfunded liabilities £000**	**Total £000**
			Movement in Reserves Statement			
(49,716)	(1,620)	**(51,336)**	Reversal of net charges made to the surplus or deficit on the provision of services for post- employment benefits in accordance with the Code	(41,920)	(1,450)	**(43,370)**
			Actual amount charged against General Fund Balance for pensions in the year			
54,150	0	**54,150**	Employers contributions payable to the scheme	59,370	0	**59,370**
0	2,850	**2,850**	Payments in respect of unfunded pensions liabilities *	0	2,830	**2,830**
54,150	**2,850**	**57,000**	**Total**	**59,370**	**2,830**	**62,200**

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

Reconciliation of Funded Status to Balance Sheet

31 March 2025				31 March 2026		
Cardiff Council				Cardiff Council		
Funded scheme £000	Unfunded liabilities £000	Total £000		Funded scheme £000	Unfunded liabilities £000	Total £000
(1,777,600)	(30,450)	**(1,808,050)**	Opening present value of liabilities	(1,866,390)	(26,250)	**(1,892,640)**
(49,056)	0	**(49,056)**	Current service cost	(34,380)	0	**(34,380)**
(83,440)	(1,400)	**(84,840)**	Interest cost	(87,050)	(1,440)	**(88,490)**
(16,980)	0	**(16,980)**	Contributions from scheme participants	(18,230)	0	**(18,230)**
268,656	2,970	**271,626**	Remeasurements in Other Comprehensive Income (OCI)	26,930	(490)	**26,440**
(284,500)	0	**(284,500)**	Adjustment gain/(losses) due to restriction in surplus	(193,880)	0	**(193,880)**
77,610	2,850	**80,460**	Net benefits paid out *	83,110	2,830	**85,940**
(1,080)	(220)	**(1,300)**	Past service cost	(6,340)	(10)	**(6,350)**
(1,866,390)	**(26,250)**	**(1,892,640)**	**Closing present value of liabilities**	**(2,096,230)**	**(25,360)**	**(2,121,590)**
1,759,660	0	**1,759,660**	Opening fair value of assets	1,816,470	0	**1,816,470**
84,350	0	**84,350**	Interest income	105,250	0	**105,250**
(21,060)	0	**(21,060)**	Remeasurement gains/(losses)	180,020	0	**180,020**
54,150	2,850	**57,000**	Contributions by employer	59,370	2,830	**62,200**
16,980	0	**16,980**	Contributions by participants	18,230	0	**18,230**
(77,610)	(2,850)	**(80,460)**	Net benefits paid out *	(83,110)	(2,830)	**(85,940)**
1,816,470	**0**	**1,816,470**	**Closing fair value of assets**	**2,096,230**	**0**	**2,096,230**
(49,920)	**(26,250)**	**(76,170)**	**Net pension asset/(liability) Cardiff Council**	**0**	**(25,360)**	**(25,360)**
0	0	**0**	Net pension asset/liability SEWCJC	0	0	**0**
(552)	0	**(552)**	Net pension asset/(liability) Cardiff Bus Pension schemes	(197)	0	**(197)**
(50,472)	**(26,250)**	**(76,722)**	**Total net pension asset/(liability)**	**(197)**	**(25,360)**	**(25,557)**

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

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

It is important to note that this is a snapshot of the position as at 31 March 2026. The Pension Fund is a defined benefit scheme, which means that members' benefits are not linked to stock market performance. The Pension Fund is a long-term investor and members can be assured that employer contributions are independently reviewed as part of the triennial valuation.

Contributions for year ending 31 March 2027 for LGPS

Local Government Scheme - employer's regular contributions to the Fund for the accounting period ending 31 March 2027 are estimated to be £43.882 million. Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period.

Unfunded liabilities - in the accounting period ending 31 March 2027 the Council expects to pay £2.967 million directly to beneficiaries.

Basis for estimating assets and liabilities for LGPS

The LGPS principal assumptions used by the independent qualified actuaries in updating the full March 2025 valuation figures as at 31 March 2026, for IAS19 purposes, are shown in the following table:

31 March 2025	LGPS Assumptions	31 March 2026
	Longevity at 45 for current pensioners (years)	
22.2	Men	22.6
25.0	Women	25.3
	Longevity at 65 for current pensioners (years)	
21.9	Men	22.3
24.2	Women	24.6
	Rates	
2.5%	Rate of inflation - Consumer Price Index (CPI)	2.8%
3.5%	Rate of general increase in salaries	3.8%
2.5%	Rate of increase to pensions in payment	2.8%
2.5%	Rate of increase to deferred pensions	2.8%
5.8%	Discount rate for scheme liabilities	6.2%

Asset Allocation of LGPS

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

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

31 March 2025				31 March 2026		
Quoted %	Unquoted %	Total %	Assets	Quoted %	Unquoted %	Total %
63.7	3.9	67.6	Equities	63.8	4.3	68.1
5.8	0.0	5.8	Property	5.2	0.0	5.2
7.5	0.0	7.5	Government Bonds	7.2	0.0	7.2
5.1	0.0	5.1	Corporate Bonds	4.4	0.0	4.4
5.2	0.0	5.2	Multi Asset Credit	5.1	0.0	5.1
0.5	8.3	8.8	Cash & Other	0.5	9.5	10.0
87.8	**12.2**	**100.0**	**Total**	**86.2**	**13.8**	**100.0**

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

Local Government Pension Scheme	31 March 2022 £000	31 March 2023 £000	31 March 2024 £000	31 March 2025 £000	31 March 2026* £000
Fair value of assets	1,597,220	1,580,750	1,759,660	1,816,470	2,096,260
Present value of funded liabilities	(2,412,110)	(1,753,080)	(1,777,600)	(1,866,390)	(1,617,880)
Present value of unfunded liabilities	(37,860)	(32,870)	(30,450)	(26,250)	(25,360)
Surplus/(deficit)	**(852,750)**	**(205,200)**	**(48,390)**	**(76,170)**	**453,020**

*This excludes the surplus restriction that is included in the balance sheet and reconciliation note

Sensitivity Analysis of Present Value of Funded Liabilities of LGPS

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

LGPS Funded defined benefit obligation £1,617,880,000	+0.1% p.a			-0.1% p.a	
Change in assumptions on present value of the funded defined benefit obligations	**£000**	**% Increase / Decrease to Defined Benefit Obligation**			**£000**
Adjustment to discount rate	1,591,990	-1.6%		1.6%	1,643,770
Adjustment to salary increase rate	1,619,500	0.1%		-0.1%	1,616,260
Adjustment to pension increase rate	1,642,150	1.5%		-1.5%	1,593,610
	-1 year			**1 year**	
Adjustment to mortality rate	1,655,090	2.3%		-2.3%	1,580,670

13.3 Cardiff Bus Pension Schemes

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

Reconciliation of Funded Status to Balance Sheet for Cardiff Bus Pension Schemes

31 March 2025 £000	Cardiff Bus Defined Contribution Pension Scheme	31 March 2026 £000
(7,729)	Opening present value of liabilities	(6,436)
(368)	Interest cost	(346)
1,478	Remeasurement (gains)/losses	288
183	Net benefits paid out	235
(6,436)	**Closing present value of liabilities**	**(6,259)**
6,723	Opening fair value of assets	6,163
319	Interest income	331
(696)	Remeasurement gains/(losses)	(197)
(183)	Net benefits paid out	(235)
6,163	**Closing fair value of assets**	**6,062**
(273)	**Net pension asset/(liability)**	**(197)**

31 March 2025 £000	Cardiff Bus Defined Benefit Pension Scheme	31 March 2026 £000
(28,344)	Opening present value of liabilities	(26,184)
(1,360)	Interest cost	(1,455)
2,335	Remeasurement (gains)/losses	664
0	Adjustment gain/(loss) due to restriction in surplus	(1,023)
1,185	Net benefits paid out	1,319
(26,184)	**Closing present value of liabilities**	**(26,679)**
27,258	Opening fair value of assets	25,905
1,313	Interest income	1,446
(1,481)	Remeasurement gains/(losses)	647
(1,185)	Net benefits paid out	(1,319)
25,905	**Closing fair value of assets**	**26,679**
(279)	**Net pension asset/(liability)**	**0**

Asset allocation of Cardiff Bus Pension Schemes

31 March 2025 %	Cardiff Bus Defined Benefit Pension Scheme Assets	31 March 2026 %
22.6	Equities	19.1
22.8	Diversified growth funds	19.6
15.2	Cash & liability driven investments	39.3
39.4	Bonds	22.0
100.0	**Total**	**100.0**

14. Non-Current Assets

Property, Plant and Equipment	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	P,P & E under construction	Total Property, Plant & Equipment
Movements in Cost or Values	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
1 April 2024	715,427	1,002,116	72,245	27,221	61,648	134,279	**2,012,936**
Recognition of Right of Use Assets	0	14,588	1,991	0	0	0	**16,579**
Additions	29,425	39,002	13,086	71	531	196,768	**278,883**
SEWCJC Restated	13,641	31,113	52	0	17,615	(66,061)	**(3,640)**
Revaluations Increases/(Decreases) recognised in the RR*	0	0	(272)	0	0	(91)	**(363)**
Revaluations Increases/(Decreases) recognised in the SDPS**	7,621	2,411	0	0	2,700	0	**12,732**
Impairment Losses/Reversals to RR	(22,461)	(94,836)	0	0	(2,217)	0	**(119,514)**
Impairment Losses/Reversals to SDPS	0	(135)	0	0	0	0	**(135)**
Derecognition - Disposals	0	15,878	0	0	(10,086)	(777)	**5,015**
Reclassified (to)/from Held for Sale	0	(1,266)	(4,547)	0	(5,750)	(777)	**(12,340)**
Other Reclassifications - Transfers	0	0	0	0	0	0	**0**
1 April 2025	**743,653**	**1,008,871**	**82,555**	**27,292**	**64,441**	**263,341**	**2,190,153**
Recognition of Right of Use Assets	0	(215)	951	0	0	0	**736**
Additions	32,059	28,172	6,306	25	540	364,424	**431,526**
SEWCJC	0	0	86	0	0	(16)	**70**
Revaluations Increases/(Decreases) recognised in the RR	12,112	2,920	0	0	(274)	0	**14,758**
Revaluations Increases/(Decreases) recognised in the SDPS	(84,400)	(58,092)	0	0	(8)	0	**(142,500)**
Impairment Losses/Reversals to RR	0	(164)	0	0	(288)	0	**(452)**
Impairment Losses/Reversals to SDPS	0	1,000	(209)	0	(3,927)	(1,238)	**(4,374)**
Derecognition - Disposals	0	(390)	(9,030)	0	(13,030)	(1,438)	**(23,888)**
Reclassified (to)/from Held for Sale	0	0	0	0	0	0	**0**
Other Reclassifications - Transfers	85,087	107,414	843	0	(68)	(195,094)	**(1,818)**
31 March 2026	**788,511**	**1,089,516**	**81,502**	**27,317**	**47,386**	**429,979**	**2,464,211**
Movements in Depreciation/Impairment							
1 April 2024	**11,038**	**43,954**	**33,725**	**0**	**(4,049)**	**(1,562)**	**83,106**
Amortisation of ROU assets	0	2,145	1,001	0	0	0	**3,146**
Depreciation Charge	11,070	27,341	8,454	0	0	0	**46,865**
SEWCJC	0	0	0	0	0	0	**0**
Depreciation written out on Impairment	0	(20,272)	0	0	(239)	0	**(20,511)**
Depreciation written out to the RR	(10,436)	(30,422)	0	0	0	0	**(40,858)**
Depreciation written out to the SDPS	0	(1,266)	(4,547)	0	(5,750)	(777)	**(12,340)**
Derecognition - Disposals	0	(239)	0	0	239	0	**0**
Reclassifications - Transfers	0	0	0	0	0	0	**0**
31 March 2025	**11,672**	**21,241**	**38,633**	**0**	**(9,799)**	**(2,339)**	**59,408**
Amortisation of ROU assets	0	2,069	669	0	0	0	**2,738**
Depreciation Charge	11,503	30,187	7,326	0	0	0	**49,016**
SEWCJC	0	0	188	0	0	0	**188**
Depreciation written out on Impairment	0	0	0	0	0	0	**0**
Depreciation written out to the RR	0	(10,197)	0	0	0	0	**(10,197)**
Depreciation written out to the SDPS	(11,070)	(16,808)	0	0	0	0	**(27,878)**
Derecognition - Disposals	0	(390)	(9,030)	0	(13,030)	(1,438)	**(23,888)**
Reclassifications - Transfers	0	(285)	0	0	0	0	**(285)**
31 March 2026	**12,105**	**25,817**	**37,786**	**0**	**(22,829)**	**(3,777)**	**49,102**

Net Book Value							
At 31 March 2025	**731,981**	**987,630**	**43,922**	**27,292**	**74,240**	**265,680**	**2,130,745**
At 31 March 2026	**776,406**	**1,063,699**	**43,716**	**27,317**	**70,215**	**433,756**	**2,415,109**

*RR Revaluation Reserve **SDPS Surplus or Deficit on Provision of Services

2024/25	Net Book Value	2025/26
326,356	Infrastructure Assets	328,227
2,130,745	Other PPE Assets	2,415,109
2,457,101	**Total PPE Assets**	**2,743,336**

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

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

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

The Infrastructure Assets Net Book Value is as follows:

2024/25 £000		2025/26 £000
321,759	**Net Book Value at 1 April**	**326,356**
23,588	Additions	22,356
(23,032)	Depreciation	(21,819)
4,041	Other movements in cost (Reclassification)	1,334
326,356	**Net Book Value at 31 March**	**328,227**

Heritage Assets

2024/25 £000		2025/26 £000
68,272	**Balance at 1 April**	**68,355**
83	Additions	2,336
0	Revaluation increases/(decreases) to RR	1,408
0	Reclassifications	118
68,355	**Balance at 31 March**	**72,217**

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

- public art
- scheduled ancient monuments for which it is responsible
- paintings, artefacts and civic regalia and antiquarian books

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

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

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

Paintings, artefacts, civic regalia and antiquarian books - the Council has a collection of paintings, artefacts, civic regalia and antiquarian books much of which is related to local interest. The main items in terms of number and value are collections are at Cardiff Castle reflecting its historic significance and interpretation for visitors. Other items held at public buildings have been accumulated over a number of years. Paintings, artifacts and Civic regalia are included in the balance sheet at £47.596 million and were valued by Mr. A.N. Schoon, Antiques and Fine Art Valuer in 2025/26. Antiquarian books were valued by Bernard Quaritch Ltd. at £5.301 million in 2025/26.

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

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

Investment Properties

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

2024/25 £000		2025/26 £000
160,276	**Balance at 1 April**	**158,419**
9,349	Additions	3,072
0	Impairment	0
(1,879)	Disposals	(2,681)
0	Reclassified (to)/from Held for Sale	0
(400)	Other Reclassifications	365
0	Revaluation increases/(decreases) to RR	0
(8,973)	Revaluation increases/(decreases) to SDPS	(10,625)
46	SEWCJC adjustment	(1,240)
158,419	**Balance at 31 March**	**147,310**

*

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

2024/25 £000		2025/26 £000
(11,030)	Rental income from investment property	(10,889)
4,959	Direct operating expenses arising from investment property	5,167
(6,071)	**(Surplus)/Deficit on Investment Properties**	**(5,722)**

Intangible Assets

Movements in intangible assets during 2025/26 are summarised as follows:

2024/25 £000		2025/26 £000
	Cost or Valuation	
2,843	**Balance at 1 April**	**1,816**
281	Additions	48
0	Reclassifications -Transfers	0
(1,308)	Derecognition - Disposals	(302)
1,816	**Balance at 31 March**	**1,562**
	Amortisation	
1,971	**Balance at 1 April**	**939**
276	Amortisation	216
(1,308)	Derecognition - Disposals	(302)
939	**Balance at 31 March**	**853**
	Net Book Value:	
877	**Balance at 31 March**	**709**

Capital Expenditure and Capital Financing

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

2024/25 £000		2025/26 £000
1,034,043	Opening Capital Financing Requirement*	**1,086,823**
	Capital Expenditure:	
302,472	Property, Plant and Equipment incl Infrastructure Assets	453,882
83	Heritage Assets	2,336
0	Assets Held for Sale	0
9,349	Investment Properties	3,072
281	Intangible Assets	48
1,957	Loans/Equity	940
20,886	Expenditure on REFCUS	13,809
16,061	Right of Use Asset recognised in year	736
	Sources of Finance:	
(8,898)	Capital Receipts	(9,555)
(213,657)	Government grants and other contributions	(222,549)
(11,887)	Direct revenue contributions and reserves	(9,479)
(53,806)	Prudent revenue and capital provision for loan repayment	(63,046)
(7,148)	Adjust/remeasurements	2,502
(2,913)	Finance lease instalment	(3,201)
1,086,823	**Closing Capital Financing Requirement***	**1,256,318**
	Explanation of movements in year:	
2,090	Increase/(Decrease) in underlying need to borrow (supported by government financial assistance)	2,280
50,690	Increase/(Decrease) in underlying need to borrow (unsupported by government financial assistance)	167,215
52,780	**Increase in Capital Financing Requirement**	**169,495**

***This includes a notional amount in respect of Landfill provision of 2025/26 £18.424 million and 2024/25 £19.740 million for landfill restoration and after care. Where future cost estimates are reviewed, this results in either an increase or decrease in the provision.

Prudent Revenue Provision

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

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

2024/25 £000		2025/26 £000
40,626	Council Fund provision	43,708
14,865	Housing Revenue Account provision	16,181
55,491	**Prudent revenue provision**	**59,889**

Revenue Expenditure funded from Capital under Statute (REFCUS)

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

2024/25 £000		2025/26 £000
	Expenditure:	
6,459	Housing Improvement Grants	6,760
983	Buildings not owned by Cardiff Council	4,290
13,444	Grants awarded (not Housing Grants)	2,759
0	SEWCJC	1,509
20,886	**Charged to Income and Expenditure Statement**	**15,318**
	Funded by:	
(19,425)	Grants and Contributions	(12,408)
0	SEWCJC Grant funded	(1,509)
(1,461)	Borrowing, Receipts and other Capital Resources	(1,401)
(20,886)		**(15,318)**

Significant Capital Expenditure contractual commitments

At 31 March 2026, the significant capital expenditure commitments scheduled for completion in 2025/26, and future years is shown below (£261.036 million in 2024/25)

Capital Scheme	31 March 2026 £000
Indoor Arena - Direct Funding	82,898
Channel View Phase 1 (Block A)	27,555
Coastal Erosion - Lamby Way	19,478
Multi Storey Carpark	16,666
City Hall - Phase 1 and 2 Heating and Mechanical Works	13,839
New Build Housing - Maelfa Phase 2 Independent Living Units	13,143
Fairwater Campus - Main Works	10,790
Willows High School - Main Works	9,609
Cardiff Living Housing - Narberth Road	9,143
Castle Street - Air Quality	6,926

Capital Scheme	31 March 2026
	£000
Regus Buildings	5,712
Cardiff Crossrail Phase 1A	3,371
New Penn	3,138
Willowbrook North	2,809
Park Place Town Centre Loan	1,924
Channel View Phase 1 (Block B)	1,821
The Court School - Main Works	1,586
Trowbridge Green	1,254
New Build Housing - Bute Street Community Living	1,213
Pentwyn Leisure Centre Redevelopment	1,473
Ocean Park Refit Scheme	1,006
Fairwater Campus - Enabling Works	794
Total	**236,148**

15. *Financial Instruments*

Financial Instrument Balances

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

31 March 2025				31 March 2026		
Long Term £000	**Short Term £000**	**Total £000**		**Long Term £000**	**Short Term £000**	**Total £000**
			Financial assets at amortised cost:			
0	16,020	**16,020**	Investments - Principal	0	10,611	**10,611**
0	0	**0**	Investments - Accrued Interest	0	0	**0**
0	45,135	**45,135**	Cash & Cash Equivalents	0	92,907	**92,907**
0	94	**94**	Cash & Cash Equivalents - Accrued Interest	0	126	**126**
0	**61,249**	**61,249**	**Total Investments at Amortised Cost Included in Investments**	**0**	**103,644**	**103,644**
35,793	**0**	**35,793**	**Total Investments at Fair Value through Other Comprehensive Income**	**36,891**	**0**	**36,891**
6,571	2,511	**9,082**	Loans	7,459	337	**7,796**
20,210	270,262	**290,472**	Other Debtors	21,968	267,510	**289,478**
26,781	**272,773**	**299,554**	**Total Debtors**	**29,427**	**267,847**	**297,274**
62,574	**334,022**	**396,596**	**Total Financial Assets**	**66,318**	**371,491**	**437,809**
			Financial liabilities at amortised cost:			
(933,637)	(38,277)	**(971,914)**	Loans - Principal	(1,084,113)	(55,425)	**(1,139,538)**
0	(9,266)	**(9,266)**	Loans - Accrued Interest	0	(11,819)	**(11,819)**
(933,637)	**(47,543)**	**(981,180)**	**Total Borrowings**	**(1,084,113)**	**(67,244)**	**(1,151,357)**

Investments at amortised cost include:

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

Investments at Fair Value through Other Comprehensive Income include:

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

Revaluation Reserve'; hence there is no impact on Council Tax payable. The fair value of the investment at 31 March 2026 is £28.824 million (£27.443 million in 2024/25)
- the element of a £8.634 million loan given to Cardiff Heat Network Ltd at less than commercial rates, which is required to be treated as an investment in subsidiary, £4.481 million, and the share of SEWCJC holdings in companies are included either at cost or at quoted prices where available.

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

Debtors include:

- car loans to eligible Council staff.
- loans to small to medium enterprises including those for town centre regeneration (£3.984 million) and a loan from the council of £8.634 million to its 100% owned subsidiary Cardiff Heat Network Limited. This loan is repayable over a thirty-year period starting either the earlier of two years from the start date of the network commissioning date or five years from the initial drawdown of the loan which was on June 2023. The actual value of this loan provided is reduced by £4.481 million and reflected as an investment in the subsidiary to comply with accounting requirements. This is an accounting requirement to reflect the reduced interest rate at which the loan was provided, compared to prevailing interest rates at that time. This is amortised to CIES over the period of the loan.
- grants, income due from service users, partners, deferred capital receipts to be received and offset by an impairment for expected credit losses where applicable.

Liabilities at Amortised Cost include:

- external borrowing undertaken to fund capital expenditure and short term cash flow requirements. It includes Lender Option Borrower Option Loans (LOBO) which allow the lender to change the rate of interest at specified periods, allowing the Council to either accept the new rate or repay the loan before the contractual maturity date. The date of maturity for such instruments is assumed to be the contractual period to maturity rather than the next date that the lender could request a change in the rate. The carrying amounts below also include accrued interest payable at 31 March 2026. Interest payable for 2025/26 is £11.819 million (£9.266 million in 2024/25). The actual value of loans from Welsh Government at 31 March 2026 is reduced by £9.635 million based on the Net Present Value of future cash payments discounted using the prevailing Public Works Loan Board rate of interest at which the Council could borrow at the time of receipt. This notional benefit is an accounting adjustment only and is required to be reversed over the loan as repayments are made. The actual value of loans repayable to Welsh Government at 31 March 2026 is £46.624 million.

31 March 2025				31 March 2026	
Carrying amount £000	Fair value £000		Valuation Method - Level	Carrying amount £000	Fair value £000
(892,357)	(738,907)	Public Works Loan Board Loans (PWLB)	Level 2	(1,089,528)	(913,920)
(51,636)	(37,144)	Lender Option Borrower Option	Level 2	(23,316)	(17,562)
(34,800)	(31,878)	Welsh Government	Level 2	(36,989)	(31,423)

31 March 2025				31 March 2026	
Carrying amount £000	**Fair value £000**		**Valuation Method - Level**	**Carrying amount £000**	**Fair value £000**
(30)	(30)	Local Authorities and other loans	Level 2	(13)	(13)
0	0	SEWCJC	Level 2	(1,511)	(1,511)
(978,823)	**(807,959)**	**Financial Liabilities**		**(1,151,357)**	**(964,430)**

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

Fair value calculations use the following assumptions:

- for PWLB debt, the transfer or fair value shown in the table is based on new borrowing rates from the PWLB for equivalent loans at 31 March 2026. An exit price fair value of £988.328 million is also calculated using early repayment discount rates which are lower than equivalent loan rates. The Council has no contractual obligation to pay these penalty costs and would not incur any additional cost if the loans run to their planned maturity date
- for other market debt and investments, the discount rate used is the rate available for an instrument with the same terms from a comparable lender
- no early repayment or impairment for expected credit losses is recognised.

Financial Instrument Gains/Losses

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

Financial Liabilities	Financial Assets				Financial Liabilities	Financial Assets		
Measured at Amortised Cost	Amortised Cost	Investments at Fair Value through Other Comprehensive Income	Total		Measured at Amortised Cost	Amortised Cost	Investments at Fair Value through Other Comprehensive Income	Total
2024/25 £000					2025/26 £000			
37,653	0	0	**37,653**	Interest Payable & Similar Charges	42,582	0	0	**42,582**
0	(10,265)	0	**(10,265)**	Interest and Investment Income	0	(5,852)	0	**(5,852)**
0	(1,470)	0	**(1,470)**	(Gain)/loss arising on Disposal/ Derecognition of Financial Assets	0	0	0	**0**
0	0	(1,136)	**(1,136)**	(Gain)/loss arising on Revaluation or Disposal of Financial Assets	0	0	(690)	**(690)**
37,653	**(11,735)**	**(1,136)**	**24,782**	**Net (gain)/loss for the year**	**42,582**	**(5,852)**	**(690)**	**36,040**

Nature and Extent of Risks arising from Financial Instruments

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

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

Credit Risk

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

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

31 March 2025 £000	Likelihood of Default	31 March 2026 £000
61,249	**Deposits - Banks, Building Societies, Local Authorities, DMADF**	**103,644**
	Deposits are placed with banks and building societies that have Fitch minimum criteria of F1 (i.e. highest credit quality), local authorities or Debt Management Account Deposit Facility (DMADF). Lending is restricted to a maximum amount and duration for each financial institution, also taking into account the extent of public ownership and sovereign rating. A risk of non-recoverability applies to all of the Council's deposits, requiring rigorous monitoring of credit risk and credit criteria. The Council uses treasury management advisors who assist in this process. Using historic data adjusted for current financial market conditions and based on the level of counterparty exposure at 31 March 2026 the expected credit loss calculated on a historic risk of default basis is 0.00% or £17. This is minimal, so no provision for expected credit loss is recognised. The value of deposits will fluctuate daily as a result of the timing of many transactions. The increase of £42.395 million from 31 March 2025 is primarily as a result of changes to working capital.	
214	**Car Loans**	**220**
	Repayments are recovered directly from employees pay and indemnity insurance is a condition of the loan. Default experience is minimal.	
8,868	**Loans to External bodies**	**7,576**

31 March 2025 £000	Likelihood of Default	31 March 2026 £000
	This includes loans for business development and Town Centre regeneration. Where there is deemed to be a risk of non-repayment an impairment for expected credit loss is considered. The actual value of loans due to the Council is £12.618m. The figure quoted in the table is a reduced figure, reflecting the notional cost or equity investment of providing loans at a lower interest rate. This is to be spread over the period of loans provided in accordance with accounting requirements.	
29,571	**Customers**	**29,709**
	The Council does not generally allow credit for customers and provision is made for non-payment based on the age profile of outstanding debt, adjusted for large invoices known to have been settled after the balance sheet date and any other material factors that could affect the sum collectable. Other debt such as grant income due from government bodies and year-end accruals of income is considered to be 100% collectable and impairment for credit losses is not considered necessary. The impairment for credit losses in 2025/26 was based on the adjusted age profile disclosed as following:	
25,161	Less than one year	25,627
1,390	1-2 years	1,182
1,042	2-3 years	843
1,142	3-4 years	739
134	4-5 years	771
702	Over 5 years	547
99,902	**Overall Total**	**141,149**

Liquidity and Refinancing Risk

This is the possibility that the Council may not have funds available to make payments or may have to refinance a financial liability at disadvantageous interest rates or terms. The Council has access to funds from the financial markets and Public Works Loan Board in order to raise finance and also aims to keep a minimum working balance of investments in line with its treasury strategy, which mitigates this risk. As investment balances fall and the need to borrow money rises, liquidity risk and refinancing risk is increasing. This is also highlighted in the table below which shows the amounts of fixed rate debt maturing in any period and in particular an increasing amount of borrowing needed to be refinanced by the Council in the medium term. This risk being taken is based on professional advice and expectations that interest rates for borrowing are to fall in future years. This strategy is identified within the Council's Treasury Management Strategy which also sets limits on the proportion of its fixed rate loans maturing during specified periods.

The amounts of fixed rate debt maturing in any period are disclosed in the following table:

31 March 2025 £000	Loans Outstanding at Amortised Cost	31 March 2026 £000
883,727	Public Works Loans Board	1,078,027
51,000	Market Lender Option Borrower Option (LOBO)	23,000
34,800	Welsh Government	36,987
30	Local Authorities and other loans	13
0	SEWCJC	1,511
969,557	**Total**	**1,139,538**
36,839	Under 12 months	55,646

31 March 2025 £000	Loans Outstanding at Amortised Cost	31 March 2026 £000
17	SEWCJC	1,511
25,082	12 months and within 24 months	73,890
131,002	24 months and within 5 years	246,637
96,750	5 years and within 10 years	127,597
169,032	10 years and within 20 years	168,711
184,355	20 years and within 30 years	184,677
221,480	30 years and within 40 years	203,869
100,000	40 years and within 50 years	77,000
5,000	50 years and within 60 years	0
969,557	**Total**	**1,139,538**

The actual value of borrowing outstanding as at 31 March 2026 is £1.148 billion. The difference between the fair value disclosed in the table and the actual value of loans is reflected in the Financial Instrument Revaluation Reserve (Note 26.4). This difference is amortised over the period of the loans and relates to loans received from Welsh Government at what is deemed to be a benefit of having loans at an interest rate that is less than available in the financial markets to the Council at the time the loan was provided.

Currently, £18 million of the LOBO loans are subject to the lender having the right to change the rate of interest payable during the next financial year. The Council has the right to refuse the change, triggering early repayment and the need to re-finance. Details are shown in the following table:

£m	Potential Repayment Date	Option Frequency	Full Term Maturity
6	21/05/2026	6 months	21/11/2041
6	21/05/2026	6 months	21/11/2041
6	21/05/2026	6 months	23/05/2067
5	17/01/2028	5 years	17/01/2078

Interest Rate Risk

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

Variable affected by interest rate fluctuations	Impact of Variation	Actions to mitigate interest rate risk
Interest earned on variable rate investments	Interest rate rises will increase income credited to the Comprehensive Income and Expenditure Statement, while reductions may result in less income than budgeted.	Production and Council approval of a Treasury Management Strategy at the start of each financial year with a spread of maturity profiles for investments.
Interest paid on variable rate borrowings	If interest rates rise, lenders may exercise options to increase rates in a Lender Option Borrower Option loan potentially increasing the interest expense charged to the Comprehensive Income and Expenditure Statement, should the Council accept the higher rate.	Interest rate forecasts based on advice from treasury management advisors are built into the budget and monitored regularly throughout the year. The Council's borrowing is primarily at fixed, rather than variable, interest rates.

Fair value of fixed rate financial assets	Interest rate rises will have no material effect on fair value, as the current periods of such assets are very short term, hence fair value is not disclosed.	By borrowing and investing fixed rate, the Council aims to minimise the revenue impact of interest fluctuations to provide stability for planning purposes. Council borrowing is primarily at fixed rather than variable rates.
Fair value of fixed rate financial liabilities	Fair value will fall if interest rates rise. This will not impact on the Comprehensive Income and Expenditure Statement or Balance Sheet values for the majority of assets held at amortised cost, but will impact on the disclosure note for fair value.	

To give an indication of the Council's sensitivity to interest rate change, the table below indicates the estimated impact on the Comprehensive Income and Expenditure Statement had interest rates during 2025/26 been on average 1% higher with all other variables held constant.

Interest Rate Risk Income and Expenditure Account	**£000**
Increase in interest payable on borrowings	1,204
Increase in interest receivable on investments	(574)
Impact on Income and Expenditure Account	**630**
Increase in interest transferred to other balances and accounts	5
Net (Income)/ Expenditure	**635**

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

Changes in Fair Value	**£000**
Change in Fair Value of fixed rate investments	0
Change in Fair Value of fixed rate borrowings	(71,386)

Foreign exchange risk

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

Price Risk

This is the possibility of the Council having financial gains or losses from movements in prices of financial instruments. Whilst the Council's approved Treasury Management policy allows investments in financial instruments such as bank certificates of deposit and Government bonds, the Council invests primarily in instruments where the sum returned on maturity is the same as the initial amount invested.

The Council's 100% shareholding in Cardiff City Transport Services Ltd is not quoted on a recognised exchange and thus not subject to gains or losses from market price movements. A general shift of 5% in the fair value (positive or negative) would result in a £1.441 million gain or loss being recognised in the Movement in Reserves Statement in terms of valuations for accounts purposes only.

16. Assets Held for Sale

31 March 2025 £000		31 March 2026 £000
450	**Balance at 1 April**	**450**
0	Additions	0
0	De-recognition	(450)
0	Impairment	0
0	Reclassified to/(from) Held for Sale	0
450	**Balance at 31 March**	**0**

17. Short Term Debtors

31 March 2025 £000		31 March 2026 £000
182,427	Central Government Bodies	184,962
29,819	Other Local Authorities & NHS Bodies	27,412
60,527	Other Entities & Individuals including Public Corporations	55,473
272,773	**Total Short Term Debtors**	**267,847**

18. Cash and Cash Equivalents

31 March 2025 £000		31 March 2026 £000
159	Cash	155
45,654	Bank (including cheque book schools)	22,953
10,994	Short-term deposit with banks & building societies	68,046
(11,578)	SEWCJC cash & cash equivalents	1,879
45,229	**Total Cash and Cash Equivalents**	**93,033**

19. Short Term Creditors and Current Lease Liabilities

31 March 2025 £000		31 March 2026 £000
(28,680)	Central Government Bodies	(33,363)
(8,120)	Other Local Authorities & NHS Bodies	(15,377)
(119,354)	Other Entities & Individuals including Public Corporations	(115,224)
(156,154)	**Total Short Term Creditors & Current Lease Liabilities**	**(163,964)**

20. Interests in Other Companies and Other Organisations

The Council has five wholly owned subsidiary companies. Its interest in Atebion Solutions Limited is fully consolidated within the Council's single-entity accounts to avoid the need for a separate audit as it remains dormant. Cardiff City Transport Services Ltd is consolidated for the purposes of the Council's group accounts, which are presented later in these Statements. With effect from 1 April 2025, Cardiff Heat Network is also consolidated into the Group Accounts.

The Council's interests in the remaining two subsidiaries are considered immaterial in terms of turnover and net assets and have therefore not been consolidated in the 2025/26 accounts. The Council does not rely on these two organisations for the delivery of statutory services, nor are they considered to expose the Council to a material level of commercial risk.

Cardiff City Transport Services Limited. (Cardiff Bus)
Company number 02001229 Incorporated 1986

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

Journey numbers continue to recover post pandemic, though the rate has slowed significantly with only a 0.7% increase in passengers carried in 2025/2026 compared to 2024/2025. This is over three and a half million lower than pre-pandemic levels as long term shifts in working patterns and cultures continue to affect the business. The Company continues to benefit from the Bus Services Support Grant and will continue its fleet investment programme in the coming year, having invested in twenty new buses in 2025/2026.

The company's draft accounts are summarised below:

31 March 2025 £000		31 March 2026 £000
(39,246)	Turnover and other income	(40,864)
37,882	Operating and other expenditure	39,096
(1,364)	**Net (Profit)/Loss before Taxation**	**(1,768)**

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

31 March 2025 £000		31 March 2026 £000
23,937	Bus and other operating assets	23,726
20,986	Current Assets	21,515
(3,205)	Less Current Liabilities	(3,730)
	Creditors: Amounts falling due after more than one year	
(14,275)	Provisions & Long term liabilities	(12,687)
27,443	**Total Assets less Liabilities**	**28,824**
	Represented by:	

31 March 2025 £000		31 March 2026 £000
18,218	Share Capital	18,218
5,376	Retained Earnings	7,033
3,849	Revaluation Reserve	3,573
27,443	**Net Worth**	**28,824**

The company's auditors are Kilsby Williams.

Cardiff Business Technology Centre Limited (CBTC)

Company number 02074331 Incorporated 1986

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

31 March 2025 £000		31 March 2026 £000
28	Net (Profit)/Loss before Taxation	13
(9)	Less: Taxation	(9)
19	**(Profit)/Loss after Taxation**	**4**

31 March 2025 £000		31 March 2026 £000
568	Total assets less current liabilities	555
(11)	Provision for taxation	(2)
557	**Total Assets less Liabilities**	**553**
	Represented by:	
322	Retained Profit	346
235	Revaluation Reserve	207
557	**Net Worth**	**553**

The company's auditors are MacIntyre Hudson LLP (MHA).

Atebion Solutions Limited

Company number 10411758 Incorporated 2016

Atebion Solutions was established to deliver procurement and commercial services to the public sector, but whilst the company is still legally operational, it is currently not actively trading.

The company's draft accounts are summarised below:

31 March 2025 £000		31 March 2026 £000
3	Net (Profit)/Loss before Taxation	4
0	Less: Taxation	0
3	**(Profit)/Loss after Taxation**	**4**

31 March 2025 £000		31 March 2026 £000
23	Total assets less current liabilities	21
0	Creditors: falling due after more than one year	0
23	**Total Assets less Liabilities**	**21**
	Represented by:	
23	Retained Profit	21
23	**Net Worth**	**21**

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

Cardiff Heat Network Limited

Company number 13199235 Incorporated 2021

Cardiff Heat Network Ltd has developed and operates a sustainable heat network across Cardiff Bay and the city centre supplying low carbon heat to large scale customer buildings in the area, captured as by-product of local waste processing and energy reclamation activity. It delivers up to 80% carbon reduction at these sites by removing the reliance on fossil fuels for heat and hot water, using an existing local resource and circular economy principles to deliver strong energy security and decarbonisation for the city. Construction works commenced in January 2022 and first heat delivery to customers commenced in November 2025. Phase One of the network is now complete and is moving into its operational state. It is already supplying low-carbon heat and hot water to 6 major public sector buildings and over 100 residential flats. Performance will be closely monitored of the first year of operation to ensure that the principles of the original design and business modelling assumptions are met.

Collectively the buildings currently connected to the network take just 10% of the total heat available at the heat source so opportunities to expand the network up to the city centre and further into the Bay area are being explored. New customer opportunities and active pursuit of various grant funding strands are being pursued, all targeted at delivering robust business cases for the council to consider in future years.

The company's draft accounts are summarised below:

31 March 2025 £000		31 March 2026 £000
130	Net (Profit)/Loss before Taxation	147
0	Less: Taxation	0
130	**(Profit)/Loss after Taxation**	**147**

31 March 2025 £000		31 March 2026 £000
4,651	Total assets less current liabilities	4,566
0	Creditors: falling due after more than one year	0
4,651	**Total Assets less Liabilities**	**4,566**
	Represented by:	
4,651	Retained Profit	4,566
4,651	**Net Worth**	**4,566**

The company's auditors are Azets.

Cardiff Waste Limited

Company number 02664172 Incorporated 1991

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

Related Parties between Cardiff Council and its Subsidiaries

The table below sets out the amounts paid, received, and outstanding between the Authority and the related parties.

2024/25				Company	2025/26			
Transactions		Balances			Transactions		Balances	
Paid by the Authority	Received by the Authority	Owed by the Authority	Owed to the Authority		Paid by the Authority	Received by the Authority	Owed by the Authority	Owed to the Authority
£000					£000			
11,587	(909)	35	(340)	Cardiff City Transport Services Limited incl Concessionary Fares	12,744	(853)	0	(140)
455	0	0	0	Cardiff Business Technology Centre Limited	492	0	0	0
0	(3)	0	(1)	Atebion Solutions Limited	0	(1)	0	(3)
65	(22)	286	(30)	Cardiff Heat Network	1,010	(75)	28	(9)
N/A				Cardiff Waste Limited	N/A			

21. Provisions

	Balance 31 March 2025 £000	Utilised/ Released in year £000	Transfers to Provisions £000	Balance 31 March 2026 £000	Not later than one year £000	Later than one year £000
Insurance Scheme	**(9,215)**	5,835	(5,061)	**(8,441)**	(1,688)	(6,753)
Ferry Road Landfill	**(8,760)**	351	0	**(8,409)**	(228)	(8,181)
Lamby Way Landfill	**(12,393)**	377	0	**(12,016)**	(273)	(11,743)
SEWCJC	**(4,285)**	805	0	**(3,480)**	0	(3,480)
Other	**(1,773)**	481	(534)	**(1,826)**	(1,434)	(392)
Total	**(36,426)**	**7,849**	**(5,595)**	**(34,172)**	**(3,623)**	**(30,549)**

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

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

SEWCJC represents provisions for tax liabilities of CSC Foundry Ltd and liabilities of CCR Energy Ltd.

Other includes £900,000 for Adults Services provider charges.

22. Pension Strain

In addition to the costs of redundancy payments made to leavers, in some cases the Council also incurs costs relating to pension strain which it is required to pay over to the Pension Fund when individuals leave via the Severance Scheme. This applies only to leavers who are members of the Local Government Pension Scheme and aged 55-64 at the date they leave employment with the Council. The pension strain cost to the Council is the amount it has to pay over to the Pension Fund to compensate for the lost pension contributions for these staff.

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

31 March 2025 £000	Pension Strain	31 March 2026 £000
(1,202)	Pension Strain due within 1 year	(2,992)
(4,241)	Pension Strain due later than 1 year	(1,130)
(5,443)	**Total Pension Strain**	**(4,122)**

23. Deferred Liabilities

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

	Balance 31 March 2025 £000	Utilised/ Released in year £000	Transfers to Deferred Liabilities £000	Balance 31 March 2026 £000	Not later than one year £000	Later than one year £000
Commuted Maintenance Sums	**(8,924)**	1,347	(1,337)	**(8,914)**	(1,193)	(7,721)
Rent Smart Wales Income in Advance	**(4,018)**	3,951	(2,961)	**(3,028)**	(757)	(2,271)
Total Deferred Liabilities	**(12,942)**	**5,298**	**(4,298)**	**(11,942)**	**(1,950)**	**(9,992)**

24. Grant Income

The Council credited the following grants and contributions to the Comprehensive Income and Expenditure Statement

2024/25 £000		2025/26 £000
	Grants and contributions credited to the CIES	
(488,634)	Revenue Support Grant	(537,485)
(134,524)	Non-Domestic Rates	(137,400)
(199,248)	Capital Grants	(214,841)
(7,020)	Developers' Contributions	(8,394)
(829,425)	**Total**	**(898,120)**
	Credited to Services (Revenue Grants & Contributions)	
(362,501)	Central Government Bodies	(335,311)
(33,003)	Other Local Authorities & NHS Bodies	(35,223)
(13,917)	Other Entities and Individuals including Public Corporations	(15,786)
(409,421)	**Total**	**(386,320)**

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

31 March 2025 £000	Revenue Grants and Contributions Receipts in Advance	31 March 2026 £000
(6,036)	Central Government Bodies	(6,388)
0	Other Local Authorities & NHS Bodies	0
(404)	Other Entities and Individuals including Public Corporations	(384)
(6,440)	**Total**	**(6,771)**

31 March 2025 £000	Capital Grants Receipts in Advance	31 March 2026 £000
(3,976)	Central Government Bodies	(6,471)
0	Other Local Authorities & NHS Bodies	0
(33)	Other Entities and Individuals including Public Corporations	0
(4,009)	**Total**	**(6,471)**

The below table represents amounts received predominantly from developers and other external sources, which are yet to be used to fund specific future expenditure.

31 March 2025 £000	Capital Contributions Receipts in Advance	31 March 2026 £000
(39,202)	**Balance as at 1 April**	**(41,896)**
(8,304)	Contributions received during the year	(7,311)
7,226	Contributions applied to expenditure during the year	8,503
71	Reclassification	57
(1,687)	SEWCJC	1,488
(41,896)	**Balance as at 31 March**	**(39,160)**

25. *Usable Reserves*

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

25.1 Council Fund and Housing Revenue Account Balances

	Reserve	Balance	Contributions		Balance	Purpose of the Reserve / To fund:
Council Fund		**31 March 2025 £000**	**From Revenue £000**	**To Revenue £000**	**31 March 2026 £000**	
	Council General Reserve	14,255	0	0	**14,255**	Impact of unexpected events or emergencies
		14,255	**0**	**0**	**14,255**	
HRA General Reserve	**Reserve**	**Balance**	**Contributions**		**Balance**	**Purpose of the Reserve / To fund:**
		31 March 2025 £000	**From Revenue £000**	**To Revenue £000**	**31 March 2026 £000**	
	HRA General Reserve	15,502	0	(8,000)	**7,502**	Impact of unexpected events or emergencies within the HRA
		15,502	**0**	**(8,000)**	**7,502**	

25.2 Earmarked Reserves

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

Category	Reserve	Balance	Contributions		Balance	Purpose of the Reserve / To fund:
		31 March 2025 £000	**From Revenue £000**	**To Revenue £000**	**31 March 2026 £000**	
Capital / Treasury	Arena Funding Strategy Risk Mitigation	10,000	0	0	**10,000**	Manage and mitigate any risk of the Arena funding strategy
	Capital Business Case Development	1,739	0	(545)	**1,194**	Development of capital business cases
	Cardiff Enterprise Zone (Indoor Arena)	47	0	(47)	**0**	Cardiff Enterprise Zone in future years
	Schools Organisation Plan	1,720	7,906	(7,079)	**2,547**	Manage the cash flow implications of the School Organisational Plan financial model
	Treasury Management	14,915	4,300	(4,748)	**14,467**	Management of risk in relation to major projects and to offer some protection and flexibility

Category	Reserve	Balance 31 March 2025 £000	Contributions From Revenue £000	Contributions To Revenue £000	Balance 31 March 2026 £000	Purpose of the Reserve / To fund:
						to the wider capital programme
	Capital /Treasury Total	**28,421**	**12,206**	**(12,419)**	**28,208**	
Demand/Price Risk	Coroners Service	210	0	0	**210**	To provide resilience towards future Coroner Service costs
Demand/Price Risk	Council Tax Reduction Scheme pressures	2,153	0	0	**2,153**	Medium term increases in Council Tax Reduction Scheme expenditure
Demand/Price Risk	Demand Pressures	12,540	1,000	0	**13,540**	Financial resilience to help manage demand volatility and uncertainty
Demand/Price Risk	Energy Market Volatility	2,961	1,065	0	**4,026**	Expected fluctuations in the cost of energy and fuel
Demand/Price Risk	Waste Management	1,324	541	0	**1,865**	Initiatives to achieve recycling targets and offset impact of additional tonnage and associated costs
	Demand / Price Risk Total	**19,188**	**2,606**	**0**	**21,794**	
Directorate Activities	Adults Social Care	3,372	1,537	0	**4,909**	Service specific pressures and enhance financial resilience
Directorate Activities	Bereavement Services	47	727	(754)	**20**	Planned programme of refurbishment and improvement
Directorate Activities	Bute Park Match Funding	7	0	(7)	**0**	Match funding for grant funded initiatives in relation to Bute Park, as per Heritage Lottery Fund agreement
Directorate Activities	Cardiff Dogs Home Legacy	199	80	(139)	**140**	Donations left to Cardiff Dogs Home to be used for improvements to the home
Directorate Activities	Central Market Works	173	70	0	**243**	Works at Cardiff Central Market and as potential match funding for external grant bids
Directorate Activities	Central Transport Service	1,096	1,417	(303)	**2,210**	Central Transport vehicle service
Directorate Activities	Children's Services	130	625	0	**755**	Enhance resilience
Directorate Activities	Discretionary Rate Relief	100	0	0	**100**	NDR due diligence
Directorate Activities	Emergency Management, Safeguarding and Prevent	139	0	0	**139**	Preventative measures in relation to safeguarding, the Prevent agenda and emergency management
Directorate Activities	Empty Homes & Housing Needs	5,412	3,000	(1,062)	**7,350**	Housing needs including activities relating to investing in empty homes and bringing them back in use

Category	Reserve	Balance	Contributions		Balance	Purpose of the Reserve / To fund:
		31 March 2025 £000	From Revenue £000	To Revenue £000	31 March 2026 £000	
	Extended Producer Responsibility (EPR)	0	5,310	0	**5,310**	To set aside EPR grant income for future resilience and to manage fluctuations in funding
	Flatholm	7	0	0	**7**	Initiatives, repairs and renewals
	Fraud Detection	44	120	0	**164**	Supplement staffing and other costs associated with fraud detection
	Governance & Legal Services	590	0	(88)	**502**	Future initiatives, including projects in connection with ICT upgrades
	Highways Section 278	182	0	0	**182**	Support Highway investment
	Homelessness	2,493	709	0	**3,202**	Increases in homelessness pressures
	Ice Arena Lifecycle Costs	56	165	0	**221**	Ice Arena lifecycle costs
	ICT Holding Account	392	200	(256)	**336**	Future business process improvement initiatives and other future ICT initiatives
	Insole Court	22	0	0	**22**	Council building repair liabilities in line with lease terms
	Joint Equipment Store - Pooled Budget	665	452	0	**1,117**	Offset deficits or one off expenditure items in the pooled budget in future years
	Members Development	24	50	(8)	**66**	Members' ICT software
	Neighbourhood Regeneration	0	298	0	**298**	Future resilience and protect against grant fallout in future years.
	Non-Domestic Rates Due Diligence	421	0	(47)	**374**	Manage fluctuations between years on NDR revaluations
	Out of School Childcare	80	4	(6)	**78**	Surplus balances from each school operating an out of school childcare scheme. These can be drawn upon by each school to balance their in-year financial position
	Project Design & Delivery	0	150	0	**150**	To cover unattributable anomalies in building design and construction and offset any annual trading deficits.
	Resources	5,569	1,776	(984)	**6,361**	Number of areas within the Resources directorate, particularly where transition to new methods of operation are required

Category	Reserve	Balance	Contributions		Balance	Purpose of the Reserve / To fund:
		31 March 2025 £000	From Revenue £000	To Revenue £000	31 March 2026 £000	
	Schools Formula Funding	2,132	2,016	(531)	**3,617**	Unplanned and unforeseen expenditure incurred by or on behalf of the delegated schools budgets
	Scrutiny Development and Training	74	0	0	**74**	Scrutiny member development and training
	Social Care Technology (Carefirst)	542	690	0	**1,232**	Social care ICT developments
	Town Centre Loan Scheme Administration	270	150	0	**420**	Administration and re-investment of interest in accordance with the repayable Welsh Government loan scheme
	Welfare Reform	2,995	834	0	**3,829**	Mitigate pressures and reduced funding within the Housing Benefit Service following the transfer of services to DWP, as part of the rollout of the Universal Credit Scheme
	Youth and Community Education	44	0	0	**44**	Costs connected with the refurbishment of youth centres
	Directorate Activities Total	**27,277**	**20,380**	**(4,185)**	**43,472**	
Initiatives	Apprenticeships & Trainees	510	250	(368)	**392**	Corporate Apprentice Scheme
	Building Control Regulations	200	10	0	**210**	Smooth effects of future deficits within ring fenced building control account
	Wales Building Safety Loan Scheme (WG)	1,495	650	0	**2,145**	Administration, set up and due diligence costs for the repayable Welsh Government loan scheme
	South East Wales Corporate Joint Committee (SEWCJC)	23	543	0	**566**	Towards the Council's annual agreed contributions to the SEWCJC for Revenue operating costs
	City Wide Management & Initiatives	2,376	109	(231)	**2,254**	City-wide management and initiatives including support for marketing and infrastructure
	Community Initiatives	2,060	200	0	**2,260**	Initiatives arising from the legacy of the Community First Programme
	Corporate Events & Cultural Services	5,952	1,284	(561)	**6,675**	Feasibility studies and costs of major events, and to offset future pressures arising from

Category	Reserve	Balance 31 March 2025 £000	Contributions From Revenue £000	Contributions To Revenue £000	Balance 31 March 2026 £000	Purpose of the Reserve / To fund:
						fluctuations in income within Venues and Cultural Services
	Energy Conservation (One Planet)	1,054	0	(563)	**491**	Energy conservation initiatives
	Housing Support	734	0	0	**734**	Improve sustainability by maintaining the independence of people in their own homes
	Inspectorate Support	1,228	212	(30)	**1,410**	Consultancy for inspections and the regulatory environment
	Local Development Plan	256	112	(24)	**344**	Support the cost of the Local Development Plan and any potential appeals or judicial reviews
	Major Projects	91	400	0	**491**	Feasibility costs, implementation and financial implications of city wide initiatives
	New Core Office	0	200	0	**200**	To meet the interim costs of the New Core Office including new ICT Data Centre running costs
	New Theatre Repairs	487	143	0	**630**	Council building repairs liabilities in line with the lease terms
	Pierhead Street Multi Storey Car Park	577	0	0	**577**	Annual capital financing costs of Arena Model
	Red Dragon Centre	857	2,270	(800)	**2,327**	Premises funding requirements
	Initiatives Total	**17,900**	**6,383**	**(2,577)**	**21,706**	
Insurance	Insurance	6,415	0	(884)	**5,531**	Protect from future potential insurance claims
	Municipal Mutual Insurance	806	0	0	**806**	Liabilities to pay a percentage of claims previously settled by Municipal Mutual Insurance (MMI) and contribute to the cost of future settled claims
	Insurance Total	**7,221**	**0**	**(884)**	**6,337**	
Resilience	Employee Changes	17,436	5,414	(3,900)	**18,950**	Costs associated with voluntary redundancy and other employee costs in future years
	Grant Fall Out Resilience	1,438	676	0	**2,114**	Resilience for potential grant fall out in relation to Shared Prosperity Fund (SPF).
	Strategic Budget	11,348	1,000	(2,000)	**10,348**	Financial resilience and the future budget requirements of the

Category	Reserve	Balance 31 March 2025 £000	Contributions From Revenue £000	Contributions To Revenue £000	Balance 31 March 2026 £000	Purpose of the Reserve / To fund:
						Council over the three year budget period within the Medium Term Financial Plan
	Resilience Total	**30,222**	**7,090**	**(5,900)**	**31,412**	
Ringfenced	Harbour Authority Projects and Contingency Fund	165	317	0	**482**	Improvement and enhancement of infrastructure, assets, activities and services in or around Cardiff Bay
Ringfenced	Municipal Election	891	600	(177)	**1,314**	Support the cost of local elections
Ringfenced	Parking & Enforcement	1,915	10,615	(8,650)	**3,880**	Surpluses on parking and enforcement schemes which, under the Road Traffic Act 1984, have to be reinvested in Road Traffic Schemes. Additional details provided in note below
Ringfenced	Rentsmart Wales	562	0	(1)	**561**	Training and service delivery in respect of Rentsmart Wales
Ringfenced	South East Wales Construction Framework	1,546	1,019	(208)	**2,357**	Ringfenced revenue to fund future costs of the project. Remaining funding to be distributed amongst the participating authorities
Ringfenced	Wales Interpretation and Translation Service	289	41	0	**330**	Manage in-year fluctuations in funding and financial performance of the service
	Ringfenced Total	**5,368**	**12,592**	**(9,036)**	**8,924**	
Transformation	Corporate Landlord Function	134	0	(92)	**42**	Corporate landlord functions across the Council in order to provide a cohesive and commercial operating model
Transformation	Digital Transformation	1,386	0	(198)	**1,188**	New ways of working
	Transformation Total	**1,520**	**0**	**(290)**	**1,230**	

Category	Reserve	Balance 31 March 2025 £000	Contributions From Revenue £000	Contributions To Revenue £000	Balance 31 March 2026 £000	Purpose of the Reserve / To fund:
Schools	Schools Reserves	9,026	3,298	(6,512)	**5,812**	Aggregate School Balances / Deficits
	School Reserves Total	**9,026**	**3,298**	**(6,512)**	**5,812**	

Category	Reserve	Balance 31 March 2025 £000	Contributions From Revenue £000	Contributions To Revenue £000	Balance 31 March 2026 £000	Purpose of the Reserve / To fund:
Joint Committee and Subsidiary	Reserve	Balance 31 March 2025 £000	Contributions From Revenue £000	Contributions To Revenue £000	Balance 31 March 2026 £000	Purpose of the Reserve / To fund:
	South East Wales Corporate Joint Committee (SEWCJC)	1,335	527	**0**	**1,862**	The Council's percentage share of the accumulated balances and earmarked usable reserves of the SEWCJC
	Atebion Solutions Ltd	22	0	(4)	**18**	The consolidated usable reserves of Atebion Solutions Ltd
	Joint Committee and Subsidiary Reserves Total	**1,357**	**527**	**(4)**	**1,880**	
Total Council Fund Reserves		**147,500**	**65,082**	**(41,807)**	**170,775**	
Earmarked Reserves Housing Revenue Account						
HRA Earmarked Reserves	Reserve	Balance 31 March 2025 £000	Contributions From Revenue £000	Contributions To Revenue £000	Balance 31 March 2026 £000	Purpose of the Reserve / To fund:
	Housing Development Resilience Reserve	2,000	9,953	0	**11,953**	Improve resilience within the Housing Development Capital Programme
	Housing Repairs and Building Maintenance	6,887	794	0	**7,681**	Housing repairs and to mitigate against risk within the Construction Industry
	Welfare Reform	1,196	0	0	**1,196**	Project costs and scheme development to address issues for council tenants due to benefit cap and universal credit
	Earmarked Reserves HRA Total	**10,083**	**10,747**	**0**	**20,830**	
Total Earmarked Reserves		**157,583**	**75,829**	**(41,807)**	**191,605**	

Parking & Enforcement

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

2024/25 £000		2025/26 £000
784	Operational costs / Parking and Permits	818
6,919	Enforcement service	7,898
7,703	**Total Expenditure**	**8,716**
(5,266)	On-street pay car parking fees	(5,441)
(1,475)	Off-street car parking fees	(1,627)
(973)	Residents parking permits	(1,174)
(3,026)	Penalty charge notices	(3,625)
(5,340)	Moving Traffic Offences	(6,760)
(467)	Camera car	(554)
(143)	Other income	(150)
(16,690)	**Total Income**	**(19,331)**
(8,987)	**Civil Parking Enforcement Net (Surplus)/Deficit**	**(10,615)**
	Appropriations to Parking Reserve:	
964	**Balance 1 April**	**1,915**
8,987	Contributions from CPE	10,615
(8,036)	Contributions to revenue*	(8,650)
1,915	**Balance 31 March**	**3,880**

* * The Civil Parking Enforcement Account generated a net surplus of £10.615million. Eligible expenditure totalling £8.650 million was drawn down from the reserve leaving a balance of £3.880 million at 31 March 2026. The drawdown included a budgeted sum of £7.889 million to support a range of Council services, including ongoing support and improvements to transport, parking, highways and environmental services. It also included specific drawdowns to support various activities approved in the budget.

25.3 Usable Capital Receipts Reserve

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

2024/25 £000		2025/26 £000
11,712	**Balance as at 1 April**	**9,037**
	Movements during Year:	
5,005	Sale of land, buildings and other assets	10,578
1,278	Recoupments of grant/other	986
1,168	SEWCJC	(1,128)
7,451		**10,436**
(8,898)	Finance Capital Expenditure	(9,555)
(1,228)	Provide for repayment of external loans	(318)
(10,126)		**(9,873)**
9,037	**Balance as at 31 March**	**9,600**

25.4 Unapplied Capital Grants

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

2024/25 £000		2025/26 £000
4,972	**Balance as at 1 April**	**2,698**
(2,274)	Transfer of capital grants and contributions to capital grants unapplied	(1,587)
2,698	**Balance as at 31 March**	**1,111**

26. *Unusable Reserves*

26.1 Revaluation Reserve

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

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

2024/25 £000		**2025/26 £000**
403,155	**Balance as at 1 April**	**430,063**
	Adjusting amounts from Capital Adjustment Account	
65,172	Upward revaluation of assets	26,785
(33,572)	Downward revaluation of assets and impairment losses not charged to the (Surplus)/Deficit on the Provision of Services	(874)
(1,793)	SEWCJC Adjustment	(81)
29,807	**Surplus or deficit on revaluation of non-current assets not posted to the (Surplus)/ Deficit on the Provision of Services**	**25,830**
(2,899)	Difference between fair value depreciation and historical cost depreciation (charged to Capital Adjustment Account)	(3,099)
0	Accumulated gains on assets sold or scrapped	(49)
(2,899)	**Amount written off to the Capital Adjustment Account**	**(3,148)**
430,063	**Balance as at 31 March**	**452,745**

26.2 Capital Adjustment Account

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

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

2024/25 £000		**2025/26 £000**
1,071,931	**Balance as at 1 April**	**1,202,374**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(68,032)	Charges for depreciation and impairment of non-current assets	(75,203)
0	IFRS 16 ROU Depreciation	(2,839)
(276)	Amortisation of intangible assets	(216)

2024/25 £000		2025/26 £000
25,403	Reverse previous impairment on revaluation	13,075
(103,847)	Revaluation losses on Property, Plant and Equipment	(127,697)
0	Movement in Assets Held for Sale	0
(1,461)	Expenditure on REFCUS	(1,401)
(1,879)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(3,082)
(150,092)		**(197,363)**
2,897	Adjusting amounts to the Revaluation Reserve (including historic cost adjustment)	3,099
(147,195)	**Net written out amount of the cost of non-current assets consumed in the year**	**(194,264)**
	Capital financing applied in the year:	
8,898	Capital Receipts	9,555
11,887	Direct Revenue Financing	9,478
203,993	Grants and contributions credited to CIES applied to capital financing	208,554
0	SEWCJC Grants	13,094
2,274	Application of grants from Grants unapplied account	1,587
52,578	Prudent Revenue Provision	56,985
2,913	Prudent Revenue Provision - Finance lease instalment	2,903
7,148	ROU adjustment / termination	5,236
1,228	Capital receipts to provide for repayment of external loans	3,158
158	Change in loan debtors	(2,241)
291,077		**308,309**
(8,973)	Movements in the value of Investment Properties	(10,340)
(4,466)	SEWCJC Adjustments	(10,991)
1,202,374	**Balance as at 31 March**	**1,295,088**

26.3 Deferred Capital Receipts Reserve

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

2024/25 £000		2025/26 £000
66	**Balance as at 1 April**	**0**
0	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0
(66)	Transfers to the Capital Receipts Reserve upon receipt of cash	0
0	**Balance as at 31 March**	**0**

26.4 Financial Instruments Revaluation Reserve

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

- revalued downwards or impaired and the gains are lost
- disposed of and the gains are realised. ‘It also includes the difference between the actual value of loans provided and received where the fair value is different as a result of the perceived benefit or cost of loans at what may be deemed less than commercial rates. This difference is credited to the CIES as a gain or loss as appropriate over the period of the loans.

2024/25 £000		2025/26 £000
20,177	**Balance as at 1 April**	**23,949**
1,135	(Downwards)/Upwards revaluation of investments not charged to the Surplus/Deficit on the Provision of Services (SDPS)	1,381
(1,031)	SEWCJC Adjustment	861
3,668	Soft Loans Interest adjustment charged to SDPS	(1,030)
23,949	**Balance as at 31 March**	**25,161**

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

26.5 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require a benefit earned to be financed as the Council makes employer’s contributions to pension funds or eventually pays any pensions for which it is directly responsible. The balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2024/25 £000		2025/26 £000
(53,830)	**Balance as at 1 April**	**(82,165)**
(31,774)	Actuarial gains or losses on pensions assets and liabilities	32,359
(51,385)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(43,394)
(2,095)	Reversal of amounts accrual in respect of pension strain for future years	1,321
56,919	Employer’s pensions contributions and direct payments to pensioners payable in the year	62,200
(82,165)	**Balance as at 31 March**	**(29,679)**

26.6 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Council Fund Balance from accruing for compensated absences earned but not taken in the year e.g., annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to and from the Account.

2024/25 £000		**2025/26 £000**
(12,450)	**Balance as at 1 April**	**(17,578)**
12,442	Settlement or cancellation of accrual made at the end of the preceding year	17,567
(17,570)	Amount accrued at the end of the current year	(13,866)
(5,128)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with accounting requirements	**3,701**
0	SEWCJC adjustment	**(2)**
(17,578)	**Balance as at 31 March**	**(13,879)**

26.7 Donated Inventories Account

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

2024/25 £000		**2025/26 £000**
313	**Balance as at 1 April**	**221**
(92)	Movement in Donated Inventories Account	(172)
221	**Balance as at 31 March**	**49**

27. *Contingent Assets and Liabilities*

Assets

The Council holds a proportion of equity in a number of properties arising primarily from the affordable housing contribution that developers provide on new build developments. The equity proportions range from 20% to 40%, with the buyer nominated by the Council providing the balance of the resources to purchase the property. These properties were aimed at first time buyers who could not afford to buy a home on the open market. When the owner of the property wishes to sell their home, the Council has the first opportunity to nominate a purchaser from the assisted home ownership waiting list. If there is no nomination, the owner is free to sell on the open market and the Council is entitled to its relevant proportion of the market value of disposal in accordance with the charge on the property. This is treated as a capital receipt in the year that it is received. The estimated total value of equity at 31 March 2026 is £16.165 million (£16.423 million at 31 March 2025) based on the latest sale valuation for each property and is not updated for any changes in the market value of those properties to 31 March 2026.

Liabilities

The Council may be subject to claims relating to unfair dismissal, disability and race discrimination, and breach of contract. These types of claims fall outside the scope of the Council's general insurance cover. A provision has been recognised for those claims where settlement is considered probable and a reliable estimate of the financial obligation can be made. There also remains the possibility of additional claims arising from past events that were unknown as at 31 March 2026, or where the outcome and potential financial impact are inherently uncertain. In such cases, no provision has been recognised as a reliable estimate of the liability cannot be determined.

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

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

On 3 March 2021, the Council entered into an agreement with the Trustees of the Cardiff City Transport Services Limited Pension Scheme determining that all future liabilities in respect to pension obligations of Cardiff Bus will fall to Cardiff Council. The Council became statutory employer of the Cardiff Bus pension fund and responsible for paying contributions into the scheme towards addressing any identified deficit when assets and liabilities are projected as part of three yearly actuarial reviews. The schedule of contributions is currently £250,000 per annum, to be reviewed at 31 March 2027. The Council is also responsible for scheme operating expenses and Pension Protection Fund levy in respect to its obligations as Statutory and Principal employer. All costs are to be recovered from Cardiff Bus; however, the Council is ultimately responsible for such costs in the event the company is unable to meet them. Details of the fund assets and liabilities as at 31 March 2026 are shown in note 13.

The High Court ruled in June 2023 that changes to member benefits in contracted out defined benefit pension schemes between 1996 and 2016 require actuarial certificates under section 37 of the Pension Schemes Act 1993. Where is there is no certification, or the certificates are not available, the changes will be considered void. An appeal was dismissed by the Court of Appeal in August 2024. While the Department for Work and Pensions announced in June 2025 its intention to introduce legislation to address this issue, no such legislation had been enacted as at 31 March 2026 to mitigate impact on future liabilities.

The Council has received a number of claims in respect of potential Equal Pay liability. The litigation remains in the early stages of review and no financial liability has been admitted, calculated or crystalised at this stage.

The Council has a statutory recycling target from Welsh Government as set out in the Waste (Wales) Measure 2010 which is monitored and enforced under the Recycling, Preparation for Re-use and Composting Targets (Monitoring and Penalties) (Wales) Regulations 2011. Penalties are imposed at the rate of £200 per tonne for failure to achieve target, therefore every 1% (1000 tonnes) below target will equate to a £200,000 penalty. Where targets have not been met for financial years 2023/24 and prior, penalties have been waived by Welsh Government.

To avoid future penalties the council will need to demonstrate implementation of all the actions detailed in the ‘*Path to 70%*’ plan, but also to do so at the upper end of the anticipated improvement range for every action. This is to ensure the recycling rate is in line with the trajectory needed to return to legal compliance. This will inform the consideration by Welsh Government of whether to waive the penalties for subsequent years. In financial year 2024/25, the recycling rate was 64% (potential penalty £1.8 million). In financial year 2025/26, the provisional recycling rate improved to 66% (potential penalty £0.8 million).

The Council has provided Cardiff Heat Network (CHN) Ltd with a financial guarantee to meet liabilities as and when they fall due, but only to the extent that money is not otherwise available to CHN and to a value of no more than £1 million over a three-year period from the financial year ended 31 March 2025.

28. Notes to Cash Flow Statement

2024/25 £000	Adjust net surplus or deficit on the provision of services for non - cash movements	2025/26 £000
(156,555)	Depreciation, impairment & amortisation	(192,874)
5,568	Charges made for retirement benefits (IAS19) less employers contributions	18,774
(1,879)	Carrying amount of non-current assets sold or derecognised	(3,131)
(168)	Increase/(decrease) in stock	345
45,779	Increase/(decrease) in debtors	18,665
24,773	Increase/(decrease) in creditors	(18,902)
1,569	Other non-cash items affecting net surplus or deficit on provision of services	(8,033)
3,676	SEWCJC	9,323
(77,237)		**(175,833)**

2024/25 £000	Items in net surplus/ deficit on provision of services that are investing and financing activities	2025/26 £000
4,980	Proceeds from non-current assets & investments	3,748
195,444	Capital grants/contributions recognised in CIES	210,141
16,021	SEWCJC grants/contributions recognised in CIES	13,094
216,445		**226,983**

2024/25 £000	Interest and Dividends	2025/26 £000
(4,365)	Interest Received	(2,862)
37,525	Interest Paid	41,336
0	Dividends Received	0
33,160		**38,474**

29. Prior Period Adjustment

There are no prior period adjustments.

30. Exceptional Items

There are no exceptional items to disclose.

31. Events after the Reporting Period

There are no events after the reporting period to report.

32. Date of Authorisation of the Accounts for Issue

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

Housing Revenue Account

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Introduction

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

A 30-year business plan and financial model is prepared annually providing financial forecasts, service performance and objectives for the HRA. The plan aims to demonstrate the long-term sustainability and financial viability of the HRA over the period and includes the approach to maintaining the Welsh Housing Quality Standards, estate regeneration, investment in existing housing stock and securing new affordable housing to meet need.

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

A tenant satisfaction survey from 2025 showed:

- 69.8% of tenants were satisfied with their neighbourhood as a place to live (72.5% 2024/25)
- 61% of tenants were satisfied with the way the Council deals with repairs and maintenance (66.1% 2024/25)
- 76% of respondents were satisfied with the service provided by their social landlord (66.2% 2024/25)
- 68.4% of tenants were satisfied that their rent provides value for money (72.1% 2024/25).

Tenant satisfaction results for 2025/26 show improvement in a number of key areas, however, it is recognised that performance declined in the above areas which are actively being addressed through a focused improvement programme.

A series of detailed action plans are in place which have already resulted in improvements to strengthen service performance and improve outcomes for tenants during 2026, including:

- A comprehensive review of the Response Repairs Unit is being undertaken to improve the timeliness and effectiveness of repairs delivered in tenants' homes.
- The establishment of a new Housing Customer Excellence Unit bringing together staff training, complaints, and the Tenants Together Team within one coordinated service area, supporting greater consistency, learning and customer focus across housing services.
- The new Tenant Engagement Strategy 2026–2030 is being embedded to strengthen tenant voice, increase opportunities for meaningful engagement, and ensure tenants play a more active role in shaping future service priorities.
- A review of estate cleaning arrangements is underway to improve standards, strengthen operational consistency and reduce missed cleans.
- The new Anti Social Behaviour app is being embedded to improve communication between tenants and the ASB team. This is supported by activity to raise awareness of the service and enhance officer training, with the aim of improving responsiveness and tenant confidence.
- A full review of complaints handling has been completed, with additional resources put in place to improve response times and quality of response. Targeted training has supported the development of specialist complaint officers for key service areas, including repairs and tenancy issues.

The Business Plan for 2026/27 can be accessed via the Link and covers areas such as targets, governance, details of the housing stock, outcomes of tenant surveys to shape and deliver services, financial resources and planning as well key risks and mitigations.

Risks and Financial Outlook

The main expenditure items for the Council's 14,417 properties include repairs and maintenance, capital financing charges on borrowing (interest and provision for repayment), supervision and management (including tenant consultation, rent collection, housing allocations and property and estate management). The major income streams include rent and income from service charges.

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

The Council sets the level of HRA rents each year within a policy framework set by the Welsh Government. The 5-year Social Housing Rent policy was introduced in 2020/21 and was extended to 2025/26, allowing for a maximum 1% rent increase above the rate of the September Consumer Price Index (CPI). For 2025/26, the Cabinet Secretary for Housing and Local Government confirmed that the maximum allowable increase for social rents was CPI at September 2024 plus 1%. As a result, the total maximum rent increase allowable under the rent policy for 2025/26 was 2.7%.

A new Social Housing Rent Policy was announced on 29th September 2025. This 10-year policy will take effect from 1 April 2026 and run until 31 March 2036. The new policy states that:

- if CPI for September is between 0% and 3%, the maximum allowable rent increase is CPI + 1%
- if CPI for September is between 3% and 5%, the maximum allowable increase is CPI + 0.5%
- if the September CPI exceeds 5%, it will be the responsibility of the Welsh Ministers to determine the maximum appropriate rent uplift for that year.

New build properties let for the first time part-way through the financial year can be treated outside of the rent envelope, however they will be included in subsequent financial years total rent figures.

The key risks to the HRA are set out in the business plan and include ability to control rent levels to manage risk, increasing construction and operating costs, the need to borrow significant amounts of money to invest in existing and new housing as well as new housing energy standards required to be met for which no additional funding is in place.

Financial Performance 2025/26

The HRA budget for 2025/26 and Medium Term Financial Plan set in March 2025 are available on the Council's website Link and include the:

- Rent Policy Framework

- Budget for 2025/26
- Pressures, Affordability, Value for Money and Increasing Income Opportunities and
- Sensitivity Analysis.

The HRA reported a balanced position for 2025/26 after a net transfer to reserves of £2.747 million. This included overspends on the Housing Repairs Account due to increased volume of works and additional electrical testing costs reflecting increased activity. In addition, there was reduced rental income due to the delayed handover of new build units. These variances were offset by reduced capital financing charges due to a delay in the timing of payments for capital expenditure e.g. for new build projects as well as vacancy savings across the divisions. Void property levels were 2.04% as a percentage of overall stock (2.35% in 2024/25).

HRA earmarked reserves and the HRA General Balance were £20.830 million and £7.502 million respectively as at 31 March 2026. During the year a budgeted £8 million was transferred from the HRA General Balance to HRA earmarked reserves.

Our housing stock is valued in the accounts at £776.406 million. Dwellings were revalued in 2025/26 with the vacant possession value deemed to be £2.189 billion. In accordance with the valuation requirements, this was adjusted downwards, in our case by an adjustment factor of 36% in order to show the economic cost of providing social housing at less than market rent.

Capital Expenditure and Funding

Expenditure in 2025/26 on Public Housing Schemes was £149.855 million. Investment was made during the year in estate regeneration, housing stock remodelling, the fabric of dwellings, disabled adaptations and in the acquisition and development of new Council Housing. The table below shows how capital expenditure was paid for:

Funding Source	**2025/26 Actual**	**% of funding**
	£000	**%**
Major Repairs Allowance (WG grant)	12,739	8.50
Welsh Government and other external grants	58,217	38.85
External Contributions	5,493	3.67
Additional Unsupported Borrowing	66,882	44.63
Revenue / Reserves	0	0.00
Capital Receipts	6,524	4.35
Total	**149,855**	**100.00**

The Capital Financing Requirement is a measure of borrowing in relation to the HRA and represents expenditure incurred but not yet paid for. At 31 March 2026, this stands at £472.269 million; an increase of £50.947 million compared to the previous year. This is forecast to increase significantly over the next few years as set out in the 2026/27 HRA Revenue budget and Medium Term Financial Plan approved by Council in March 2026. Borrowing repayment and any associated interest costs must ultimately be repaid over a prudent period of time from existing budgets and future income.

Income and Expenditure Account

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

2024/25 £000		Note	2025/26 £000
	Management and maintenance comprising :		
37,587	Repairs and maintenance		39,564
39,550	Supervision and management		41,941
1,171	Rents, rates, taxes and other charges		992
(727)	Provision for bad and doubtful debts		955
58,224	Depreciation, impairment and revaluation losses of non-current assets	8	102,764
0	Movement in Assets Held for Sale		0
41	Sums directed by the Welsh Government that are expenditure in accordance with the Code	9	0
51	Debt management costs		68
135,897	**Total Expenditure**		**186,284**
(93,891)	Dwelling rents		(98,512)
(35)	Non-dwelling rents		(27)
(19,343)	Charges for services and facilities		(24,563)
0	Sums directed by the Welsh Government that are income in accordance with the Code		0
(113,269)	**Total Income**		**(123,102)**
22,628	**Net Cost of HRA Services as included in the Income and Expenditure Statement**		**63,182**
	HRA share of the operating income and expenditure included in the Comprehensive Income & Expenditure Statement:		
(420)	(Gain)/loss on sale of HRA non-current assets		(6,835)
16,125	Interest payable and similar charges		18,321
492	Changes in fair value of investment properties		0
0	Interest and Investment income		0
(66,516)	Capital grants and contributions applied		(77,563)
(27,691)	**(Surplus)/Deficit for year on HRA Services**		**(2,895)**

Movement on HRA Balance

2024/25 £000		Note	2025/26 £000

(15,502)	**Balance at 31 March brought forward**		**(15,502)**
(27,691)	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement		(2,895)
24,827	Adjustments between accounting basis and funding basis under regulations	1	148
(2,864)	**Net (increase)/decrease before transfers to or from reserves**		**(2,747)**
2,864	Transfers to/(from) earmarked reserves		10,747
0	**Increase or decrease in the year on the HRA**		**8,000**
(15,502)	**Balance at 31 March carried forward**		**(7,502)**

Notes to the Financial Statements

1. Adjustments between Accounting Basis and Funding Basis under Regulations

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

2024/25 £000		**Note**	**2025/26 £000**
	Adjustments to Revenue Resources		
	Amounts by which the income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements		
(510)	Pension costs (transferred to/from the Pensions Reserve)	4	(2,347)
128	Officer remuneration (transferred to the accumulated absence Reserve)		14
23,467	Charges for depreciation and impairment of non-current assets	8	15,627
35,550	Revaluation losses of non-current assets		88,646
(794)	Reverse previous impairment on revaluation		(1,509)
0	Amortisation of intangible assets		0
492	Movement in the market value of investment properties		0
0	Movement in Assets Held for Sale		0
(66,516)	Capital grants and contributions applied		(77,563)
41	Sums directed by Welsh Government		0
(420)	Non-current assets written off as part of the gain/loss on disposal to the HRA Income and Expenditure Statement		(6,835)
(14,865)	Prudent Provision for the financing of capital investment		(16,181)
(1,400)	Capital expenditure charged against the HRA		0
0	Credit for disposal costs that qualify to be met from the resulting capital receipts		0
(24,827)	**Total Adjustments**		**(148)**

2. Rental Income

This is the total rent income due for the year after allowance is made for voids etc. Void rent losses accounted for 2.04% of the total potential rental income (2.35% in 2024/25). Average rents were £131.30 per week (£127.91 in 2024/25) based on a 52-week year.

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

The following sums were due from tenants:

31 March 2025			31 March 2026	
Arrears £000	Bad debt provision £000		Arrears £000	Bad debt provision £000
		Rent Arrears		
6,510	2,770	Dwellings	6,767	2,903
1,104	1,104	Hostels/Other accommodation	1,503	1,503
7,614	**3,874**	**Total Rent Arrears**	**8,270**	**4,406**
		Other		
245	147	Service charges	229	138
241	241	Tenants recoverables	222	222
486	**388**	**Total Other Arrears**	**451**	**360**
8,100	**4,262**	**Total**	**8,721**	**4,766**

During 2025/26 debts totalling £451,000 were written off as irrecoverable (£579,000 in 2024/25).

4. Pension Costs

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

2024/25 £000		2025/26 £000
4,739	Current service cost	3,560
(5,249)	Cost of employer's contributions plus discretionary benefits	(5,911)
0	Pension Strain Accrual	4
(510)	**Net transfer to Pensions Reserve**	**(2,347)**

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

5. Housing Stock

The Council's housing stock is shown below:

31 March 2025		31 March 2026
7,546	Houses	7,571
636	Bungalows	644
5,374	Flats/Bedsits	5,537
178	Maisonettes	190
374	Retirement complexes	475
14,108	**Total**	**14,417**

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

31 March 2025		31 March 2026
340	Bed spaces in hostels	262
357	Flats in hostels	469
697	**Total**	**731**

6. Capital Expenditure and Capital Financing

2024/25		2025/26
£000		£000
363,442	Opening Capital Financing Requirement	**421,322**
	Capital Expenditure:	
137,745	Property, Plant and Equipment	149,855
68	Intangible assets including intangible AUC	0
0	Investment Properties	0
41	Expenditure on REFCUS	0
3,400	Appropriation of land	1,360
	Sources of Finance:	
(593)	Capital Receipts	(6,524)
(66,516)	Government grants and other contributions *	(77,563)
(1,400)	Direct revenue contributions and reserves	0
(14,865)	Prudent revenue and capital provision for loan repayment	(16,181)
421,322	**Closing Capital Financing Requirement**	**472,269**
	Explanation of movements in year:	
57,880	Increase/(Decrease) in underlying need to borrow (unsupported by government financial assistance)	50,947
57,880	**Increase in Capital Financing Requirement**	**50,947**

£12.739 million (£9.972 million in 2024/25) of Major Repairs Allowance grant was received from Welsh Government and applied in the year.

7. Capital Receipts

Proceeds from the disposal of HRA Assets during 2025/26 were as follows:

- Home Purchase Contributions were £492,000 (£212,000 in 2024/25)
- Land, including share of value from Cardiff Living new build housing development sites, were £6.344 million (£208,000 in 2024/25).

8. Depreciation, Impairment and Revaluation Charged

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

2024/25		2025/26
£000		£000
11,069	Council dwellings	11,503
1,667	Land and buildings	2,205
10,731	Vehicles, plant & equipment, intangibles, surplus and AUC	1,918
23,467	**Total Depreciation, Amortisation and Impairment**	**15,627**
12,023	Council dwellings	73,330
22,358	Land and buildings	14,089
376	Vehicles, plant & equipment, intangibles, surplus and AUC	(282)
34,757	**Total Revaluation**	**87,137**
58,224	**Total**	**102,764**

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

2024/25		2025/26
£000		£000
	Expenditure:	
41	Buildings not owned by Cardiff Council	0
0	Grants awarded not housing grants	0
41	**Charged to Income and Expenditure Account**	**0**
	Funded by:	0
0	Grants and Contributions	0
(41)	Borrowing, Receipts and other Capital Resources	0
(41)		**0**

Group Accounts

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Introduction

The group accounts that follow comply with the requirement of the 2025/26 Code, which states that a local authority with material interests in subsidiaries, associates and joint ventures should prepare group accounts in addition to its single entity accounts. These accounts consolidate the draft operating results and balances of the County Council of the City and County of Cardiff, Cardiff City Transport Services Ltd (Cardiff Bus) and Cardiff Heat Network Ltd

The Council also has interests in the following active subsidiaries: Cardiff Business Technology Centre (CBTC) and Atebion Solutions Ltd. The interest in Atebion Solutions Limited is consolidated within the Council's accounts. The current interest in CBTC is immaterial in terms of the turnover and net assets and has therefore been excluded from consolidation in 2025/26. The Council does not depend upon this organisation for statutory service provision, and it does not expose the Council to a material level of commercial risk. Therefore, it has been excluded from the consolidation in 2025/26. Details of the Council's interests in all subsidiaries are included in note 20.

Basis of Consolidation

The group accounts have been prepared on the basis of a full consolidation of the financial transactions and balances of the Council, Cardiff Bus and, for the first year, Cardiff Heat Network. Inter-group transactions and balances between the Council and its subsidiaries have been eliminated in full.

Accounting policies

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

Charges to Income and Expenditure for Non-Current Assets

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

Group Comprehensive Income and Expenditure

2024/25				2025/26		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
4,816	(1,103)	**3,713**	Corporate Management	12,073	(2,155)	**9,918**
94,773	(36,013)	**58,760**	Economic Development	100,667	(48,473)	**52,194**
545,346	(121,521)	**423,825**	Education & Lifelong Learning	549,632	(120,011)	**429,621**
10,571	(2,793)	**7,778**	Governance & Legal Services	9,805	(1,897)	**7,908**
9,229	(7,244)	**1,985**	Harbour Authority	9,621	(7,949)	**1,672**
226,491	(179,063)	**47,428**	Housing and Communities	203,663	(151,083)	**52,580**
135,897	(113,269)	**22,628**	Housing Revenue Account	186,283	(123,101)	**63,182**
56,892	(54,858)	**2,034**	Performance and Partnerships	15,799	(13,166)	**2,633**
67,286	(37,723)	**29,563**	Planning, Transport and Environment	105,119	(82,498)	**22,621**
42,068	(21,470)	**20,598**	Resources	35,272	(17,521)	**17,751**
218,340	(54,585)	**163,755**	Social Services- Adults	236,896	(64,766)	**172,130**
135,595	(31,200)	**104,395**	Social Services- Children's	143,217	(37,552)	**105,665**
534	(19,149)	**(18,615)**	Summary Revenue Account	1,020	(7,371)	**(6,351)**
6,296	(1,559)	**4,737**	SEWCJC	5,291	(2,170)	**3,121**
1,554,133	**(681,550)**	**872,583**	**Net Cost of Services**	**1,614,358**	**(679,713)**	**934,645**
53,384	0	**53,384**	Police and Crime Commissioner for South Wales	58,157	0	**58,157**
569	0	**569**	Community Council Precepts	612	0	**612**
23,468	0	**23,468**	Levies & Contributions	25,256	0	**25,256**
2,119	(4,851)	**(2,732)**	(Gain)/loss on sale of non-current assets	3,131	(9,158)	**(6,027)**
79,540	**(4,851)**	**74,689**	**Other Operating Expenditure**	**87,156**	**(9,158)**	**77,998**
37,653	(504)	**37,149**	Interest Payable on debt	42,582	0	**42,582**
1,076	0	**1,076**	Interest on net defined liability/(asset)	2,664	0	**2,664**
0	(6,615)	**(6,615)**	Interest & Investment Income		(7,429)	**(7,429)**
368	0	**368**	Interest expense on Leases	298	0	**298**
17,426	(14,199)	**3,227**	Income and Expenditure in relation to Investment Properties and changes in their fair value	17,400	(12,216)	**5,184**
1,073	(6,126)	**(5,053)**	Movement in Financial Instruments	1,030	0	**1,030**
57,596	**(27,444)**	**30,152**	**Financing and Investment Income & Expenditure**	**63,974**	**(19,645)**	**44,329**
0	(206,267)	**(206,267)**	Recognised Capital Grants & Contributions	0	(223,235)	**(223,235)**
0	(488,634)	**(488,634)**	Revenue Support Grant	0	(537,485)	**(537,485)**
0	(134,524)	**(134,524)**	Non-Domestic Rates	0	(137,400)	**(137,400)**
4,748	(286,464)	**(281,716)**	Council Tax Income	6,130	(305,707)	**(299,577)**

2024/25				2025/26		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
92	0	**92**	Donated Inventories	172	0	**172**
0	(7,148)	**(7,148)**	Gain on Peppercorn Lease	0	0	**0**
85	0	**85**	Corporation Tax (SEWCJC)	72	0	**72**
0	(2,209)	**(2,209)**	Revenue Grants (SEWCJC)	0	(1,507)	**(1,507)**
4,925	**(1,125,246)**	**(1,120,321)**	**Taxation & Non-Specific Grant Income**	**6,374**	**(1,205,334)**	**(1,198,960)**
1,696,194	**(1,839,091)**	**(142,897)**	**(Surplus)/Deficit on Provision of Services**	**1,771,862**	**(1,913,850)**	**(141,988)**
		(29,207)	(Surplus)/Deficit on revaluation of non current assets			**(25,911)**
		229	(Surplus)/Deficit on Financial Instrument Revaluation Reserve			**526**
		31,774	Remeasurement of the net defined benefit liability/(asset)			**(32,297)**
		0	Other gains/losses to be included in the Comprehensive Income and Expenditure			**0**
		2,796	**Other Comprehensive Income & Expenditure**			**(57,682)**
		(140,101)	**Total Comprehensive Income & Expenditure**			**(199,670)**

The 2024/25 breakdown of the Council's Net Cost of Services has been amended to take account of the changes in structure in 2025/26.

Group Movement in Reserves

	Council Fund Balance	Council Fund Earmarked Reserves	Joint Committee Reserve	HRA Balance	HRA Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves Council	Unusable Reserves - Group Entities	Total Authority Reserves
	£000	**£000**		**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Balance at 31 March 2024 carried forward	**14,255**	**133,371**	**113**	**15,502**	**7,219**	**11,712**	**4,972**	**187,144**	**1,415,190**	**16,668**	**1,619,002**
Movement in Reserves during 2024/25											
Surplus or (deficit) on the provision of Services	103,641	0	10,201	27,691	0	0	0	**141,533**	0	1,364	**142,897**
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	**0**	(2,796)		**(2,796)**
Total Comprehensive Income and Expenditure	**103,641**	**0**	**10,201**	**27,691**	**0**	**0**	**0**	**141,533**	**(2,796)**	**1,364**	**140,101**
Adjustments between accounting basis & funding basis under regulations	(90,858)	0	(7,671)	(24,827)	0	(2,675)	(2,274)	**(128,305)**	128,305	0	**0**
Net Increase / (Decrease) before Transfers to/(from) Earmarked Reserves	**12,783**	**0**	**2,530**	**2,864**	**0**	**(2,675)**	**(2,274)**	**13,228**	**125,509**	**1,364**	**140,101**
Transfers to/(from) Earmarked Reserves	(12,783)	12,783	(1,296)	(2,864)	2,864	0	0	**(1,296)**	1,296	0	**0**
Increase / (Decrease) in 2024/25	**0**	**12,783**	**1,234**	**0**	**2,864**	**(2,675)**	**(2,274)**	**11,932**	**126,805**	**1,364**	**140,101**
Other adjustments									**12,656**	**(12,656)**	**0**
Balance at 31 March 2025 carried forward	**14,255**	**146,154**	**1,347**	**15,502**	**10,083**	**9,037**	**2,698**	**199,076**	**1,554,651**	**5,376**	**1,759,103**
Movement in Reserves during 2025/26											
Surplus or (deficit) on the provision of Services	124,714	0	12,464	2,895	0	0	0	**140,073**	0	1,915	**141,988**
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	**0**	57,682	0	**57,682**
Total Comprehensive Income and Expenditure	**124,714**	**0**	**12,464**	**2,895**	**0**	**0**	**0**	**140,073**	**57,682**	**1,915**	**199,670**
Adjustments between accounting basis & funding basis under regulations	(101,971)	0	(12,769)	(148)	0	(1,150)	(1,587)	**(117,625)**	117,625	0	**0**
Net Increase / (Decrease) before Transfers to/(from) Earmarked Reserves	**22,743**	**0**	**(305)**	**2,747**	**0**	**(1,150)**	**(1,587)**	**22,448**	**175,307**	**1,915**	**199,670**
Transfers to/(from) Earmarked Reserves	(22,752)	22,752	0	(10,747)	10,747	0	0	**0**	0	0	**0**
Other transfers to reserves including SEWCJC transfers to reserves & adjustments	9	6	821	0	0	1,713	0	**2,549**	(3,477)	(699)	**(1,627)**
Increase / (Decrease) in 2025/26	**0**	**22,758**	**516**	**(8,000)**	**10,747**	**563**	**(1,587)**	**24,997**	**171,830**	**1,216**	**198,043**
Balance at 31 March 2026 carried forward	**14,255**	**168,912**	**1,863**	**7,502**	**20,830**	**9,600**	**1,111**	**224,073**	**1,726,481**	**6,592**	**1,957,146**

Group Balance Sheet

31 March 2025		31 March 2026
£000		**£000**
2,481,037	Property, Plant & Equipment incl Infrastructure Assets	2,767,061
68,355	Heritage Assets	72,217
158,419	Investment Properties	147,310
877	Intangible Non-Current Assets including AUC	709
8,351	Long-term Investments	20,312
26,781	Long-term Debtors	25,273
0	Deferred tax asset	0
2,743,820	**Total Long-Term Assets**	**3,032,882**
16,020	Short-term Investments	10,611
450	Assets Held for Sale	0
3,016	Inventories	3,584
274,495	Short-term Debtors	270,434
63,851	Cash and Cash Equivalents	111,849
357,832	**Total Current Assets**	**396,478**
(47,543)	Short-term Borrowing	(67,244)
(159,219)	Short-term Creditors including current lease liabilities	(168,626)
(1,202)	Pension Strain	(2,992)
(2,943)	Provisions	(3,623)
(1,889)	Deferred Liabilities	(1,950)
0	Current Tax Liability (group entities)	(431)
(212,796)	**Total Current Liabilities**	**(244,866)**
(933,637)	Long Term Borrowing	(1,084,113)
(35,168)	Provisions	(31,778)
(11,053)	Deferred Liabilities	(9,993)
(6,440)	Revenue Grants Receipts in Advance	(6,771)
(15,735)	Capital Grants Receipts in Advance	(24,436)
(41,896)	Capital Contributions Receipts in Advance	(39,160)
(3,377)	Non Current Lease Liabilities	(3,577)
(4,241)	Pension Strain	(1,130)
(78,092)	Net Pensions Liability	(26,057)
(114)	Deferred Tax Liability (group entities)	(333)
(1,129,753)	**Total Long-Term Liabilities**	**(1,227,348)**
1,759,103	**NET ASSETS**	**1,957,146**
	Financed by:	
14,255	Council Fund Balance	14,255
147,501	Council Fund Earmarked Reserves	170,775
15,502	Housing Revenue Account Balance	7,502
10,083	Housing Revenue Account Earmarked Reserves	20,830
9,037	Capital Receipts Reserve	9,600
2,698	Capital Grants Unapplied	1,111
199,076	**Usable Reserves**	**224,073**
433,912	Revaluation Reserve	456,318
1,202,374	Capital Adjustment Account	1,295,088
0	Deferred Capital Receipts	441

31 March 2025		31 March 2026
£000		**£000**
14,724	Financial Instruments Revaluation Reserve	14,555
(82,165)	Pensions Reserve	(29,679)
(17,578)	Accumulated Absences Adjustment Account	(13,879)
221	Donated Inventories	49
3,163	SEWCJC Group Companies Reserve	3,588
5,376	Reserves (Group Entities)	6,592
1,560,027	**Unusable Reserves**	**1,733,073**
1,759,103	**TOTAL RESERVES**	**1,957,146**

Group Cash Flow

2024/25		2025/26
£000		**£000**
(142,897)	Net (Surplus) /Deficit on the provision of services	(141,988)
(80,544)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	(182,587)
216,445	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	226,983
(6,996)	**Net cash flows from operating activities**	**(97,592)**
303,641	Purchase of property, plant and equipment, investment property and intangible assets	469,243
639,440	Purchase of short-term and long-term Investments	1,062,682
8,360	Other payments for investing activities	903
(5,071)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(9,157)
(639,440)	Proceeds from short-term and long-term investments	(1,062,682)
(165,546)	Capital Grants and Contributions	(249,703)
141,384	**Net cash flows from investing activities**	**211,286**
(103,095)	Cash receipts from short-term and long-term borrowing	(233,965)
3,335	Other receipts from financing activities	3,029
13,490	Repayments of short-term and long-term borrowing	69,244
(86,270)	**Net cash flows from financing activities**	**(161,692)**
48,118	**Net (increase)/ decrease in cash and cash equivalents**	**(47,998)**
111,969	Cash and cash equivalents at the beginning of the reporting period	63,851
63,851	**Cash and cash equivalents at the end of the reporting period**	**111,849**

Notes to Group Accounts

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

1. Remuneration

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

Number of Employees	Remuneration band	Number of Employees
2024/25	£	2025/26
1	60,000-69,999	0
0	70,000-74,999	0
0	75,000-79,999	0
0	80,000-84,999	0
2	85,000-89,999	1
0	90,000-104,999	0
0	105,000-109,999	1
0	110,000-114,999	1
1	115,000-119,999	0
0	120,000-124,999	0
0	125,000-129,999	0
0	130,000-134,999	1
0	135,000-144,999	0
4	**Total**	**4**

2. Related Parties Disclosures

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

3. Exceptional Items

There are no exceptional items included in the Group Accounts.

4. Financial Instruments

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

5. Prior Period Adjustment

There are no prior period adjustments.

Trust Funds

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Trust Funds

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

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

The Charity Commission has issued guidance to local authorities where authorities undertake a role as Charity Trustees. This included the approach to managing the Trust, decision making, managing conflicts of interests, identifying assets and liabilities etc. A multi-disciplinary team of officers from the Council's Estates, Finance and Legal departments has been working on a review of the latter, which is under continuous review and requires additional due diligence to identify assets, approach to control and approach to costs and income. Many of building assets are historic and there is no clear information held regarding previous decision making which indicates under which capacity the previous Council were acting when the assets were provided. Following an internal governance review, the Council has only in recent years established a trusts committee for clearer separation of its roles to address this issue going forward.

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

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

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

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

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

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

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

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

The accounts for the Cardiff Further Education Trust are required by the Charity Commission to be independently examined. The accounts for the year ended 31 March 2026 have yet to be examined.

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

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

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

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

	Balance as at 31 March 2025 £	Income £	Expenditure £	Asset Revaluation £	Balance as at 31 March 2026 £
Funds for which the Council is Sole Trustee					
Llandaff War Memorial Fund	(1,653)	(95)	1,363	0	**(385)**
Maindy Park Foundation	(88,717)	(3,360)	0	0	**(92,077)**
Cardiff Further Education Trust/Craddock Wells	(10,668,123)	(267,136)	59,204	(216,527)	**(11,092,582)**
Total funds for which the Council is Sole Trustee	**(10,758,493)**	**(270,591)**	**60,567**	**(216,527)**	**(11,185,044)**
Funds administered by the Council					
R Fice Memorial Trust	(64,288)	(2,568)	2,000	(6,672)	**(71,528)**
The Howardian Trust	(37,969)	(1,376)	0	682	**(38,663)**
Total funds which are administered by the Council	**(102,257)**	**(3,944)**	**2,000**	**(5,990)**	**(110,191)**
Total	**(10,860,750)**	**(274,535)**	**62,567**	**(222,517)**	**(11,295,235)**

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

Cardiff Harbour Authority

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Narrative Report

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

Annual Governance Statement

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

Agreement

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

Review of the Financial Year

For the financial year 2025/26, Cardiff Harbour Authority reported net expenditure of £6.147 million against the approved budget of £6.511 million; an overall underspend of £0.364 million. Expenditure was represented by £5.974 million of Fixed Costs and £173,000 of asset renewal capital spend. The position included increased spend on essential works, including barrage maintenance, resurfacing and repairs to access routes, offset by increases in income primarily car parking income.

The financial deficit after accounting adjustments for the year ended 31 March 2026 was £1.528 million (£1.872 million in 2024/25).

Total capital expenditure incurred during the year was £173,000 and included including works refurbishing external windows and doors in the Environment Building, removal and refurbishment of the Barrage Locks.

Key Achievements

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

- In its 8th year, the collaborative award winning water safety project Just Jump, welcomed 1050 school pupils from 23 schools , a 10% increase, to experience the hard hitting live performance which warns of the dangers of swimming and tombstoning in the Bay as well as participation in workshops.
- Successful 25th anniversary celebrations including anniversary book, Behind the Bay photo exhibition, Schools banner competition, social media campaigns and a 25th anniversary slate and stained glass 'Story stone' sculpture and garden on the Barrage.
- 3 Green Flag Awards were retained at the Barrage, Cardiff Bay Wetlands and Flat Holm Island.
- ISO14001 audit resulted in retention of the award for Cardiff Harbour Authority ensuring excellent environmental management.
- 326 tonnes of waste were removed from the rivers and safely disposed.

- There were 312,856 dissolved oxygen readings taken, of which 4,286 readings were below 5 mg/l. This represents a 98.63% compliance with standards.
- We had 255 volunteers amounting to 557 volunteer hours working on projects in the Bay including litter clearance and Tiny Forest maintenance.
- There were 66,849 Cardiff Bay Wetlands users and 955,732 Barrage users throughout the year.
- Successful Halloween event at Alexandra Head in October 2025.
- Corporate Cultural Heritage Project Manager Apprentice secured .
- Supported the delivery of the Cardiff Half Marathon.
- Continuation of PhD studentships with Cardiff University and the Water Research Institute to investigate environmental challenges to Cardiff Bay to inform the future need for the aeration system.

Guide to the Financial Statements

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

Comprehensive Income and Expenditure Statement

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

Balance Sheet

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

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

The Corporate Director Resources Responsibilities

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

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

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

The Corporate Director Resources has also:

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

The Corporate Director Resources Certificate

The financial statements for the Cardiff Harbour Authority give a true and fair view of its income and expenditure for the financial year 2025/26 and financial position of the Harbour Authority at 31 March 2026.

Christopher Lee **Date:** 30-Jun-26
Corporate Director Resources

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

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Accounting policies used when formulating the accounts

In accordance with the Accounts and Audit (Wales) Regulations 2014, this Statement of Accounts summarises the Harbour Authority's transactions for the 2025/26 financial year and its financial position at 31 March 2026. The accounts are prepared in accordance with International Financial Reporting Standards (IFRS). A number of the accounting policies used in preparing these accounts, along with any critical assumptions and sources of estimation used are the same as those for the accounts of the Council. Whilst these are not replicated in full, the key policies applied are below:

1. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not when the cash payments are made or received. Where income and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. There is a de-minimis threshold of £500 under which income and expenditure may not be accrued.

2. Employee Benefits Payable during Employment

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

3. Grants and Contributions

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

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

Revenue

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

Capital

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

4. Inventories

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

5 Overheads and Support Services Costs

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

6 Non-Current Assets

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

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

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

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

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

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

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

Asset Type	Measurement	Valuation Frequency	Last Full Valuation	Surveyor for Last Valuation	Next Full Valuation	Range of Remaining Useful Lives
Assets under Construction	Depreciated Historical Cost	n/a	n/a	n/a	n/a	n/a
Buildings	Existing Use or Depreciated Replacement Cost	Every 5 years Indexation of buildings only in between	2024/25	Cooke & Arkwright	2029/30	11-86
Community Assets	Depreciated Historical Cost	n/a	n/a	n/a	n/a	n/a

Heritage Assets	Historic Cost and only measured at fair value where the benefits of doing so outweigh the costs	n/a	n/a	n/a	n/a	n/a
Infrastructure *	Depreciated Historical Cost	n/a	n/a	n/a	n/a	1-114
Intangible Assets	Amortised Historical Cost	n/a	n/a	n/a	n/a	3-4
Investment Properties	Fair Value	Every 2 years	2025/26	Jones Lang LaSalle	2027/28	n/a
Surplus Assets	Fair Value	Every 5 years Indexation in between	2025/26	Jones Lang LaSalle	2030/31	n/a
Vehicles, Plant, Furniture & Equipment	Depreciated Historical Cost	n/a	n/a	n/a	n/a	1-11

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

Revaluations:

Land and Buildings asset valuations take place with an effective date at 1 April or 31 March where a full professional valuation of a full class of assets indicates that there may be a material change at the final balance sheet position. These are undertaken on a minimum five yearly rolling programme. In the interim years between full valuations of specific asset classes, asset values are supported through indexation adjustments for assets that are not formally revalued. Full revaluations are carried out in accordance with RICS Red Book requirements, while indexation reflects market-based movements applied in intervening periods. Although the valuation approaches differ, both are treated equally for accounting purposes under the revaluation model.

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

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

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

Indexation

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, authorities revalue their assets every five years with annual indexation applied to assets during the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

Full revaluations are carried out in accordance with RICS Red Book requirements, while indexation reflects market-based movements applied in intervening periods. Although the valuation approaches differ, both are treated equally for accounting purposes under the revaluation model.

The following table indicates the Asset Types to which indexation is applied, in line with the CIPFA Code, whether indexation is applied in 2025/26, or allowable exemptions have been applied.

Asset Type	Index Deemed Appropriate or Exemptions applied?	Applied 2025/26 (Y/N)?	Applied in future years?	Indexation Movement in 2025/26	Next Full Valuation
Operational Land	No index deemed appropriate	N	N	0%	Desktop 2027/28
Operational Buildings – DRC	Building Cost Information Service (BCIS) All in Tender Price Index (TPI). Q1 2025 (399) to Q1 2026 (410)	Y	Y	2.8%	2029/20
Operational Buildings - EUV All other property	MSCI UK Property Index – All Property*	Y	Y	0.8%	2029/30
Vehicles, Plant, Furniture and Equipment	Elect to retain at Historic Cost due to short life and low value	N	N	n/a	n/a
Surplus Assets	MSCI UK Property Index – All Property	N	Y	0%	2030/31

* MSCI UK Property Index – EUV All Property

Period		Capital Value Growth % change YTD
01 Jan 25 – 31 Dec 25		1.34
01 Jan 25 – 31 Mar 25	Less	0.59
01 Jan 26 – 31 Jan 26	Add	0.06
Estimate 01 Apr 25 – 31 Mar 26		0.81
Index % uplift to Apply		**0.80**

Indexation is applied to current value balances. In any year where operational land and building assets within the categories listed below are not subject to full a quinquennial valuation, indexation will be applied as follows:

- For Operational Land and Building assets existing at the start of the year, the relevant index will be applied to the closing net book valuation of the asset as well as in year capital expenditure.
- For Operational Land and Building assets newly created or acquired during the year, indexation will be applied using the relevant index in the following year.

Indexation is calculated prior to Depreciation. Depreciation is the Elimination Method where the accumulated depreciation is eliminated against the Gross carrying amount.

Charges to Revenue for Non-Current Assets:

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

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

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

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

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

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

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

7. Reserves

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

8. Value Added Tax

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

Comprehensive Income and Expenditure Statement

2024/25		2025/26
£000		£000
	Expenditure	
2,930	Employees	2,910
1,713	Premises	2,236
105	Transport	157
2,150	Supplies and Services	1,776
404	Support Services	497
6	Third Party Payments	7
2,199	Capital Charges	2,174
9,507	**Total Expenditure**	**9,757**
	Income	
(6,076)	Government Grants	(6,291)
(239)	Capital Grants Applied	(149)
(1,320)	Fees and Charges	(1,725)
0	Other Grant, Reimbursements & Co	(64)
(7,635)	**Total Income**	**(8,229)**
1,872	**Net Expenditure for the Year**	**1,528**

Balance Sheet

31 March 2025		Note	31 March 2026
£000			£000
152,836	Property, Plant and Equipment incl Infrastructure Assets	2	150,931
270	Investment Properties	2	270
56	Heritage Assets	2	56
141	Intangible Assets	2	103
153,303	**Total Long Term Assets**		**151,360**
439	Inventory	3	440
42	Debtors	4	6,548
(703)	Cash		(6,669)
(222)	**Total Current Assets**		**319**
(870)	Creditors	5	(918)
(870)	**Total Current Liabilities**		**(918)**
152,211	**Net Assets**		**150,761**
	Funded by:		
143,820	General Reserve	1	142,292
8,391	Revaluation Reserve	1	8,469
152,211	**Total Reserves**		**150,761**

Notes to the Financial Statements

1. *Reserves*

Held within the General Reserve is an earmarked amount reserved for project activities and contingencies. This amount is £482,000 as at 31 March 2026 (£165,000 as at 31 March 2025).

2024/25			2025/26	
General Reserve £000	Revaluation Reserve £000		General Reserve £000	Revaluation Reserve £000
145,692	**11,420**	**Balance as at 1 April**	**143,820**	**8,391**
(1,872)	(3,029)	Movements in Reserves	(1,528)	78
143,820	**8,391**	**Balance as at 31 March**	**142,292**	**8,469**

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

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

Property, Plant and Equipment Movements in Cost or Value	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Community Assets £000	Surplus Assets £000	Assets under construction £000	Total Property, Plant & Equipment £000	Investment Properties £000	Heritage Assets £000	Intangible Assets £000
1 April 2024	**13,163**	**1,314**	**1,103**	**43**	**0**	**15,623**	**445**	**56**	**348**
Additions	0	316	0	0	0	**316**	0	0	0
Revaluations Increases/(Decreases) recognised in the RR	(3,609)	0	0	0	0	**(3,609)**	0	0	0
Revaluations Increases/(Decreases) recognised in the SDPS	90	0	0	0	0	**90**	(175)	0	0
Derecognition - Disposals	0	(361)	0	0	0	**(361)**	0	0	0
Other Reclassifications - Transfers	0	0	0	0	0	**0**	0	0	0
At 31 March 2025	**9,644**	**1,269**	**1,103**	**43**	**0**	**12,059**	**270**	**56**	**348**
Additions	124	0	0	0	0	**124**	0	0	0
Revaluations Increases/(Decreases) recognised in the RR	(94)	0	0	0	0	**(94)**	0	0	0
Revaluations Increases/(Decreases) recognised in the SDPS	5	0	0	0	0	**5**	0	0	0
Derecognition - Disposals	0	(72)	0	0	0	**(72)**	0	0	(79)
Other Reclassifications - Transfers	0	0	0	0	0	**0**	0	0	0

At 31 March 2026	**9,679**	**1,197**	**1,103**	**43**	**0**	**12,022**	**270**	**56**	**269**
Movements in Depreciation/Impairment									
1 April 2024	**617**	**702**	**0**	**0**	**0**	**1,319**	**0**	**0**	**153**
Depreciation Charge	171	97	0	0	0	**268**	0	0	54
Depreciation written out to the RR	(580)	0	0	0	0	**(580)**	0	0	0
Depreciation written out to the SDPS	(36)	0	0	0	0	**(36)**	0	0	0
Derecognition - Disposals	0	(361)	0	0	0	**(361)**	0	0	0
At 31 March 2025	**172**	**438**	**0**	**0**	**0**	**610**	**0**	**0**	**207**
Depreciation Charge	176	87	0	0	0	**263**	0	0	38
Depreciation written out to the RR	(171)	0	0	0	0	**(171)**	0	0	0
Depreciation written out to the SDPS	0	0	0	0	0	**0**	0	0	0
Derecognition - Disposals	0	(72)	0	0	0	**(72)**	0	0	(79)
At 31 March 2026	**177**	**453**	**0**	**0**	**0**	**630**	**0**	**0**	**166**
Net Book Value:									
At 31 March 2025	**9,472**	**831**	**1,103**	**43**	**0**	**11,449**	**270**	**56**	**141**
At 31 March 2026	**9,502**	**744**	**1,103**	**43**	**0**	**11,392**	**270**	**56**	**103**

2024/25	Net Book Value	2025/26
141,387	Infrastructure Assets	139,539
11,449	Other PPE Assets	11,392
270	Investment Properties	270
56	Heritage Assets	56
141	Intangible Assets	103
153,303	**Total Assets**	**151,360**

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

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

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

The Infrastructure Assets Net Book Value is as follows:

2024/25 £000	Infrastructure Assets	2025/26 £000
143,263	**Net Book Value at 1 April**	**141,387**
0	Additions	25
(1,876)	Depreciation	(1,873)
0	Other movements in cost (Reclassification)	0
141,387	**Net Book Value at 31 March**	**139,539**

3. *Inventory*

31 March 2025 £000		31 March 2026 £000
444	**Balance as at 1 April**	**439**
(5)	Stock adjustment	1
439	**Balance as at 31 March**	**440**

4. *Debtors*

31 March 2025 £000		31 March 2026 £000
0	Central Government Bodies	6,464
42	Trade Receivables	84
42	**Total Debtors**	**6,548**

5. *Creditors*

31 March 2025 £000		31 March 2026 £000
0	Central Government Bodies	0
(870)	Trade Payables	(918)
(870)	**Total Creditors**	**(918)**

Glossary of Accounting Terms

CRYFACH TECACH GWYRDDACH | STRONGER FAIRER GREENER

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

Accruals Basis

Amounts included in the accounts for income or expenditure in relation to the financial year but not received or paid as at 31 March

Actuarial Gains and Losses

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

Agency Services

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

Assets Held for Sale

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

Asset under Construction

An asset that is not yet complete.

Borrowing

Loans taken out taken out by the Council to pay for capital expenditure or for the prudent management of the Council's financial affairs.

Capital Adjustment Account

The Account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (revenue expenditure funded by capital under statute). The balance on the account thus represents timing differences between the amount of the historical cost of non-current assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Capital Expenditure

Capital expenditure pays for improvements to existing and new assets used in the delivery of Council services as well as other items determined by Regulation. Capital resources are scarce, costly and also have long term revenue implications over many years and even generations where capital expenditure is funded by borrowing. Hence the requirement of the Prudential Code to ensure what is charged as Capital Expenditure is Prudent, Sustainable and Affordable.

The statutory definition of capital expenditure is given in the Local Government Act 2003, the Local Authorities (Capital Finance) Regulations 2003 and 2004 amended. Statute relies on the accounting measurement of cost in IAS 16 to determine whether expenditure is eligible to be capitalised or whether it should be treated as revenue expenditure. Key to what is eligible as capital spend are the following words in IAS 16 - ‘Costs directly attributable to bringing the specific asset into working condition for its intended use’.

Capital Financing Requirement

A Council’s underlying need to borrow for a capital purpose. It measures capital expenditure incurred but not yet financed by the receipt of grants, contributions and charges to the revenue account via a prudent minimum revenue provision.

Capital Receipts

Income from the sale of capital assets that can be used to fund new capital expenditure schemes or reduce the underlying need to borrow. Capital receipts cannot be used to fund revenue expenditure, unless they relate to the costs of securing disposal or where a ministerial permission allows.

Carrying Amount

The Balance Sheet value recorded of either an asset or a liability.

Cash and Cash Equivalents

Sums of money available for immediate use and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Chartered Institute of Public Finance & Accountancy (CIPFA)

CIPFA is the leading professional accountancy body which determines accounting standards and reporting standards to be followed by Local Government.

Community Assets

These are non-current assets that the Council intends to hold in perpetuity which have no determinable finite useful life and, in addition, may have restrictions on their disposal. Examples include parks and historical buildings not used for operational purposes.

Contingent Liabilities or Assets

These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not been made in the Council’s accounts.

Council Dwellings

Flats and Houses owned by the Council as part of its Housing Revenue Account and provided at an affordable level of rent which is lower than market rent.

Council Fund Balance

The Council Fund Balance represents the cumulative retained surpluses on the Council’s revenue budget. It provides a working balance which can be used to cushion the Council against unexpected events or emergencies. It is reviewed annually to ensure it remains at an appropriate level.

Credit Criteria
The parameters used as a starting point in considering with whom the Council may place investments, aimed at ensuring the security of the sums invested.

Credit Rating
A credit rating assesses the credit worthiness of an individual, corporation or country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the subject being able to pay back a loan.

Creditors
Amounts owed by the Council for work done, goods received, or services rendered, for which payment has not been made at the date of the balance sheet.

Current Service Cost (Pensions)
Current Service Cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e., the ultimate pension benefits "earned" by employees in the current year's employment.

Current Value
The current value of an asset reflects the economic environment prevailing for the service or function the asset is supporting at the reporting date.

Curtailment (Pensions)
For a defined benefit pension scheme an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service.

Debtors
These are sums of money due to the Council that have not been received at the date of the Balance Sheet.

Deferred Capital Receipts
These represent capital income still to be received after disposals have taken place.

Defined Benefit Scheme (Pensions)
This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

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

Depreciation/Impairment/Amortisation
A charge made to the Comprehensive Income and Expenditure Statement to reflect an estimate of the use or consumption of non-current assets in the year in the provision of Council services.

De-recognition
Financial assets and liabilities will need to be removed from the Balance Sheet once performance under the contract is complete or the contract is terminated.

Direct Revenue Financing
The amount of revenue funding in the year used to pay for capital expenditure incurred.

Earmarked Reserves
Amounts set aside to be used to meet specific, known or predicted future expenditure.

External Audit
The independent examination of the activities and accounts of Local Authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Council has made proper arrangements to secure value for money in its use of resources.

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

Finance Lease
A finance lease is a lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term ‘financial instrument’ covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Heritage Asset
A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Housing Revenue Account (HRA)
Local Authorities are required to maintain a separate account - the Housing Revenue Account - which sets out the expenditure and income arising from the provision of Council housing. Other services are charged to the Council Fund.

Impairment
A reduction in the value of assets below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in an asset’s market value or recoverability and evidence of obsolescence or physical damage to the asset.

Indexation

The process of updating the carrying value of property, plant and equipment assets between formal revaluations by applying an appropriate price index to reflect changes in asset values. Indexation is an approximation of market changes. It is not a valuation of a specific asset.

Infrastructure Assets

Fixed Assets which generally cannot be sold and from which benefit can be obtained only by continued use of the asset created. Examples of such assets are highways, footpaths, bridges and water and drainage facilities.

Intangible Assets

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

Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

Investment Properties

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

Investments

The purchase of financial assets in order to hold temporary cash balances, receive income and/or make capital gain at a future time.

Joint Committee

An arrangement whereby two or more local authorities collaborate to exercise executive functions by setting up a separate sub committee to deliver services.

Lender Option Borrower Option Loans (LOBOs)

Loans to the Council where the lender can request a change in the rate of interest payable by the Council at pre-defined dates and intervals. The council at this point has the option to repay the loan.

Levy

An amount of money which a Local Authority is required to collect on behalf of another organisation.

Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Materiality
Information is material if omitting it or misstating it could influence the decisions that users make on the basis of financial information about a specific reporting authority.

Market Loans
Borrowing that is sourced from the market i.e., organisations other than the Public Works Loan Board or a Public Body.

Net Book Value (NBV)
The amount at which non-current assets are included in the balance sheet, i.e., their historical cost or current value less the cumulative amounts provided for depreciation.

Non-domestic rates (NDR)
A levy on businesses collected by billing Authorities, on behalf of the Welsh Government, and paid into an All Wales Pool. The Pool is then redistributed amongst all Welsh Authorities on the basis of population.

Operating Lease
This is a type of lease, usually of computer equipment, office equipment, furniture, etc. where the balance of risks and rewards of holding the asset remains with the lessor. The asset remains the property of the lessor and the lease costs are revenue expenditure to the Authority.

Pension Fund
A fund built up from deductions from employees' pay, contributions from employers and investment income from which pension benefits are paid.

Precept
A demand levied by one public Authority, which is collected on its behalf by another Authority.

Prior Period Adjustments
These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

Projected Unit Method (Pensions)
An actuarial method of calculating the liabilities of a pension scheme which allows for projected future increases in pensionable pay up to retirement or date of leaving service

Property, Plant and Equipment (PPE)
Tangible assets (i.e., assets that have physical substance) that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and are expected to be used during more than one year.

Provisions
Amounts set aside in respect of liabilities or losses which are likely or certain to be incurred, but in relation to which the exact amount and date of settlement may be uncertain.

Prudential Code for Capital Finance

The system introduced on 1 April 2004 by Part 1 of the Local Government Act 2003 which allows local Authorities to borrow without Government consent, provided that they can afford to service the debt from their own resources and that any such borrowing is prudent and sustainable. This requires the preparation and approval of various indicators.

Prudent Revenue Provision (PRP)

An amount set aside as a provision each year to repay loans taken out to pay for capital expenditure. This has the effect of reducing the Capital Financing Requirement (CFR).

Public Works Loan Board (PWLB)

The Public Works Loan Board is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. PWLB's function is to lend money from the National Loans Fund to local Authorities and other prescribed bodies, and to collect the repayments.

Recharge

An internal charge for services rendered by one Council directorate or section to another.

Related Parties

Related parties include ~~are~~ Central Government, other Local Authorities, precepting and levying bodies, subsidiary and associated companies, Elected Members, all senior officers from Director and above. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household; and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

Reserves

Reserves are amounts set aside for future use (usable) or required for accounting purposes only (unusable). Reserves may be for a specific purpose in which case they are referred to as 'earmarked reserves' or they may be general reserves (or balances) maintained as a matter of prudence.

Revaluation Reserve

The Reserve records the accumulated gains on the non-current assets held by the Council arising from increases in value as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

Revenue Expenditure funded from Capital under Statute (REFCUS)

Represents expenditure that may properly be capitalised under statutory provisions, but which creates no tangible asset for the Council e.g., house renovation grants to private individuals or revenue expenditure which would normally be charged to the revenue account, but which can be charged to capital following approval by the Welsh Government.

Revenue Support Grant

General government grant in support of local Authority services. It seeks to even out the effects on the council taxpayer of differences in needs between Authorities.

Right of Use Assets

A Right-of-Use (ROU) Asset represents a lessee's right to use an underlying asset for the lease term under a lease agreement

Settlement (Pensions)

An irrevocable action that relieves the employer of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligation and the assets used to affect the settlement.

Surplus Assets

Assets that are not being used to deliver services, but which do not meet the criteria to be classified as either Investment Properties or Assets Held for Sale.

Supported Borrowing

Costs of servicing borrowing are included within the annual Revenue Support Grant and any specific grant that the Council receives from Welsh Government

Term Deposits

A term deposit is a money deposit at a banking institution that cannot be withdrawn for a certain "term" or period of time.

Treasury Management

The process by which the Council controls its cash flow, borrowing, investment and lending activities.

Trust Funds

Funds held in trust which are administered by the Council.

Unsupported Borrowing

Costs of servicing borrowing to be met from Council tax, rent, savings, incidental external income or from the proceeds of selling identified assets.