Cyngor Gwynedd

STATEMENT OF ACCOUNTS 2025/26

Finance Department
www.gwynedd.llyw.cymru

INDEX

	Page
Narrative Report	2 – 7
Statement of Responsibilities	8
Expenditure and Funding Analysis	9
Comprehensive Income and Expenditure Statement	10
Movement in Reserves Statement	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Accounts	14 – 87
Appendix A – The Welsh Church Fund	88
Appendix B – FMG Morgan Trust Fund	89
Auditor's Report	90 – 93
Glossary	94 – 95

NARRATIVE REPORT

Introduction

Cyngor Gwynedd's accounts for the year 2025/26 are presented here on pages 9 to 87.

The Statement of Accounts consist of:

- **Expenditure and Funding Analysis** – Whilst this is not a statutory statement, it shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.

- **Comprehensive Income and Expenditure Statement** - This is the Council's main revenue account. This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

- **Movement in Reserves Statement** - This statement shows the movement in year on the different reserves held by the Council, analysed into 'usable reserves' and 'unusable reserves'. The taxation position is reflected in the Movement in Reserves Statement.

- **Balance Sheet** - Sets out the financial position of the Council on 31 March 2026.

- **Cash Flow Statement** - This statement summarises the flow of cash to and from the Council during 2025/26 for revenue and capital purposes.

- **The Welsh Church Fund and FMG Morgan Trust Fund Accounts.**

These accounts have been prepared on a going concern basis and are supported by this Narrative Report, the Accounting Policies and various notes to the accounts.

Cyngor Gwynedd's Vision and Priorities

Cyngor Gwynedd's vision and priorities are included in the Cyngor Gwynedd Plan for the period 2023 – 2028. The purpose of the Plan is to set out the Council's vision and priorities for the period between April 2023 and the end of March 2028. The Plan explains why we are focusing our energy and resources in certain areas.

The Plan includes a series of projects for the next five years under seven priority areas:

- Tomorrow's Gwynedd - Giving our children and young people the best possible start in life,
- A Prosperous Gwynedd - Strengthening the economy and supporting the people of Gwynedd to earn a decent salary,
- A Homely Gwynedd - Supporting the people of Gwynedd to live in suitable and affordable homes in their communities,
- A Caring Gwynedd - Supporting the residents of Gwynedd to live full and safe lives in our communities,
- A Welsh Gwynedd - Ensuring that we give residents every possible opportunity to use the Welsh language in the community,
- A Green Gwynedd - Protecting the county's natural beauty, and responding positively to the climate change crisis,
- An Efficient Gwynedd - Putting the residents of Gwynedd first and treating them fairly and ensuring that the Council performs effectively and efficiently.

The Well-being of Future Generations (Wales) Act 2015 places a duty on public bodies in Wales to improve economic, social, environmental and cultural well-being. We have reviewed our well-being objectives as part of the process of forming the Cyngor Gwynedd Plan for 2023-28.

The Cyngor Gwynedd Plan 2023 – 2028 is available at The-Council-Plan-2023-28.pdf (llyw.cymru)

Financial Strategy

The Council's Financial Strategy and 2025/26 Budget adopted by the Council at its meeting on 6 March 2025 sets out the foundation to achieve the priorities areas, whilst also trying to meet the continuous increase in demand for our services. The Financial Strategy is unavoidably dependent upon these priorities. The strategy is available at: https://www.gwynedd.llyw.cymru/en/Council/Strategies-and-policies/Finance/Financial-strategy.aspx

In 2025/26 there was an increase in Cyngor Gwynedd's grant from the Welsh Government of 3.8%, which corresponds to an increase worth £9.1m in external funding. However, it was predicted that the Council's expenditure would need to be increased by £25.8m to "stand still" due to the demand on services as well as inflationary pressure remaining high. And so, it was necessary to introduce savings and cuts, and raise the level of Council Tax in order to set a balanced budget.

In setting the budget, we have tried to minimise the impact of the savings and cuts on the residents of Gwynedd. Therefore, the financial situation will continue to pose a significant challenge to us in planning our services for the future. We will therefore continue with the task of ensuring that we achieve those efficiency savings and cuts already approved and ensure that we plan for the future to minimise any further cuts to services.

Performance Measuring

The Council's Performance Management Framework is a cycle which supports the planning, management and reporting on the performance of our services to ensure the best for the people of Gwynedd today and tomorrow. The Cyngor Gwynedd Annual Performance Report describes our success in achieving our improvement priorities and also provides information on the performance of Council departments and how they assist the people of Gwynedd.

In addition to the annual report, departmental challenging and supporting the performance meetings are held every other month, concentrating on the progress of the Cyngor Gwynedd Plan projects, performance of services (day-to-day work) and responding to the main risks on the Corporate Risk Register. The departments also report directly to the Scrutiny Committees on their performance in June and October. More information can be found here: https://www.gwynedd.llyw.cymru/en/Council/Performance-and-spending/Council-performance/Performance-Measuring.aspx

Financial Performance 2025/26

- Pressure on Council services was apparent, with overspending of £6.6m at year end, mainly in adult and children care, and the service dealing with waste. Receipt of grant and an underspend on corporate budgets helped to alleviate some of the financial situation, however £3.2m was transferred from the Financial Strategy Fund to balance the situation of financial deficit in the departments. The financial out-turn position for 2025/26 was reported to Cabinet at its meeting on 19 May 2026. Members of the Cabinet approved the net services overspend of £160k for the year.

- A Departmental shortfall of £6.5m was forecasted in the last budget revenue review, undertaken at the end of November 2025. Since then, the overspend position in the areas of children care and waste has increased, with improvements in the adults' care. The favourable position of many corporate budgets has also helped to alleviate the financial position of the Council by the end of the financial year.

- The Council received an additional grant from the Welsh Government, amounting to £603k to assist with wage pressures.

- In accordance with the Statutory Finance Officer's opinion, the Cabinet members approved increasing the Council's General Balances by £6.6m, so that it represents 2.5% of the Council's gross revenue expenditure. The amount was transferred from the Financial Strategy Fund.

- At the end of the 2025/26 financial year, an overspend position is reported by 5 departments due to many factors. Substantial pressure continues in the areas of children and adult care and waste.

- The 2025/26 financial position was taken into consideration in the process of establishing the 2026/27 budget with bids being allocated to some of the overspending areas.

- The Comprehensive Income and Expenditure Statement on page 10 shows the Council's gross revenue expenditure on 'Cost of Services' level as £561m during 2025/26, with the net position as £343m.

TABLE 1 – Budget and Actual Comparison Summary (Net)

The Council's net budget is mainly financed through council tax, general government grants and national non-domestic rates and totals £387m for 2025/26.

Table 1 provides a budgetary performance comparison at a summary level, and which is detailed further in Table 2.

	Budget	Actual	Variance
	£'000	£'000	£'000
Net Expenditure on Operations	386,141	387,215	1,074
Departmental carry forward at year-end	0	(160)	(160)
	386,141	387,055	914
Financed by -			
Council Tax Income	(137,751)	(138,665)	(914)
Share of National Non-Domestic Rate	(43,521)	(43,521)	0
General Government Grants	(204,869)	(204,869)	0
	0	0	0

The Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement on pages 10 and 11 detail the movements for the year.

TABLE 2 – Transposition movement between 'Budget and Actual Comparison Summary (Net)' (Table 1) to the Income and Expenditure format reflecting Departmental Management Structure.

Department	Performance Report (Outturn)	Transposition Adjustment	Net Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting Basis	Income & Expenditure Statement
	£'000	£'000	£'000	£'000	£'000
Education	120,986	468	**121,454**	4,417	**125,871**
Corporate Services	8,604	73	**8,677**	(607)	**8,070**
Finance	9,129	145	**9,274**	1,256	**10,530**
Economy and Community	6,381	532	**6,913**	2,591	**9,504**
Adults, Health and Well-being	85,032	(92)	**84,940**	(1,344)	**83,596**
Business and Care Commissioning	2,727	6	**2,733**	(190)	**2,543**
Children and Family Support	30,013	88	**30,101**	(841)	**29,260**
Highways, Engineering and YGC *	18,313	(93)	**18,220**	3,174	**21,394**
Environment	18,199	(3,206)	**14,993**	4,232	**19,225**
Housing and Property	10,388	709	**11,097**	3,763	**14,860**
Corporate Management Team and Legal	3,187	7	**3,194**	(131)	**3,063**
Corporate	13,239	756	**13,995**	617	**14,612**
Cost of Services	326,198	(607)	**325,591**	16,937	**342,528**
Other (Contains Centralised and Corporate Adjustment)	60,857	607	**61,464**	(16,937)	**44,527**
Total	387,055	0	**387,055**	0	**387,055**

* This includes adjustments relating to the North and Mid Wales Trunk Road Agency.

Transposition Adjustment - Adjustments in the transposition column relate to the net contribution to and from reserves.

- **Material Items of Income and Expenditure**

  Related items include:

  - The depreciation value of the Council's assets is £23m (Note 15).
  - As a result of Central Government schemes including the Levelling Up Fund, significant grants have been received during 2025/26, which contributed to the significant revenue expenditure funded from capital under statute, which is £19m (Note 34), whilst the associated grant income to fund such expenditure is (£16m) (Note 32).
  - Following a revaluation of part of the Council's land and buildings portfolio (which is now carried out on a rolling programme basis), the net surplus arising from the fixed asset revaluation to the Revaluation Reserve is £12m (Note 23.1).
  - (£11m) on pensions, being the annual remeasurement of the net pension defined benefit liability relating to pensions, in line with Gwynedd Pension Fund's Actuary's assessment (Note 23.5).

- **Other Issues**

  - Economic instability and financial risks continue in the UK and globally, especially considering the situation in the Middle East that has increased energy and fuel prices, and so is pushing up overall

inflation. Whilst inflation levels are still higher than the 2% target at present, the Office for Budget Responsibility (OBR) in its 'Economic and Fiscal Outlook' report dated March 2026 predicts that inflation rates will go down and reach the target by 2027. The Council has taken these circumstances into account in its financial plans, keeping a prudent level of reserves.

- The Council, like all other public bodies, continues to face significant funding challenges, specifically uncertainty about the level of Revenue Support Grant to be received by the Government. There is no certainty of any increase in the grant in the medium term, particularly considering that a new government was elected for Wales in May 2026, with different priorities from the previous government.

Capital Expenditure in 2025/26

Capital expenditure for 2025/26 amounted to £83.8m. The following table gives an analysis of this expenditure and the way it was financed.

TABLE 3 - SUMMARY OF CAPITAL EXPENDITURE AND FINANCING

2024/25 £'000		2025/26 £'000
12,086	Education	13,778
7,516	Environment	7,428
87	Corporate Services	0
1,451	Finance	734
40,298	Economy and Community	20,944
12,386	Housing and Property	22,836
468	Adults, Health and Well-being	3,742
2,402	Children and Family Support	2,945
8,489	Highways, Engineering and YGC	11,365
85,183		**83,772**
	FINANCED BY -	
7,113	Borrowing	12,574
66,547	Grants and Contributions	60,115
43	Capital Receipts	487
11,480	Revenue and Other Funds	10,596
85,183		**83,772**

- Revenue Expenditure Funded from Capital Under Statute of £19.2m is included in the above table. This has been charged to the Income and Expenditure Statement in the year. Total expenditure on Non-current Assets and Assets Held for Sale was £68.1m as shown in Notes 15 and 20.

- The Council's Loan Debt at 31 March 2026 was £74.2m – a decrease of £20.4m (from £94.6m) during the year. Repayments of £20.2m were made in accordance with the terms of individual loans.

Provisions and Reserves

In addition to the unearmarked element of General Balances of £14.5m, the Council had provisions of £9.7m, earmarked reserves of £112.6m and school balances of £7.1m. In total, these amounted to £143.9m. These are detailed in the Balance Sheet, Movement in Reserves Statement and in Note 10 and 22.

The adequacy of the Council's specific reserves and provisions was reviewed by the Head of Finance in closing the accounts this year, in accordance with the approved policy. At its meeting on 19 May 2026, the Cabinet approved increasing the Council's General Balances from £6.6m to £14.5m, transferring the money from the Financial Strategy Fund. The Cabinet also approved setting up a specific fund for Dangerous Buildings Protection, transferring a further £1.5m from the Financial Strategy Fund.

Pension Fund

The Council (as an employer) has a liability from its share of the assets and liabilities of the Gwynedd Pension Fund as recognised on its Balance Sheet at 31 March 2026. This has been calculated by the Fund's Actuary, Hymans Robertson, in compliance with International Accounting Standard 19. Refer to Note 38 for further information.

The net pension liability is a position at one point in time. Market prices can move substantially up or down in the short term, and it is therefore not possible to quantify the long-term effect such movements in market prices will have on the Pension Fund. The accounts are based on the valuation held on 31 March 2022, the accounts for the financial year 2026/27 onwards will be based on the valuation held on 31 March 2025.

Governance

Cyngor Gwynedd is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk. Further information is included within the Annual Governance Statement.

Accounting Policies

The Council's existing accounting policies are amended only insofar as to reflect the guidance in the 2025/26 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

Changes in Accounting Policies and to the Accounts

The Council's existing accounting policies have been amended to reflect only the changes required in accordance with proper accounting practices, following adjustments for the 2025/26 financial year to the Code of Practice on Local Authority Accounting in the United Kingdom.

Further Information

The Statement of Accounts is available on Cyngor Gwynedd's website www.gwynedd.llyw.cymru.

Further information relating to the accounts is available from:

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Accounting and Pensions
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This is part of the Council's policy of providing full information relating to the Council's affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Council's website at the appropriate time.

Accessibility Statement

We are aware that, owing to the nature and format of the disclosures that are required to be included in this document, not all of the tables are fully compatible with accessibility standards. Should you have any questions regarding this statement of accounts or require any of the tables or disclosures to be provided in a more accessible format please contact Trysorydd@gwynedd.llyw.cymru.

CYNGOR GWYNEDD

STATEMENT OF ACCOUNTS

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE COUNCIL'S RESPONSIBILITIES

Cyngor Gwynedd 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 Cyngor Gwynedd, that "Section 151 Officer" is the Head of Finance. It is also the Council's responsibility to manage its affairs to secure economic, efficient and effective use of its resources, to safeguard its assets, and to approve the Statement of Accounts.

Vice Chair of Audit and Governance Committee **22 October 2026**

THE HEAD OF FINANCE'S RESPONSIBILITIES

The Head of Finance is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* ("the Code").

In preparing the Statement of Accounts, the Head of Finance has selected suitable accounting policies and then applied them consistently; has made judgements and estimates that were reasonable and prudent and complied with the Code.

The Head of Finance has also kept proper accounting records which were up to date, and has taken reasonable steps for the prevention and detection of fraud and other irregularities.

RESPONSIBLE FINANCIAL OFFICER'S CERTIFICATE

I certify that the Statement of Accounts has been prepared in accordance with the arrangements set out above, and presents a true and fair view of the financial position of Cyngor Gwynedd at 31 March 2026 and the Council's income and expenditure for the year then ended.

Dewi Aeron Morgan CPFA **18 September 2026**
Head of Finance, Cyngor Gwynedd

EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

EXPENDITURE AND FUNDING ANALYSIS

2024/25				2025/26		
Net Expenditure Chargeable to the General Fund £'000	**Adjustments between the Accounting Basis and Funding Basis (see Note 8 & 9) £'000**	**Net Expenditure in the Comprehensive Income and Expenditure Statement £'000**		**Net Expenditure Chargeable to the General Fund £'000**	**Adjustments between the Accounting Basis and Funding Basis (see Note 8 & 9) £'000**	**Net Expenditure in the Comprehensive Income and Expenditure Statement £'000**
111,971	5,849	117,820	Education	121,454	4,417	125,871
8,227	(143)	8,084	Corporate Services	8,677	(607)	8,070
8,440	1,492	9,932	Finance	9,274	1,256	10,530
3,831	2,875	6,706	Economy and Community	6,913	2,591	9,504
77,936	(92)	77,844	Adults, Health and Well-being *	84,940	(1,344)	83,596
3,418	(88)	3,330	Business and Care Commissioning *	2,733	(190)	2,543
27,010	(161)	26,849	Children and Family Support	30,101	(841)	29,260
13,713	4,376	18,089	Highways, Engineering and YGC **	18,220	3,174	21,394
19,161	4,183	23,344	Environment	14,993	4,232	19,225
10,232	5,328	15,560	Housing and Property	11,097	3,763	14,860
2,989	(42)	2,947	Corporate Management Team and Legal	3,194	(131)	3,063
12,635	3,362	15,997	Corporate	13,995	617	14,612
299,563	**26,939**	**326,502**	**Cost of Services**	**325,591**	**16,937**	**342,528**
32,335	(173)	32,162	Other Operating Expenditure	34,904	26	34,930
20,059	(16,682)	3,377	Financing and Investment Income and Expenditure	19,353	(19,419)	(66)
(360,655)	(29,178)	(389,833)	Taxation and Non-specific Grant Income	(387,055)	(41,040)	(428,095)
(8,698)	**(19,094)**	**(27,792)**	**(Surplus)/Deficit on Provision of Services**	**(7,207)**	**(43,496)**	**(50,703)**
(118,297)			Opening General Fund Balance	(126,995)		
(8,698)			(Surplus)/Deficit on General Fund in year	(7,207)		
(126,995)			Closing General Fund Balance	**(134,202)**		

* Adults, Health and Well-being Department figures for 2024/25 are adjusted, following the establishment of the Business and Care Commissioning Service.

** This includes adjustments relating to the North and Mid Wales Trunk Road Agency.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and in the Movement in Reserves Statement.

2024/25					2025/26		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Note	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
154,763	(36,943)	117,820	Education		159,597	(33,726)	125,871
9,167	(1,083)	8,084	Corporate Services		8,895	(825)	8,070
13,446	(3,514)	9,932	Finance		14,339	(3,809)	10,530
109,220	(102,514)	6,706	Economy and Community		60,090	(50,586)	9,504
107,119	(29,275)	77,844	Adults, Health and Well-being *		116,361	(32,765)	83,596
7,044	(3,714)	3,330	Business and Care Commissioning *		5,398	(2,855)	2,543
38,410	(11,561)	26,849	Children and Family Support		42,237	(12,977)	29,260
41,856	(23,767)	18,089	Highways, Engineering and YGC **		39,853	(18,459)	21,394
41,702	(18,358)	23,344	Environment		43,089	(23,864)	19,225
28,546	(12,986)	15,560	Housing and Property		27,908	(13,048)	14,860
4,488	(1,541)	2,947	Corporate Management Team and Legal		4,063	(1,000)	3,063
44,237	(28,240)	15,997	Corporate		38,844	(24,232)	14,612
599,998	**(273,496)**	**326,502**	**Cost of Services**		**560,674**	**(218,146)**	**342,528**
32,335	(173)	32,162	Other Operating Expenditure	*11*	34,930	0	34,930
6,250	(2,873)	3,377	Financing and Investment Income and Expenditure	*12*	5,363	(5,429)	(66)
0	(389,833)	(389,833)	Taxation and Non-specific Grant Income	*13*	0	(428,095)	(428,095)
638,583	**(666,375)**	**(27,792)**	**(Surplus)/Deficit on Provision of Services**		**600,967**	**(651,670)**	**(50,703)**
		(40,307)	(Surplus)/Deficit on revaluation of Fixed Assets	*23.1*			(11,982)
		(276)	(Surplus)/Deficit on revaluation of Financial Instruments	*23.3*			(307)
		1,083	Remeasurements of the net pension defined benefit liability/(asset)	*23.5*			11,238
		(39,500)	**Other Comprehensive (Income) and Expenditure**				**(1,051)**
		(67,292)	**Total Comprehensive (Income) and Expenditure**				**(51,754)**

* Adults, Health and Well-being Department figures for 2024/25 are adjusted, following the establishment of the Business and Care Commissioning Service.

** This includes adjustments relating to the North and Mid Wales Trunk Road Agency.

*** Due to the effect of the transfer of the North Wales Economic Ambition Board to the CJC, this figure does not balance with the figure stated in Note 23.5 as an additional adjustment of £111k is required in the CIES which is not part of the actuarial remeasurement reflected in Note 23.5.

MOVEMENT IN RESERVES STATEMENT

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in the year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices, and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

		Additional Information			**Statement of Movement in Reserves**					
	Note	*Unearmarked General Fund Balance*	*Earmarked General Fund Reserves*	*Total Reserves held by Schools*	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	**Total Usable Reserves**	**Unusable Reserves**	**Total Council Reserves**
		£'000	*£'000*	*£'000*	£'000	£'000	£'000	**£'000**	**£'000**	**£'000**
Balance 31 March 2024 carried forward		*(7,912)*	*(101,843)*	*(8,542)*	(118,297)	(2,320)	(7,739)	**(128,356)**	**(397,052)**	**(525,408)**
Movement in reserves during 2024/25										
Total Comprehensive Income and Expenditure		*(27,792)*	*0*	*0*	(27,792)	0	0	**(27,792)**	**(39,500)**	**(67,292)**
Adjustments between accounting basis and funding basis under regulations		*19,094*	*0*	*0*	19,094	(286)	(320)	**18,488**	**(18,488)**	**0**
(Increase)/Decrease in 2024/25		*(8,698)*	*0*	*0*	(8,698)	(286)	(320)	**(9,304)**	**(57,988)**	**(67,292)**
Transfers to/from Earmarked Reserves		*8,698*	*(8,958)*	*260*	0	0	0	**0**	**0**	**0**
(Increase)/Decrease in 2024/25 (showing transfers to Earmarked Reserves)		*0*	*(8,958)*	*260*	(8,698)	(286)	(320)	(9,304)	(57,988)	(67,292)
Balance 31 March 2025 carried forward		*(7,912)*	*(110,801)*	*(8,282)*	(126,995)	(2,606)	(8,059)	**(137,660)**	**(455,040)**	**(592,700)**
Movement in reserves during 2025/26										
Adjustments to the opening balance		*0*	*0*	*0*	0	0	0	0	**(112)**	**(112)**
Total Comprehensive Income and Expenditure		*(50,703)*	*0*	*0*	(50,703)	0	0	**(50,703)**	**(1,051)**	**(51,754)**
Adjustments between accounting basis and funding basis under regulations	*9*	*43,496*	*0*	*0*	43,496	50	3,281	**46,827**	**(46,827)**	**0**
(Increase)/Decrease in 2025/26		*(7,207)*	*0*	*0*	(7,207)	50	3,281	**(3,876)**	**(47,990)**	**(51,866)**
Transfers to/from Earmarked Reserves	*10*	*607*	*(1,784)*	*1,177*	0	0	0	**0**	**0**	**0**
(Increase)/Decrease in 2025/26 (showing transfers to Earmarked Reserves)		*(6,600)*	*(1,784)*	*1,177*	(7,207)	50	3,281	(3,876)	(47,990)	(51,866)
Balance 31 March 2026 carried forward		*(14,512)*	*(112,585)*	*(7,105)*	(134,202)	(2,556)	(4,778)	**(141,536)**	**(503,030)**	**(644,566)**

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2025 £'000		***Note***	**31 March 2026 £'000**
661,220	Property, Plant and Equipment	*15*	716,777
60	Heritage Assets		60
165	Investment Property	*16*	165
2,086	Surplus Assets	*15*	2,062
17	Long-Term Investments	*17*	17
6,861	Long-Term Debtors	*17&18*	8,301
670,409	**Long-Term Assets**		**727,382**
86,873	Short-Term Investments	*17*	47,279
217	Assets Held for Sale	*20*	217
1,469	Inventories		1,744
116,480	Short-Term Debtors	*18*	114,142
66,022	Cash and Cash Equivalents	*19*	48,726
271,061	**Current Assets**		**212,108**
(23,994)	Bank Overdraft	*19*	(9,566)
(4,441)	Short-Term Borrowing	*17*	(4,858)
(185,635)	Short-Term Creditors	*21*	(160,465)
(342)	Short-Term Provisions	*22*	(398)
(8,759)	Capital and Revenue Grants Receipts in Advance	*32*	(12,668)
(223,171)	**Current Liabilities**		**(187,955)**
(4,060)	Long-Term Creditors	*21*	(5,011)
(8,607)	Long-Term Provisions	*22*	(9,319)
(90,138)	Long-Term Borrowing	*17*	(69,387)
(15,224)	Pension Liability	*38*	(16,977)
(4,655)	Lease Liabilities	*35&41*	(5,789)
(2,915)	Capital and Revenue Grants Receipts in Advance	*32*	(486)
(125,599)	**Long-Term Liabilities**		**(106,969)**
592,700	**Net Assets**		**644,566**
(137,660)	Usable Reserves		(141,536)
(455,040)	Unusable Reserves	*23*	(503,030)
(592,700)	**Total Reserves**		**(644,566)**

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing Activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from Financing Activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

2024/25 £'000		***Note***	**2025/26 £'000**
(27,792)	Net (Surplus)/Deficit on Provision of Services		(50,703)
(25,458)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	*24a*	(5,116)
468	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	*24b*	292
(52,782)	Net Cash Flows from Operating Activities		(55,527)
45,137	Investing Activities	*25*	39,326
965	Financing Activities	*26a*	19,069
(6,680)	Net (increase)/decrease in cash and cash equivalents		2,868
(35,348)	Cash and cash equivalents at the beginning of the reporting period		(42,028)
(42,028)	**Cash and cash equivalents at the end of the reporting period**	*19*	**(39,160)**

NOTES TO THE ACCOUNTS

NOTE 1 – ACCOUNTING POLICIES

1.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended), in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2025/26* supported by International Financial Reporting Standards (IFRS).

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

In relation to a policy regarding capitalisation of expenditure, our practice is to operate on the basis of the nature of expenditure rather than a prescribed level of expenditure.

1.2 Accruals of Expenditure and Income

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments 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 debts may not be settled, the balance of debtors is written down and a charge made to revenue in Financing and Investment Income and Expenditure for the income that might not be collected.

1.3 Cash and Cash Equivalents

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

1.4 Contingent Assets / Contingent Liabilities

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent assets and liabilities are not recognised in the Balance Sheet, but disclosed in the Contingent Liabilities and Contingent Assets notes in the accounts.

NOTE 1 – ACCOUNTING POLICIES (continued)

1.5 Corporate

The Corporate heading includes items relating to corporate policy-making and member activities, and costs that relate to the general running of the Council.

1.6 Employee Benefits

1.6.1 Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

1.6.2 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 redundancy voluntarily and are charged on an accruals basis to the appropriate service or, where applicable, to the Corporate Services line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Council Fund balance to be charged with the amount payable by the Council to the Pension Fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end.

1.6.3 Post-Employment Benefits

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

- The Teachers' Pension Scheme, administered by the Capita Teachers' Pensions on behalf of the UK Government's Department for Education.
- The Local Government Pension Scheme, administered by the Gwynedd Pension Fund at Cyngor Gwynedd.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees when they worked for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot be identified to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme and no liability for future payment of benefits is recognised in the Balance Sheet. The Education and Children and Family Support lines in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the Teachers' Pension Scheme in the year.

1.6.4 The Local Government Pension Scheme

All other staff, subject to certain qualifying criteria, are entitled to become members of the Local Government Pension Scheme. The pension costs charged to the Council's accounts in respect of this group of employees are determined by the fund administrators and represent a fixed proportion of employees' contributions to this funded pension scheme.

The Local Government Scheme is accounted for as a defined benefit scheme.

The liabilities of the Gwynedd Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions such as mortality rates, employee turnover rates, etc., and projected earnings for current employees.

NOTE 1 – ACCOUNTING POLICIES (continued)

Liabilities are discounted to their value at current prices, using a discount rate of 6.30% calculated as a weighted average of 'spot yields' on AA rated corporate bonds.

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

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

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Corporate costs.

- Net interest on the net defined pension benefit liability/(asset), i.e. the net interest expense for the Council – the change during the period in the net defined benefit liability/(asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/(asset) at the beginning of the period – taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments.

Remeasurements comprising:

- The return on plan assets – excluding amounts included in net interest on the net pension defined benefit liability/(asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or that the actuary has updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

- Asset ceiling adjustment – reduces to the calculated asset ceiling if this is lower than the asset position. The asset ceiling calculation is relative to funded obligations. Any unfunded obligations are added to the net position once the asset ceiling adjustment has been applied.

- Contributions paid to the Gwynedd Pension Fund – cash paid as employer's contributions to the Pension Fund in settlement of liabilities not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the 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 balance that arises on the Pensions Reserve thereby measures the 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.

International Accounting Standard (IAS) 19 governs how the long-term liabilities which exist in relation to pension costs should be reported. Local councils in England and Wales are required to produce their financial statements in accordance with IAS19.

NOTE 1 – ACCOUNTING POLICIES (continued)

1.6.5 Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.7 Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.8 Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change, and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.9 Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

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

- amortised cost, and

- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI). A separate accounting policy is required where an authority holds financial instruments at fair value through other comprehensive income.

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

Financial Assets Measured at Amortised Cost

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

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

Expected Credit Loss Model

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

Financial Assets Measured at Fair Value Through Other Comprehensive Income

Financial assets that are measured at FVOCI 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 as they arise in other comprehensive income.

Financial Assets Measured at Fair Value through Profit and Loss

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

Fair Value Measurements of Financial Assets

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

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

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

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

NOTE 1 – ACCOUNTING POLICIES (continued)

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

The measurement of our assets held at FVOCI is unit bid price at the measurement date.

1.10 Government Grants and Other Contributions

Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis, and recognised immediately in the relevant service line in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the Council has not satisfied.

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

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

1.11 Heritage Assets

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held by the Council principally for their contribution to knowledge or culture. The Council has identified the following categories of heritage assets:

- Pictures and Paintings
- Civic Regalia
- Library Collections/Archives
- Museums and Art Gallery Collections
- Historic Buildings and Scheduled Monuments
- Parks and Local Nature Reserves

The Council used an external valuer (Bonhams) to provide estimated valuations of its civic regalia and paintings and pictures. For consistency, the Council has applied the same de minimis levels for valuation purposes to heritage assets as its other long-term assets – see policy 1.17.

The Council considers that heritage assets held by the Council will have indeterminate life and high residual value; hence, the Council does not consider it appropriate to charge depreciation for the assets. Heritage assets recognised in the accounts will be assessed annually for any impairment – see policy 1.17.

1.12 Inventories and Long-Term Contracts

Stocks and work in progress should be shown in the Balance Sheet at the lower of cost and net realisable value, in accordance with the provisions of the Code of Practice. Due to the practicalities of the Council's main stock systems, the majority of stock is shown in the accounts at average cost. The difference from the basis of valuation is not material.

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

1.13 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale. These properties are valued on a fair value basis. Values are based on specific techniques, and the inputs to

these measurement techniques are categorised in accordance with three levels. All the Council's inputs are level 3 (unobservable inputs for the asset). This is due to the level of adjustment required to all evidence due to the uniqueness of the assets, and the dearth of relevant market transactions.

1.14 Leases

The Council classifies contracts as leases based on their substance – analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all of the economic benefits or service potential from that asset and to direct its use.

The Council as Lessee:

Leases are initially recognised as Right of Use Assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date). The Council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include; fixed payments; variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date; the exercise price under a purchase option that the Council is reasonably certain to exercise; lease payments in an optional renewal period if the Council is reasonably certain to exercise an extension option; penalties for early termination of a lease, unless the Council is reasonably certain not to terminate early. Any changes will result in a subsequent remeasurement of the lease liability and corresponding right of use asset.

Lease payments include an interest charge (reported in the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement) and a charge for the principle which reduces the lease liability. The related asset is treated in accordance with the policies applied generally to such assets and is subject to depreciation charges as appropriate. The 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.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value. As permitted by the code; any leases for low value items, deemed by the Council to be below £10,000, or for a term shorter than 12 months are excluded.

The Council as Lessor:

Where the Council grants a finance lease over a property, the relevant asset is written out of the Balance Sheet as a disposal, to be included in the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Rental income from property granted under an operating lease is recognised on a straight-line basis in the Comprehensive Income and Expenditure Statement, and the asset is retained in the Balance Sheet.

1.15 Surplus Assets

The Council classifies Surplus Assets separately on the Balance Sheet. These assets are shown at their fair value based on market value. Values are based on specific techniques, and the inputs to these measurement techniques are categorised in accordance with three levels. All the Council's inputs are level 3 (unobservable inputs for the asset). This is due to the level of adjustment required to all evidence due to the uniqueness of the assets, and the dearth of relevant market transactions.

1.16 Overheads and Support Services

Some overheads and support services costs are apportioned to the appropriate services in accordance with the Council's arrangements for accountability and financial performance.

1.17 Long-Term Assets

The Council's assets as recorded on the Property Services database are revalued at least every five years. Since the 2015/16 financial year, the Council has established a rolling programme for re-valuing different categories of these assets annually, with valuation usually effective on 31 March each year. This is in accordance with the Code and the Statements of Asset Valuation Principles and Guidance Notes issued by the Royal Institution of Chartered Surveyors.

NOTE 1 – ACCOUNTING POLICIES (continued)

Land and Buildings are shown at fair value, this includes Existing Use Value (EUV) for many items or Depreciated Replacement Cost (DRC) for specialised properties.

In addition, from 1 April 2025 the Code has now included the requirement to apply annual indexation in between the five year full revaluation. For assets, where the Council is unable to obtain appropriate indices, they continue to be revalued every five years, but with an additional desktop revaluation in the third year of the cycle. The Council's Estates Manager (M.R.I.C.S.) reviews the appropriate indices to be used.

Investment Properties are shown at fair value.

Vehicles, Plant, Furniture and Equipment are shown at depreciated historical cost.

Infrastructure and community assets are shown at depreciated historical cost.

Material Assets in the course of construction are included at historical cost until such time as they are completed, when they are valued in accordance with the accounting policies and transferred to the appropriate category of asset.

A de minimis limit for valuation purposes of £20,000 is used for the Council's operational Land and Buildings and £5,000 for single items of Vehicles, Plant, Furniture and Equipment.

Expenditure in year on new and existing assets is added annually.

Impairment and Depreciation

Impairment

An impairment is the consumption of economic benefit that is specific to an asset. In line with International Accounting Standard 36 the Council reviews its assets each year in order to recognise any impairment or reduction in value due to the consumption of economic benefits. In addition, the residual values and useful lives of assets are reviewed annually and adjusted where appropriate.

Where impairment losses are identified, they are accounted for 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).
- Where there is no balance in the Revaluation Reserve for an asset or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Depreciation

The main element of IAS 16 is that buildings must be depreciated if they are not valued each year. In addition, each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. A de minimis threshold, below which assets are disregarded for componentisation purposes, needs to be established, which is based on potential material impacts on the financial statements. For the 2025/26 financial year this has been set at 1% of the total value of the buildings at the beginning of the year. The apportionment to be considered for the non-land element of assets above the de minimis threshold is:
a) plant and equipment and engineering services, and
b) structure

The majority of the Council's buildings (over 75%) are valued using the DRC (Depreciated Replacement Cost) method, which is developed on a component approach, and the identification of the components is reflected in the details of the calculations. However, identified within the above are buildings which include material items of plant and equipment which are deemed to have shorter useful lives, e.g. boilers and heating equipment within swimming pools and leisure centres. These components are recognised by adjusting the useful life of the building to take account of the shorter life components.

For the remaining buildings, based on a review of the nature and type of buildings which the Council owns, these are deemed to have no significant items of plant and equipment or engineering services that need to be componentised separately.

NOTE 1 – ACCOUNTING POLICIES (continued)

Depreciation is generally charged on the Balance Sheet value of assets to write them off as follows:

(i) Vehicles, Plant, Furniture and Equipment are depreciated over their estimated useful life (3–15 years, or more with supporting evidence)
(ii) Infrastructure is depreciated over 40 years
(iii) Revenue Expenditure funded from Capital under Statute is written down in the period in which it arises
(iv) Land is not depreciated
(v) Buildings are depreciated over their estimated remaining useful life (5–80 years)
(vi) Investment Properties, Assets under Construction and Assets Held for Sale are not depreciated

Depreciation is not charged in the year of acquisition.

Minimum Revenue Provision
The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2018 places a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Welsh Ministers and local authorities are required to "have regard" to such Guidance under section 21(1B) of the Local Government Act 2003.

The four MRP options available are:
- Option 1: Regulatory Method
- Option 2: Capital Financing Requirement Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

NB This does not preclude other prudent methods.

MRP in 2025/26: Options 1 and 2 may be used only for supported (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government) Non-HRA capital expenditure funded from borrowing. Methods of making prudent provision for unsupported Non-HRA capital expenditure include Options 3 and 4 (which may also be used for supported Non-HRA capital expenditure if the Council chooses).

The MRP Statement was submitted to Council before the start of the 2025/26 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.

The Council applied Option 3 in respect of supported capital expenditure funded from borrowing assessing that a prudent measure would be over 50 years, and also Option 3 in respect of unsupported capital expenditure funded from borrowing.

MRP in respect of leases and Private Finance Initiative schemes brought on Balance Sheet under the IFRS-based Accounting Code of Practice matches the annual principal repayment for the associated deferred liability.

The Council reviews this policy annually in light of the Asset Management Plan.

In accordance with the Code of Practice, revenue financing of capital expenditure on Council Fund Services is appropriated to the Capital Adjustment Account.

1.18 Council Tax and National Non-Domestic Rates
Council Tax and National Non-Domestic Rates income for the year is treated as accrued income, and is included within the Taxation and Non-Specific Grant Income line in the Comprehensive Income and Expenditure Statement.

Cyngor Gwynedd is a Council Tax and Non-Domestic Rates billing Authority. It collects Council Tax on behalf of itself and other authorities, and collects Non-Domestic Rates as an agent on behalf of the Welsh Government.

1.19 Provisions
Provisions are made where an event has taken place on or before the Balance Sheet date:
- that gives the Council a present obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

NOTE 1 – ACCOUNTING POLICIES (continued)

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

1.20 Reserves (and Balances)

In accordance with the requirements of the Local Government Act 1992, the Council maintains a –

- General Fund which represents the general reserves ("balances") of the Council, namely a working balance to help cushion the impact of uneven cash flows and as a contingency to cushion the impact of unexpected events or emergencies.

- Number of capital and revenue specific reserves earmarked for specific purposes, namely, money accumulated to meet anticipated commitments. The Council undertakes a continuous review of the adequacy and use of specific reserves.

- The Council takes a risk-based approach to maintaining an adequate level of balances and reserves to meet future spending needs. When considering the annual budget and medium-term financial strategy, the Council will set out its intention regarding the level of general balances and reserves, in the context of all relevant risks. Refer to the approval of the full policy in respect of reserves by the Council Cabinet on 23 June 2015.

- Certain reserves, namely "unusable reserves", are kept for the technical purpose of managing the accounting processes for non-current assets, financial instruments and employee benefits. These do not represent the usable resources of the Council.

1.21 Revenue Expenditure Funded from Capital Under Statute

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

1.22 Value Added Tax

Only in a situation when VAT is irrecoverable will VAT be included or charged as 'irrecoverable VAT' in capital and revenue expenditure.

1.23 Debtors and Creditors

The Council's accounts are maintained on an accruals basis in accordance with the Code of Accounting Practice. The accounts reflect actual expenditure and income relating to the year in question irrespective of whether the payments or receipts have actually been paid or received in the year.

An exception to this principle relates to electricity and similar quarterly payments which are charged at the date of meter reading rather than being apportioned between financial years, and certain annual payments such as insurance. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

1.24 Allocation of Interest and Receivable Dividends

The Council invests surplus funds for periods varying from overnight to 13 months (with the exception of investments in pooled funds) and the interest is credited to the General Fund, Gwynedd Pension Fund, Welsh Church Fund and other trust funds and joint committees based on the level of their daily balances and the rate of interest earned. The dividends from the pooled funds are paid into the General Fund.

1.25 Borrowing Costs

The Council does not capitalise borrowing costs attributable to the acquisition, construction or production of a qualifying asset as permitted by the Code.

NOTE 1 – ACCOUNTING POLICIES (continued)

Interest payable on external loans is included in the accounts in the period to which it relates on a basis which reflects the overall economic effect of the borrowings.

1.26 Interest in Companies and Other Entities

The Council reviews its interests in subsidiaries, associates and joint ventures annually to determine whether group accounts are required. On the basis of materiality, the Council has not prepared Consolidated Group Accounts for the year ending 31 March 2026.

Cwmni Byw'n Iach is a wholly owned subsidiary that, based on quantitative measures alone, is considered material to the Council in 2025/26. However, following an assessment of both the qualitative and quantitative impacts of consolidation, including the elimination of intra-group balances and transactions. The Council has concluded that the preparation of group accounts would not result in a materially different presentation of the group's financial position, financial performance, cash flows, or reserves.

The following joint committees are not considered material and have been consolidated into the Council's financial statement:-

- GwE (Operations ceased on 31 May 2025)
- North Wales Residual Waste Treatment Project

From 1 April 2025 there has been a change to the status of the North Wales Economic Ambition Board as it has been incorporated as part of the North Wales Corporate Joint Committee, therefore does not have to be included as a joint committee within the financial statements of the Council for 2025/26.

1.27 Current Assets Held for Sale

In order for an asset to be recognised as Held for Sale, the asset must be available for immediate sale in its present condition, the sale must be highly probable, the asset must be actively marketed and the sale completed within one year from the date of classification. The asset is recognised at fair value (market value) less costs to sell on reclassification. Values are based on specific techniques, and the inputs to these measurement techniques are categorised in accordance with three levels. All the Council's inputs are level 3 (unobservable inputs for the asset). This is due to the level of adjustment required to all evidence due to the uniqueness of the assets, and the dearth of relevant market transactions.

1.28 Disposal of Assets

When an asset is disposed of, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

1.29 Capital Receipts

When the Council sells an asset, legislation prescribes the use of the proceeds received.

All capital receipts that belong to the Council's Fund are 100% usable and it is no longer necessary to set aside a percentage of the receipt. The receipts are held in the Usable Capital Receipts Reserve until such time as they are used to finance capital expenditure.

1.30 Service Concession Arrangements

Service Concession Arrangements, otherwise known as Private Finance Initiative (PFI) schemes, are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor for the duration of the contract but where the assets transfer to the Council at the end of the period without any additional cost. The Council controls the service that is provided and is able to control who else is able to use the facility. The cost of using the facility is agreed with the Company before setting the agreement through a competitive dialogue process.

1.31 Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangements. The activities undertaken by the Council in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation

NOTE 1 – ACCOUNTING POLICIES (continued)

to its interest in a joint operation, the Council as a joint operator recognises its share of assets, liabilities, revenue and expenses.

1.32 Schools

The *Code of Practice on Local Authority Accounting in the United Kingdom* 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 accounts (and not the Group Accounts). Therefore schools' transactions, cash flows and balances are recognised in each of the financial statements of the Council as if they were the transactions, cash flows and balances of the Council.

1.33 Fair Value Measurement of Non-Financial Assets

The Council's accounting policy for fair value measurement of financial asset is set out in note 1.9. The Council also measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

a. in the principal market for the asset, or
b. in the absence of a principal market, in the most advantageous market for the asset.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council 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; or
- Level 3 – unobservable inputs for the asset.

1.34 Other Policies

Cyngor Gwynedd has policies in respect of the following, but they are not considered material for the 2025/26 financial year:
- Intangible Assets
- Foreign Currency Conversion.

NOTE 2 – CHANGE IN ACCOUNTING POLICY

The Council's existing accounting policies are amended only insofar as to reflect the guidance in the 2025/26 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

NOTE 3 – PRIOR PERIOD ADJUSTMENTS

There is no prior period adjustment applicable to the 2025/26 accounts.

NOTE 4 – ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom requires the expected impact of any accounting standards that have been issued but not yet adopted to be disclosed. This applies to the following new or amended standards within the 2026/27 Code:

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

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

NOTE 5 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Council has had to make judgements, estimates and assumptions relating to complex transactions, those involving uncertainty about future events and also the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The judgements, estimates and associated assumptions applied are based on current proper practices, historical experience, and other factors that include historical and current assumptions and projections, and actual future projections, professional assessments, current trends, and local factors that are considered to be relevant.

In recent years there has been some uncertainty about future levels of funding from Welsh Government relating to revenue and capital grants. This issue forms an important part of the Council's continually revised financial strategy, and where all known and forecasted factors are given due consideration. Economic instability and financial risks continue in the UK and globally, especially considering the situation in the Middle East that has increased energy and fuel prices, and therefore is pushing up overall inflation. Whilst inflation levels are still higher than the 2% target at present. However, the Council has determined that this uncertainty is not sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and significantly reduce levels of service provision.

All available and related information is sourced and applied in assessing and determining the position, which is particularly critical when considering such matters as the revaluation, depreciation and impairment of assets, actuarial valuation of Pension Fund assets and commitments, earmarked reserves, provisions and contingent liability. However, because these issues cannot be determined with certainty, actual results may subsequently differ from those estimates. The estimates and underlying assumptions are continually reviewed.

NOTE 6 – ASSUMPTIONS MADE ABOUT FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because certain balances cannot be determined with certainty, actual results could be different from the assumptions and estimates.

The following items in the Council's Balance Sheet at 31 March 2026 may be considered to be a significant risk (in terms of certainty in estimation of value), with the possibility of material adjustment in the forthcoming financial year:

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment	Assets are depreciated over their useful life in accordance with standard accounting and associated practices. The current economic climate brings with it uncertainties for councils in their ability to sustain the necessary spending on repair and maintenance. This obviously would have implications on asset life. Land and buildings are revalued at least every five years, and since 2015/16 a rolling programme of revaluation has been introduced. Also, assets not formally revalued in the current year are subject to indexation. Judgements often need to be reached as part of the revaluation and impairment assessment process. This brings with it uncertainties, and assumptions have to be made and responded to accordingly.	Any difference between the depreciation applied and actual deterioration to assets will be naturally reflected in future spending patterns. Where necessary, any resultant long-term implications will be incorporated into our financial strategy. Information relating to Property, Plant and Equipment is included in Note 15.
Provisions	There are provisions included within these accounts, the basis of which have been individually assessed from the latest information available, as detailed in Note 22, and include provisions for Waste Sites. The accuracy of the provisions cannot be confirmed until such matters are concluded.	If the provisions are inadequate, the additional costs will be funded from revenue or reserves.
Pension Liability	Estimating the net liability to pay pensions depends on a number of complex judgments relating to the discount rate used, the rate at which wages are expected to increase, changes in retirement ages, mortality rates and expected returns on Pension Fund assets. A firm of consulting actuaries are involved in giving expert advice to the Council about the assumptions to be used. In the past Brexit and Covid had negative effects on the UK economy and pension asset values. Economic instability and financial risks continue in the UK and globally, especially considering the situation in the Middle East that has increased energy and fuel prices, and so is pushing up overall inflation. Whilst inflation levels are still higher than target and interest rates are relatively high but are stable, the market is cautious but stabilizing. However, a pandemic or other global crisis could have a detrimental effect on asset returns, as well as an increase in interest rates to curb the rise of inflation.	The effects on the net pension liability of changes in individual assumptions are set out in Notes 37 and 38.
Impairment Loss Allowance	There is a level of doubtful debt impairment built into the accounts that is based on a specific policy. A specific impairment level policy in respect of doubtful debts is contained within the accounts. The impairment level is reviewed regularly in order to respond to any changes in the economic climate and necessary action taken as appropriate within the accounts to respond accordingly. At 31 March 2026, the Council had a net debtors balance of £122m (Note	If the impairment loss allowance is inadequate, the additional funding will come from revenue or reserves.

	18a), and this balance is net of the doubtful debts impairment of £8m.	

NOTE 7 – MATERIAL ITEMS OF INCOME AND EXPENSE

Related items include:

- The depreciation value of the Council's assets is £23m (Note 15).
- As a result of Central Government schemes including the Levelling Up Fund, significant grants have been received during 2025/26, which contributed to the significant revenue expenditure funded from capital under statute, which is £19m (Note 34), whilst the associated grant income to fund such expenditure is (£16m) (Note 32).
- Following a revaluation of part of the Council's land and buildings portfolio (which is now carried out on a rolling programme basis), the net surplus arising from the fixed asset revaluation to the Revaluation Reserve is £12m (Note 23.1).
- (£11m) on pensions, being the annual remeasurement of the net pension defined benefit liability relating to pensions, in line with Gwynedd Pension Fund's Actuary's assessment (Note 23.5).

NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

2025/26	ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS					
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (i)	Net change for the Pensions Adjustments (ii)	Other Differences (iii)	Total Statutory Adjustments	Other (Non-statutory) Adjustments (iv)	Total Adjustments
	£'000	£'000	£'000	£'000	£'000	£'000
Education	7,618	(3,201)	0	**4,417**	0	**4,417**
Corporate Services	21	(628)	0	**(607)**	0	**(607)**
Finance	1,607	(351)	0	**1,256**	0	**1,256**
Economy and Community	2,962	(371)	0	**2,591**	0	**2,591**
Adults, Health and Well-being	549	(1,815)	0	**(1,266)**	(78)	**(1,344)**
Business and Care Commissioning	0	(190)	0	**(190)**	0	**(190)**
Children and Family Support	105	(946)	0	**(841)**	0	**(841)**
Highways, Engineering and YGC *	4,979	(1,805)	0	**3,174**	0	**3,174**
Environment	5,072	(840)	0	**4,232**	0	**4,232**
Housing and Property	4,183	(420)	0	**3,763**	0	**3,763**
Corporate Management Team and Legal	12	(143)	0	**(131)**	0	**(131)**
Corporate	0	729	(308)	**421**	196	**617**
Cost of Services	**27,108**	**(9,981)**	**(308)**	**16,819**	**118**	**16,937**
Other Operating Expenditure	26	0	0	**26**	0	**26**
Financing and Investment Income and Expenditure	(17,585)	607	(2,323)	**(19,301)**	(118)	**(19,419)**
Taxation and non-specific grant income	(41,040)	0	0	**(41,040)**	0	**(41,040)**
(Surplus)/Deficit on Provision of Services	**(31,491)**	**(9,374)**	**(2,631)**	**(43,496)**	**0**	**(43,496)**

* This includes adjustments relating to the North and Mid Wales Trunk Road Agency.

NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS (continued)

2024/25	ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS					
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (i) £'000	Net change for the Pensions Adjustments (ii) £'000	Other Differences (iii) £'000	Total Statutory Adjustments £'000	Other (Non-statutory) Adjustments (iv) £'000	Total Adjustments £'000
Education	7,688	(1,839)	0	**5,849**	0	**5,849**
Corporate Services	28	(171)	0	**(143)**	0	**(143)**
Finance	1,704	(212)	0	**1,492**	0	**1,492**
Economy and Community	3,032	(157)	0	**2,875**	0	**2,875**
Adults, Health and Well-being *	474	(488)	0	**(14)**	(78)	**(92)**
Business and Care Commissioning *	0	(88)	0	**(88)**	0	**(88)**
Children and Family Support	83	(244)	0	**(161)**	0	**(161)**
Highways, Engineering and YGC **	4,937	(561)	0	**4,376**	0	**4,376**
Environment	4,445	(262)	0	**4,183**	0	**4,183**
Housing and Property	5,478	(150)	0	**5,328**	0	**5,328**
Corporate Management Team and Legal	8	(50)	0	**(42)**	0	**(42)**
Corporate	0	361	2,865	**3,226**	136	**3,362**
Cost of Services	**27,877**	**(3,861)**	**2,865**	**26,881**	**58**	**26,939**
Other Operating Expenditure	(173)	0	0	**(173)**	0	**(173)**
Financing and Investment Income and Expenditure	(17,171)	754	(207)	**(16,624)**	(58)	**(16,682)**
Taxation and non-specific grant income	(29,178)	0	0	**(29,178)**	0	**(29,178)**
(Surplus)/Deficit on Provision of Services	**(18,645)**	**(3,107)**	**2,658**	**(19,094)**	**0**	**(19,094)**

* Adults, Health and Well-being Department figures for 2024/25 are adjusted, following the establishment of the Business and Care Commissioning Service.

** This includes adjustments relating to the North and Mid Wales Trunk Road Agency.

(i) Adjustments for Capital Purposes

- For **Services**, this column adds in depreciation, impairment and revaluation gains and losses.
- **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 and Expenditure** – the statutory charges for capital financing, i.e. revenue provision for the financing of capital investment and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- **Taxation and Non-specific Grant Income** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-specific Grant Income line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS (continued)

(ii) Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* for pension-related expenditure and income:

- For **Services,** this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- For **Financing and Investment Income and Expenditure,** the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

(iii) Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For **Services**, this represents an adjustment for accumulated absences earned but not taken during the year.
- For **Financing and Investment Income and Expenditure,** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

(iv) Other (Non-statutory) Adjustments

- **Services** - the impairment loss allowance on Trade Debtors is deducted and transferred to financing and investment income and expenditure.
- **Financing and Investment Income and Expenditure** – adjusted to include the transfer of the impairment loss allowance on Trade Debtors from services.

NOTE 9 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the 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.

2025/26 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements				
Pensions costs (transferred to (or from) the Pensions Reserve)	9,374	0	0	(9,374)
Financial instruments (transferred to the Financial Instruments Adjustments Account)	1,993	0	0	(1,993)
Holiday pay (transferred to (or from) the Accumulated Absences Reserve)	493	0	0	(493)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	13,906	0	0	(13,906)
Total Adjustments to Revenue Resources	**25,766**	**0**	**0**	**(25,766)**
Adjustments between Revenue and Capital Resources				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	145	(437)	0	292
Revenue provision for the financing of supported capital investment	3,753	0	0	(3,753)
Revenue provision for the financing of unsupported capital investment	3,236	0	0	(3,236)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	10,596	0	0	(10,596)
Total Adjustments between Revenue and Capital Resources	**17,730**	**(437)**	**0**	**(17,293)**
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	487	0	(487)
Application of capital grants to finance capital expenditure	0	0	3,281	(3,281)
Cash payments in relation to deferred capital receipts	0	0	0	0
Total Adjustments to Capital Resources	**0**	**487**	**3,281**	**(3,768)**
TOTAL ADJUSTMENTS	**43,496**	**50**	**3,281**	**(46,827)**

NOTE 9 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS (continued)

2024/25 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
Adjustments to the Revenue Resources				
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements				
Pensions costs (transferred to (or from) the Pensions Reserve)	3,106	0	0	(3,106)
Financial instruments (transferred to the Financial Instruments Adjustments Account)	51	0	0	(51)
Holiday pay (transferred to (or from) the Accumulated Absences Reserve)	(2,571)	0	0	2,571
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	1,475	0	0	(1,475)
Total Adjustments to Revenue Resources	**2,061**	**0**	**0**	**(2,061)**
Adjustments between Revenue and Capital Resources				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(138)	(329)	0	467
Revenue provision for the financing of supported capital investment	3,456	0	0	(3,456)
Revenue provision for the financing of unsupported capital investment	2,235	0	0	(2,235)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	11,480	0	0	(11,480)
Total Adjustments between Revenue and Capital Resources	**17,033**	**(329)**	**0**	**(16,704)**
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	43	0	(43)
Application of capital grants to finance capital expenditure	0	0	(320)	320
Cash payments in relation to deferred capital receipts	0	0	0	0
Total Adjustments to Capital Resources	**0**	**43**	**(320)**	**277**
TOTAL ADJUSTMENTS	**19,094**	**(286)**	**(320)**	**(18,488)**

NOTE 10 – TRANSFERS TO/FROM EARMARKED RESERVES

School Balances

This sum is represented by the element of balances released under the delegation of budgets directly to schools which remained unspent at the end of the financial year, and is a net decrease of £1.2m as compared to the balance on 31 March 2025:

2025/26	Balance 31 March 2025 £'000	Transfers between reserves £'000	Transfers in £'000	Transfers out £'000	Balance 31 March 2026 £'000
School Balances	8,282	0	1,160	(2,337)	7,105
Total	**8,282**	**0**	**1,160**	**(2,337)**	**7,105**

NOTE 10 – TRANSFERS TO/FROM EARMARKED RESERVES (continued)

Earmarked Reserves

The note below sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans, and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2025/26, with a net increase of £1.8m since the position at 31 March 2025.

	2025/26	Balance		Transfers		Balance
		31 March	between reserves	in	out	31 March
Note		2025				2026
		£'000	£'000	£'000	£'000	£'000
10.1	Renewals Reserves	3,970	0	3,885	(5,162)	2,693
10.2	Schools Digital Strategy Renewal Reserve	2,000	0	0	0	2,000
10.3	Capital Reserves	26,805	0	9,867	(664)	36,008
10.4	Insurance Reserves	1,299	0	686	(861)	1,124
10.5	Service Fund	2,605	324	1,057	(598)	3,388
10.6	Convergence Programme Fund	476	0	0	(9)	467
10.7	Redundancy Costs to Realise Savings Reserve	1,813	(38)	0	(70)	1,705
10.8	Central Training	2,063	0	70	(653)	1,480
10.9	Education Services Reserves	4,043	0	602	(2)	4,643
10.10	Economy and Community Reserves	512	0	143	(17)	638
10.11	Highways, Engineering and YGC	4,178	(24)	110	(254)	4,010
10.12	Environment Reserves	1,042	44	4,091	(1,683)	3,494
10.13	Housing and Property Reserves	1,654	0	2,250	(343)	3,561
10.14	Care Reserves	699	0	141	(173)	667
10.15	Business Transformation Funds	831	0	0	0	831
10.16	Invest to Save Fund – Carbon Reduction Plan	564	0	0	(564)	0
10.17	Transformation / Council Plan	11,564	0	1,252	(2,800)	10,016
10.18	Committed Revenue Grant Fund	1,570	(21)	408	(267)	1,690
10.19	Housing Water and Sewerage Service Fund	94	0	0	(81)	13
10.20	Housing Environmental Warranty	480	0	0	0	480
10.21	Information Technology Reserve	921	(302)	372	(201)	790
10.22	Supporting the Financial Strategy Reserve	18,924	(3,589)	7,232	(9,776)	12,791
10.23	Partnering Arrangements	80	0	133	(68)	145
10.24	North Wales Economic Ambition Board	978	0	0	(978)	0
10.25	Council Tax Premium Reserve	17,417	2,089	8,959	(13,378)	15,087
10.26	Digital Strategy Fund	670	38	0	(133)	575
10.27	Shared Prosperity Scheme Fund	2,791	0	1,007	(1,783)	2,015
10.28	Dangerous Buildings Protection Fund	0	1,500	0	0	1,500
10.29	Various Other Reserves	758	(21)	55	(18)	774
	Total	**110,801**	**0**	**42,320**	**(40,536)**	**112,585**

The earmarked reserves closing balance as at 31 March 2026 does not reflect the level of commitments against them. Details are given below of the Council's main specific reserves.

NOTE 10 – TRANSFERS TO/FROM EARMARKED RESERVES (continued)

10.1 The Renewals Reserves are used by the various departments of the Council to replace vehicles and equipment.

10.2 School's Digital Strategy Renewal Reserve in order to finance the renewal of the school's IT equipment.

10.3 The Capital Reserves represents resources already committed to assist in financing the Council's Capital Programme and other requirements.

10.4 Cyngor Gwynedd does not insure all risks with external insurers but instead it has established an internal reserve to meet those uninsured risks. The balance on the Insurance Reserve also includes an element relating to the relevant insurance requirements of the former Gwynedd County Council (pre-1996) and which is administered by Cyngor Gwynedd.

10.5 The Services Fund represents the element of slippages and underspend that service departments have the right to carry forward for use in the subsequent financial year, other relevant specific budgets and one-off budgets that extend over more than one year.

10.6 Convergence Programme Fund – fund was created for additional capital or revenue costs which arise from the requirements to develop plans under the convergence programme.

10.7 Redundancy Costs to Realise Savings Reserve – provision for financing redundancy costs to realise budgetary savings.

10.8 Central Training – relates to the Council's staff training programme, including a contribution towards the cost of funding the Apprenticeship scheme and the 'Cynllun Yfory' Management Scheme.

10.9 Education Service Reserves – includes sums set aside to respond to related financial problems with 'Integration' requirements, changeable demands in 'Out of County – Special Educational Needs', 'Supporting Schools' and the 'Schools Loans Scheme'.

10.10 The Economy and Community Reserves include a number of balances relating to schemes operating on a partnership basis mainly, where the scheme balances must be accounted for separately.

10.11 The Highways, Engineering and Gwynedd Consultancy Reserves include sums set aside to protect situations of uneven income and expenditure of certain areas of work.

10.12 Environment Reserves – include a number of balances relating to Transport, schemes operating mainly on a partnership basis, and where the scheme balances must be accounted for separately, together with specific requirements relating to the Unitary Development Plan, and amounts for uneven expenditure situation.

10.13 Housing and Property Reserves – includes amounts set aside to protect against possible situations of uneven expenditure together with various other reserves for the Council's housing and property needs.

10.14 Care Reserves – includes amounts set aside to protect against possible situations of uneven expenditure due to contract requirements.

10.15 Business Transformation Fund – to achieve "Ffordd Gwynedd" aims and objectives.

10.16 Invest to Save Fund – Carbon Reduction Plan – partly funding the Carbon Reduction Plan programme of works to reduce carbon emissions whilst generating monetary revenue savings for the Council.

10.17 Transformation / Council Plan – for the Council's priorities and to transform internal procedures to be more effective and efficient, and to invest in various schemes to realise permanent financial savings.

NOTE 10 – TRANSFERS TO/FROM EARMARKED RESERVES (continued)

10.18 Committed Revenue Grants Fund – includes revenue grants received and committed for future use.

10.19 Housing Water and Sewerage Services Fund – amounts reserved for requirements relating to sewerage procedures, water piping and sewage treatment work on old council housing estates, which were not adopted by Welsh Water.

10.20 Housing Environmental Warranty – reserved for possible implications as a result of giving environmental warranties to Adra (Tai) Cyfyngedig, in connection with specific and special circumstances that relate to environmental plans on the land of former council housing estates.

10.21 Information Technology Reserve – for responding to the demands in the information technology area, including a renewals fund and to respond to uneven patterns of expenditure.

10.22 Supporting the Financial Strategy Reserve – a fund established to assist and support the Council's financial strategy.

10.23 Partnering Arrangements – includes amounts allocated in relation to various requirements of partnerships and joint working.

10.24 North Wales Economic Ambition Board – for the requirements and commitments of the economic promotion plan relevant to the North Wales Economic Ambition Board (Cyngor Gwynedd's share only).

10.25 Council Tax Premium Reserve – provision from the Council Tax Premium for achieving the Council's priorities which includes the Housing Strategy.

10.26 Digital Strategy Fund – Provision to ensure that the Council's digital needs enable departments to provide an effective and efficient service to the residents of Gwynedd.

10.27 Fund for interest received on the United Kingdom Shared Prosperity Scheme money held in Cyngor Gwynedd's bank account on behalf of the North region.

10.28 Dangerous Buildings Protection Fund – to fund work to safeguard a dangerous building to protect and safeguard the public.

10.29 Various Other Reserves – includes amounts set aside to meet a variety of other commitments.

NOTE 11 – OTHER OPERATING EXPENDITURE

2024/25 £'000		2025/26 £'000
	Precepts	
19,619	North Wales Police & Crime Commissioner	21,154
3,116	Community Councils	3,443
22,735		24,597
	Levies	
8,295	North Wales Fire Authority	8,919
1,059	Eryri National Park Authority	1,112
125	Local Drainage Boards	131
121	North Wales Corporate Joint Committee	145
9,600		10,307
(173)	(Gains)/losses on the disposal and de-recognition of non-current assets	26
32,162	**Total**	**34,930**

NOTE 12 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2024/25 £'000		2025/26 £'000
5,554	Interest payable and similar charges	4,875
754	Net interest on the net pension defined benefit liability/(asset)	606
(2,872)	Interest receivable and similar income	(3,141)
0	(Gains)/losses arising from the derecognition of financial assets/liabilities	(2,287)
(58)	Adjustments to provisions	(118)
(1)	Adjustments to the fair value of financial instruments	(1)
3,377	**Total**	**(66)**

NOTE 13 – TAXATION AND NON-SPECIFIC GRANT INCOME

2024/25 £'000		*Note*	2025/26 £'000
(127,339)	Council Tax Income	*13a*	(138,665)
(43,364)	Non-Domestic Rates	*13b*	(43,521)
(189,952)	Non-ring-fenced Government Grants	*32*	(204,869)
(29,178)	Capital Grants and Contributions	*32*	(41,040)
(389,833)	**Total**		**(428,095)**

NOTE 13a - COUNCIL TAX

The Council determines its expenditure requirement for the year and converts it to a Band D Council Tax by dividing this sum by a calculation of the number of properties in each Council Tax band converted into the equivalent number of properties in Band D (The Council Tax Base). The North Wales Police and Crime Commissioner's requirement is then added to this amount to establish the County's Council Tax.

The Council Tax Base for 2025/26 was calculated as follows:

CALCULATION OF THE COUNCIL TAX BASE FOR 2025/26

Valuation Bands	Number of Properties following discounts and premiums	Statutory Multiplier	Equivalent Band D properties
A*	9	5/9	4.86
A	8,177	6/9	5,451.36
B	14,324	7/9	11,140.72
C	12,003	8/9	10,669.43
D	10,602	1	10,602.15
E	8,314	11/9	10,161.20
F	4,323	13/9	6,243.61
G	1,446	15/9	2,409.17
H	261	18/9	522.50
I	90	21/9	209.42
		Total	57,414.42
Council Tax base after allowing for losses on collection			56,842.05

An analysis of the net income accruing to the Council is given below:

2024/25 £'000		**2025/26 £'000**
(128,161)	Council Tax raised	(139,586)
822	**Less** Increase in the impairment allowance for non-collection	921
(127,339)		**(138,665)**

NOTE 13b - NATIONAL NON-DOMESTIC RATES

National Non-Domestic Rates ("Business Rates") are managed by the Government but local authorities are responsible for their collection and for paying them to a central pool run by the Welsh Government. They subsequently allocate amounts from the pool to local authorities, on a population basis.

The Government sets the National Non-Domestic rate for the year (56.8p in 2025/26) which is then multiplied by the rateable value of the property. Subject to the effects of transitional arrangements and some other reductions, this is the amount payable by the ratepayer.

At the end of the 2025/26 financial year there were 9,724 properties on the local valuation list in Gwynedd, representing a rateable value of £113,801,825.

An analysis of the net income accruing to the Council from National Non-Domestic Rates is as follows:

2024/25 £'000		**2025/26 £'000**
(45,165)	National Non-domestic Rate raised	(40,799)
480	Cost of Collection allowance	460
472	Provision for Bad Debts	529
87	Interest	75
44,126	Sum paid to the National Pool	39,735
0		0
(43,364)	Receipts from the National Pool	(43,521)
(43,364)	**Net Income from Non-Domestic Rates**	**(43,521)**

NOTE 14 – BUILDING CONTROL INCOME AND EXPENDITURE ACCOUNT

This account shows the expenditure and income which relate to the building regulations checking and supervision function, including consideration of any enforcement action but not the service of notices under the provisions of the Building Act 1984.

The account is expected to break-even over a three-year rolling period, and this requirement is reviewed annually. There was a loss in 2025/26, therefore an accumulated loss over a period of three years is reported.

2025/26	**£'000**
Total charges income received (excluding VAT)	(360)
Total charges expenditure incurred	428
(Surplus)/Deficit for 2025/26	68
(Surplus)/Deficit for 2024/25	48
(Surplus)/Deficit for 2023/24	36
(Surplus)/Deficit for the last three years	**152**

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT

Movements on Property, Plant and Equipment Balances

Movements in 2025/26:

	Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	Assets under Construction	Right of Use Assets	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Value							
Balance at 31.03.25	454,256	52,692	384	2,085	1,098	5,306	515,821
Additions	31,146	9,393	0	88	9,701	2,353	52,681
Sales	(290)	(5,744)	0	0	0	0	(6,034)
Transfers	(3,469)	0	0	(84)	452	3,101	0
Revaluation - to Revaluation Reserve	(2,420)	0	(3)	1	0	(166)	(2,588)
Revaluation - to Services	(799)	0	0	(29)	0	0	(828)
Balance at 31.03.26	**478,424**	**56,341**	**381**	**2,061**	**11,251**	**10,594**	**559,052**
Depreciation							
Balance at 31.03.25	1,989	24,341	6	(1)	0	640	26,975
Depreciation in year	9,078	6,262	7	14	0	832	16,193
Sales	(13)	(5,704)	0	0	0	0	(5,717)
Transfers	(127)	0	0	0	6	121	0
Revaluation	(10,295)	0	(14)	(14)	0	(164)	(10,487)
Balance at 31.03.26	**632**	**24,899**	**(1)**	**(1)**	**6**	**1,429**	**26,964**
Impairment							
Balance at 31.03.25	10,955	20	1	0	0	0	10,976
Impairment in year - to Revaluation Reserve	0	0	0	0	0	0	0
Impairment in year - to Services	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0
Transfers	(323)	0	0	0	323	0	0
Revaluation	(4,082)	0	0		0	(1)	(4,083)
Balance at 31.03.26	**6,550**	**20**	**1**	**0**	**323**	**(1)**	**6,893**
Net Book Value 31 March 2026	**471,242**	**31,422**	**381**	**2,062**	**10,922**	**9,166**	**525,195**
Net Book Value 31 March 2025	**441,312**	**28,331**	**377**	**2,086**	**1,098**	**4,666**	**477,870**

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT (continued)

Comparative Movements in 2024/25:

	Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	Assets under Construction	Right of Use Assets	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Value							
Balance at 1.04.24	402,362	47,908	384	2,132	4,873	4,482	462,141
Additions	21,160	10,846	0	119	1,098	824	34,047
Sales	(1,041)	(6,062)	0	0	0	0	(7,103)
Transfers	4,809	0	0	(153)	(4,873)	0	(217)
Revaluation - to Revaluation Reserve	28,472	0	0	26	0	0	28,498
Revaluation - to Services	(1,506)	0	0	(39)	0	0	(1,545)
Balance at 31.03.25	**454,256**	**52,692**	**384**	**2,085**	**1,098**	**5,306**	**515,821**
Depreciation							
Balance at 1.04.24	1,856	24,752	(1)	(1)	0	0	26,606
Depreciation in year	7,882	5,566	7	13	0	640	14,108
Sales	0	(5,977)	0	0	0	0	(5,977)
Transfers	0	0	0	0	0	0	0
Revaluation	(7,749)	0	0	(13)	0	0	(7,762)
Balance at 31.03.25	**1,989**	**24,341**	**6**	**(1)**	**0**	**640**	**26,975**
Impairment							
Balance at 1.04.24	13,003	20	1	0	98	0	13,122
Impairment in year - to Revaluation Reserve	282	0	0	2	0	0	284
Impairment in year - to Services	2,733	0	0	1	0	0	2,734
Sales	(832)	0	0	0	0	0	(832)
Transfers	98	0	0	0	(98)	0	0
Revaluation	(4,329)	0	0	(3)	0	0	(4,332)
Balance at 31.03.25	**10,955**	**20**	**1**	**0**	**0**	**0**	**10,976**
Net Book Value 31 March 2025	**441,312**	**28,331**	**377**	**2,086**	**1,098**	**4,666**	**477,870**
Net Book Value 1 April 2024	**387,503**	**23,136**	**384**	**2,133**	**4,775**	**4,482**	**422,413**

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT (continued)

The Council's operational Land and Buildings were revalued by the Council's Estates Manager (M.R.I.C.S) in accordance with the policies noted in section 1.17 of Note 1 of the Accounting Policies and non-operational assets (Surplus) in accordance with 1.15. Note that the Council has established a rolling programme for revaluing different categories of these assets annually.

Refer to note 1.17 also for the basis of depreciation on various categories of assets.

Following the adoption of IFRS16, leases have been reclassified as Right of Use Assets unless exempt and are included as part of the Property, Plant and Equipment total. The 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 (see Note 1.14).

11 schools under church governance are used by the Education Department, with 9 of the buildings not included in the table above because they are not owned by the Council. The Council is responsible for their repair and maintenance, but the amounts are not significant. Ysgol Cae Top, Bangor and Ysgol Pont y Gof, Botwnnog are currently regarded as Council-owned assets in the accounts as the properties' titles (deeds) have not been formally transferred to the Church. The intention is to hold discussions with the Church in Wales to realise this and as a result the treatment of the assets in the accounts may change in the future.

The sources of finance for the assets acquired during the year are shown with the information on capital expenditure in the narrative report.

Infrastructure

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.

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.

Infrastructure assets are shown on the Balance Sheet at depreciated historical cost. Additions were made in year and in accordance with the Local Authorities (Capital Finance and Accounting)(Wales)(Amendment) Regulations 2022 the value of any replaced component of infrastructure assets has been treated as nil thus the value of the derecognition is nil.

	2024/25	2025/26
	£'000	£'000
Net Book Value at 1 April	**180,963**	**185,436**
Additions	11,380	15,399
Derecognition	0	0
Depreciation	(6,907)	(7,191)
Net Book Value at 31 March	**185,436**	**193,644**

Net Book Value - Property, Plant and Equipment Assets

	2024/25	2025/26
Property, Plant and Equipment Assets	£'000	£'000
Infrastructure	185,436	193,644
Other PPE Assets	477,870	525,195
Total Net at 31 March	**663,306**	**718,839**

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT (continued)

Capital Commitments

Significant commitments (over £200k) under capital contracts at 31 March 2026 were as follows:

	Sum	Payments to date	Balance
	£'000	£'000	£'000
Our Lady's School, Bangor	7,248	6,124	1,124
Development at Coed Mawr Bangor	2,819	2,088	731
Dolfeurig Centre	3,886	2,524	1,362
Industrial/Business Units - Parc Eryri	2,733	1,057	1,676

NOTE 16 – INVESTMENT PROPERTIES

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

	2024/25	2025/26
	£'000	£'000
Rental income from investment property	7	7
Net gain/(loss)	**7**	**7**

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property nor for its repair, maintenance or enhancement.

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

	2024/25	2025/26
	£'000	£'000
Balance 1 April	**165**	**165**
Disposals	0	0
Net gains/(losses) from fair value adjustments	0	0
Transfers:		
(to)/from Property, Plant and Equipment	0	0
Balance 31 March	**165**	**165**

NOTE 17a – FINANCIAL INSTRUMENTS

(i) Financial Instruments - Classifications

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

Financial Liabilities

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

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

- long-term loans from the Public Works Loan Board and commercial lenders
- Service Concession Arrangements (Private Finance Initiative (PFI)) contracts detailed in Note 41
- lease payables detailed in Note 35
- trade payables for goods and services received

Financial Assets

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

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

- cash
- bank and deposit accounts
- fixed term deposits with UK Government, banks and building societies
- loans to other local authorities
- loans to small companies
- trade receivables for goods and services delivered

Fair value through other comprehensive income (where cash flows are solely payments of principal and interest and the Council's business model is to both collect those cash flows and sell the instrument; and equity investments that the Council has elected into this category) comprising:

- pooled bond, equity and property funds held as strategic investments

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

- money market funds

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

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

(ii) Financial Instruments - Balances

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

Financial Liabilities	Long-Term		Short-Term	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£'000	£'000	£'000	£'000
Loans at amortised cost:				
Principal sum borrowed	90,138	69,387	4,018	4,551
Accrued interest	0	0	423	307
Total Borrowing	**90,138**	**69,387**	**4,441**	**4,858**
Loans at amortised cost:				
Bank overdraft	0	0	23,994	9,566
Total Cash Overdrawn	**0**	**0**	**23,994**	**9,566**
Liabilities at amortised cost:				
Leases	4,655	5,441	0	0
Total Other Long-Term Liabilities	**4,655**	**5,441**	**0**	**0**
Liabilities at amortised cost:				
Trade payables	0	0	62,059	70,811
Leases	0	0	837	739
Included in Creditors *	**0**	**0**	**62,896**	**71,550**
Total Financial Liabilities	**94,793**	**74,828**	**91,331**	**85,974**

* The creditors lines on the Balance Sheet include £93,926,000 (2024/25: £126,799,000) creditors (Note 21) that do not meet the definition of a financial liability.

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

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

	Long-Term		Short-Term	
Financial Assets	**31 March 2025 £'000**	**31 March 2026 £'000**	**31 March 2025 £'000**	**31 March 2026 £'000**
At amortised cost:				
Principal	17	17	74,955	35,071
Accrued interest	0	0	57	39
Loss allowance	0	0	(1)	0
At fair value through other comprehensive income:				
Equity investments elected FVOCI	0	0	11,862	12,169
Total Investments	**17**	**17**	**86,873**	**47,279**
At amortised cost:				
Principal	0	0	1,007	1,219
Accrued interest	0	0	15	7
Loss allowance	0	0	0	0
At fair value through profit and loss:				
Fair value	0	0	65,000	47,500
Total Cash and Cash Equivalents	**0**	**0**	**66,022**	**48,726**
At amortised cost:				
Trade receivables	6,861	8,301	28,527	20,555
Included in Debtors *	**6,861**	**8,301**	**28,527**	**20,555**
Total Financial Assets	**6,878**	**8,318**	**181,422**	**116,560**

* The debtors lines on the Balance Sheet include £101,888,000 (2024/25: £87,953,000) debtors (Note 18) that do not meet the definition of a financial asset.

Material Soft Loans

Local Authorities are allowed to make loans for policy reasons rather than as financial instruments and these loans may be interest-free or at rates below prevailing market rates. Where loans are advanced at below market rates, they are classed as "Soft Loans".

The fair values of such a soft loan are less than the amount of the cash lent. The fair value of a loan at nil interest rate or below the prevailing market rate is estimated as the present value of all future cash receipts discounted using the prevailing market rate of interest for a similar instrument. The sum by which the amount lent exceeds the fair value of the loan is charged to the Income and Expenditure Statement. The 2025/26 Code of Practice sets out specific accounting and disclosure requirements for soft loans. During 2025/26 Cyngor Gwynedd identified the following "soft loans":

- Deferred Payments on charges due from people under care (amount outstanding at 31.03.26 £4,466,050, 31.03.25 £3,387,152).
- Car and Bike Loans to employees (amount outstanding at 31.03.26 £1,531,651, 31.03.25 £1,369,926).

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

Equity instruments elected to fair value through other comprehensive income

The Council has elected to account for the following investments in equity instruments at fair value through other comprehensive income because they are long-term strategic holdings and changes in their fair value are not considered to be part of the Council's annual financial performances.

	Fair Value		Dividends	
	31 March 2025	31 March 2026	2024/25	2025/26
	£'000	£'000	£'000	£'000
CCLA LAMIT Property Fund	4,237	4,237	215	197
Ninety One Diversified Income Fund	1,111	1,124	56	50
Schroder Income Maximiser Fund	3,360	3,612	233	256
Aegon Diversified Monthly Income Fund	1,152	1,247	64	68
Payden Absolute Return Bond Fund	2,002	1,949	121	106
TOTAL	**11,862**	**12,169**	**689**	**677**

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to set off and it intends to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The table below shows those instruments that have been offset on the Balance Sheet. The Council had no other financial assets or liabilities subject to an enforceable master netting arrangement or similar agreement.

	31 March 2025			31 March 2026		
	Gross assets (liabilities)	(Liabilities) assets set off	Net position on Balance Sheet	Gross assets (liabilities)	(Liabilities) assets set off	Net position on Balance Sheet
	£'000	£'000	£'000	£'000	£'000	£'000
Bank accounts in credit	36,469	(36,469)	0	86,822	(86,822)	0
Total Financial Assets	**36,469**	**(36,469)**	**0**	**86,822**	**(86,822)**	**0**
Bank overdraft	(60,463)	36,469	(23,994)	(96,388)	86,822	(9,566)
Total Financial Liabilities	**(60,463)**	**36,469**	**(23,994)**	**(96,388)**	**86,822**	**(9,566)**

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

(iii) Financial Instruments - Gains and Losses

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

	Financial Liabilities	Financial Assets				
	Amortised Cost	Amortised Cost	Elected to Fair Value through OCI	Fair Value through Profit & Loss	2025/26 Total	2024/25 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Interest expense	4,875	0	0	0	4,875	5,554
Interest payable and similar charges	**4,875**	**0**	**0**	**0**	**4,875**	**5,554**
Interest income	0	(1,584)	0	0	(1,584)	(1,543)
Gains on derecognition	(2,287)	0	0	0	(2,287)	0
Dividend income	0	0	(677)	(881)	(1,558)	(1,329)
Interest and investment income	**(2,287)**	**(1,584)**	**(677)**	**(881)**	**(5,429)**	**(2,872)**
Loss allowance	0	(119)	0	0	(119)	(59)
Adjustments to provisions and the fair value of financial instruments	**0**	**(119)**	**0**	**0**	**(119)**	**(59)**
Net impact on surplus/ deficit on provision of services	**2,588**	**(1,703)**	**(677)**	**(881)**	**(673)**	**2,623**
Gains on revaluation	0	0	0	(360)	(360)	(296)
Losses on revaluation	0	0	0	53	53	20
Impact on other comprehensive income	**0**	**0**	**0**	**(307)**	**(307)**	**(276)**
Net (gain)/loss for the year	**2,588**	**(1,703)**	**(677)**	**(1,188)**	**(980)**	**2,347**

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

(iv) Financial Instruments - Fair Values

The fair value of a financial instrument is the price that would be received when selling an asset, or the price that would be paid when transferring a liability, to another market participant in an arm's-length transaction. Where liabilities are held as an asset by another party, such as the council's borrowing, the fair value is estimated from the holder's perspective.

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

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

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March.
- The fair values of financial guarantees have been estimated based on the likelihood of the guarantees being called and the likely payments to be made.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low interest rate environment.

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

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

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

	Fair Value Level	Balance Sheet 31 March 2025 £'000	Fair Value 31 March 2025 £'000	Balance Sheet 31 March 2026 £'000	Fair Value 31 March 2026 £'000
Financial liabilities held at amortised cost:					
Loans from PWLB	2	(77,126)	(79,168)	(73,400)	(74,772)
Other loans	2	(17,453)	(13,347)	(845)	(757)
TOTAL		**(94,579)**	**(92,515)**	**(74,245)**	**(75,529)**
Liabilities for which fair value is not disclosed *		(91,545)		(86,557)	
TOTAL FINANCIAL LIABILITIES		**(186,124)**		**(160,802)**	
Recorded on Balance Sheet as:					
Short-term creditors		(62,059)		(70,811)	
Short-term borrowing		(4,441)		(4,858)	
Short-term cash overdrawn		(23,994)		(9,566)	
Short-term leases		(837)		(739)	
Long-term borrowing		(90,138)		(69,387)	
Long-term leases		(4,655)		(5,441)	
TOTAL FINANCIAL LIABILITIES		**(186,124)**		**(160,802)**	

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

The fair value of loans from PWLB is higher than its Balance Sheet carrying amount because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date. The fair value of other loans is lower than its Balance Sheet carrying amount as the interest payable is lower than the current rates available for similar loans as at the Balance Sheet date.

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

	Fair Value Level	Balance Sheet 31 March 2025 £'000	Fair Value 31 March 2025 £'000	Balance Sheet 31 March 2026 £'000	Fair Value 31 March 2026 £'000
Financial assets held at fair value:					
Money market funds	1	65,000	65,000	47,500	47,500
Bond, equity and diversified funds	1	7,625	7,625	7,932	7,932
Property funds	2	4,237	4,237	4,237	4,237
Financial assets held at amortised cost:					
Treasury Stock	1	17	17	17	17
TOTAL		**76,879**	**76,879**	**59,686**	**59,686**
Assets for which fair values are not disclosed *		111,421		65,192	
TOTAL FINANCIAL ASSETS		**188,300**		**124,878**	
Recorded on Balance Sheet as:					
Long-term debtors		6,861		8,301	
Long-term investments		17		17	
Short-term debtors		28,527		20,555	
Short-term investments		86,873		47,279	
Cash and cash equivalents		66,022		48,726	
TOTAL FINANCIAL ASSETS		**188,300**		**124,878**	

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

NOTE 17b – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the Welsh Government's Investment Guidance for local authorities. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Strategy, together with its Treasury Management Practices, is based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

The main risks covered are:

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

Credit Risk: Investments

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

During 2025/26 a limit of £4m of the total portfolio was placed on the amount that can be invested with a single counterparty (other than UK government). For local authorities, secured investments, money market funds, strategic pooled funds and real estate investment trusts, a limit of £8m per counterparty was applied. No more than £20m in total can be invested for a period longer than one year.

The Council does not hold collateral security against any investments.

NOTE 17b – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

The table below summarises the credit risk exposures of the Council's investment portfolio by credit rating:

	Short-Term	
Credit Rating	**31 March 2025**	**31 March 2026**
	£'000	**£'000**
AAA (Money Market Funds)	65,000	47,500
AA+	0	0
AA	0	0
AA-	0	0
A+	1,000	1,213
A	5,000	0
A-	0	0
UK Government	44,955	27,071
Local authorities	25,000	8,000
Total (Principal)	**140,955**	**83,784**
Pooled funds *	11,862	12,169
Total Investments	**152,817**	**95,953**

* Credit risk is not applicable to shareholdings and pooled funds where the Council has no contractual right to receive any sum of money.

Loss allowances on treasury investments and cash and cash equivalents have been calculated by reference to historic default data published by credit rating agencies, multiplied by 62% (2024/25: 52%) to adjust for current and forecast economic conditions. A two-year delay in cash flows is assumed to arise in the event of default. Investments are determined to have suffered a significant increase in credit risk where they have been downgraded by three or more credit rating notches or equivalent since initial recognition, unless they retain an investment grade credit rating. They are determined to be credit-impaired when awarded a "D" credit rating or equivalent. At 31 March 2026, £426 (£1,231 at 31 March 2025) of loss allowances related to treasury investments.

In addition to treasury investments already made, the Council is exposed to the risk of loss on an undrawn housing association revolving credit facility of £5m (credit rating A-). At 31 March 2026, the loss allowance was £2,174 (£1,051 at 31 March 2025).

Credit Risk: Trade Receivables

The age profile of the trade balance in our debtor system at 31 March can be analysed as follows:-

31 March 2025		**31 March 2026**
£'000		£'000
11,530	Less than a year	7,223
2,559	Over a year	1,870
14,089		**9,093**

Historical experience of default and current and forecast economic conditions are considered in calculating our impairment loss allowance.

NOTE 17b – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Credit Risk: Loans, Financial Guarantees and Loan Commitments

The Council manages the credit risk inherent in its loans for service purposes, financial guarantees and loan commitments in line with its published Investment Strategy.

Liquidity Risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is, however, exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourable interest rates. This risk is managed by maintaining a spread of fixed rate loans and ensuring that no more than 25% of the Council's borrowing matures in any one financial year.

The Council holds £48.7m (2024/25: £66.0m) of liquid financial assets that can be withdrawn or sold at short notice if required to meet cash outflows on financial liabilities.

The maturity analysis of the financial liabilities is as follows, as shown both as discounted (principal plus accrued interest to date) and undiscounted (principal plus future interest payment figures):

Time to maturity (years)	Discounted (principal plus accrued interest) 31 March 2025 £'000	Undiscounted (principal plus future interest) 31 March 2025 £'000	Discounted (principal plus accrued interest) 31 March 2026 £'000	Undiscounted (principal plus future interest) 31 March 2026 £'000
Less than 1 year	4,456	8,995	4,858	8,677
Over 1 but not over 2	4,551	9,361	1,302	5,177
Over 2 but not over 5	2,858	16,407	1,671	13,023
Over 5 but not over 10	23,713	43,925	23,598	39,299
Over 10 but not over 20	15,464	44,294	15,464	36,750
Over 20 but not over 40	27,352	64,362	27,352	48,762
Over 40	16,200	25,429	0	0
Total	**94,594**	**212,773**	**74,245**	**151,688**

Market Risk: Interest Rate Risk

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

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

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

NOTE 17b – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

The Treasury Management Strategy aims to mitigate these risks by setting an upper limit of the 12 month-revenue impact of a 1% fall and rise in interest rates.

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

	31 March 2025 £'000	31 March 2026 £'000
Increase in interest receivable on variable rate investments	(636)	(428)
Decrease in fair value of investments held at FVPL	83	56
Impact on Surplus or Deficit on the Provision of Services	**(553)**	**(372)**
Decrease in fair value of investments held at FVOCI	66	67
Impact on Other Comprehensive Income and Expenditure	**66**	**67**
Decrease in fair value of loans and investments at amortised cost *	35	9
Decrease in fair value of fixed rate borrowing *	(8,738)	(7,634)

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

Market Risk: Price Risk

The market prices of the Council's units in pooled bond funds are governed by prevailing interest rates, and the price risk associated with these instruments is managed alongside interest rate risk as described above.

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. This risk is limited by the Council's maximum exposure to pooled investments of £20m. A 5% fall in commercial property prices at 31 March 2026 would result in a £0.21m (£0.17m at 31 March 2025) charge to Other Comprehensive Income and Expenditure.

The Council's investment in pooled equity funds is subject to the risk of falling share prices. This risk is limited by the Council's maximum exposure to pooled investments of £20m. A 5% fall in share prices at 31 March 2026 would result in a £0.21m (£0.20m at 31 March 2025) charge to Other Comprehensive Income and Expenditure.

Market Risk: Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in a foreign currency. It therefore has no exposure to loss arising as a result of adverse movements in exchange rates.

NOTE 18a – DEBTORS

31 March 2025		31 March 2026
£'000		**£'000**
26,249	Trade receivables	16,708
4,358	Prepayments	4,446
92,734	Other receivable amounts	101,289
123,341	**Total**	**122,443**

The 'Other receivable amounts' figures include long-term debtors of £8,301k (£6,861k in 2024/25). The above debtors' figures are net of impairment losses of £7,890k (£9,134k in 2024/25).

NOTE 18b - COUNCIL TAX DEBTORS

The past due date amount for Council Tax can be analysed by age as follows:

31 March 2025		31 March 2026
£'000		**£'000**
7,576	Less than one year	7,998
8,638	More than one year	12,885
16,214	**Total**	**20,883**

The above Council Tax debtors' figures are net of impairment losses. (Total Council Tax debtors are included within the total of 'Other receivable amounts' in table 18a). The March 2025 figures have been restated to exclude the Credit element from the Debtor balance - (Less than one year £7,212; More than one year £6,768; Total £13,980).

NOTE 19 – CASH AND CASH EQUIVALENTS

	31 March 2025	31 March 2026
	£'000	**£'000**
Cash in Hand	7	7
Bank Current Accounts	0	0
Call Accounts	66,015	48,719
Cash and Cash Equivalents	**66,022**	**48,726**
Bank Overdraft	(23,994)	(9,566)
Total	**42,028**	**39,160**

In order to maximise the returns from short-term investments and cash deposits, the Council invests any surplus funds in its bank accounts along with any surplus funds from the Gwynedd Pension Fund. As the short-term investments and cash deposits are made in the name of Cyngor Gwynedd, they are shown in full on the Balance Sheet with a corresponding creditor at 31 March 2026 of £55.7m to the Gwynedd Pension Fund (£35.4m at 31 March 2025).

NOTE 20 – ASSETS HELD FOR SALE

	2024/25 £'000	2025/26 £'000
Balance 1 April	**0**	**217**
Assets newly classified as held for sale:		
Property, Plant and Equipment	217	0
Expenditure in year	0	0
Revaluation Losses	0	0
Impairment Losses	0	0
Assets declassified as held for sale:		
Property, Plant and Equipment	0	0
Assets sold	0	0
Balance 31 March	**217**	**217**

NOTE 21 – CREDITORS

	31 March 2025 £'000	31 March 2026 £'000
Trade payables	62,896	71,550
Other payables	126,799	93,926
Total	**189,695**	**165,476**

The 'Other payables' figures include long-term creditors of £5,011k (£4,060k in 2024/25).

NOTE 22 – PROVISIONS

The Council sets aside provisions for specific obligations, the amount or timing of which cannot be determined accurately. It is not permitted, under accounting conventions, to make provisions for uneven patterns of expenditure. However, earmarked reserves may be established and these are disclosed in Note 10.

The details below are analysed into short-term provisions (within 12 months) and long-term provisions (over 12 months). However, the provision level on related items is reviewed periodically.

	Balance at 31 March 2025 £'000	(Addition) / Reduction / Transfer £'000	Used during the year £'000	Balance at 31 March 2026 £'000
Short-term Provisions				
Waste Sites Provision	(341)	(450)	395	(396)
Loan Commitments	(1)	(1)	0	(2)
	(342)	**(451)**	**395**	**(398)**
Long-term Provisions				
Waste Sites Provision	(7,137)	(403)	0	(7,540)
Insurance Claims Provision	(1,111)	(298)	0	(1,409)
Salary Provision	(359)	(11)	0	(370)
	(8,607)	**(712)**	**0**	**(9,319)**
Total	**(8,949)**	**(1,163)**	**395**	**(9,717)**

Waste Sites Provision – relates to the capping and aftercare requirements of all of the Council's waste disposal sites.

Loan Commitments – recognising the loss allowance of an undrawn revolving credit facility.

Insurance Claims Provision – to meet potential insurance claims settlements.

Salary Provision – in accordance with the relevant requirements.

NOTE 23 – UNUSABLE RESERVES

31 March 2025 £'000		31 March 2026 £'000
214,538	Revaluation Reserve	222,084
269,278	Capital Adjustment Account	308,681
(1,138)	Financial Instruments Revaluation Reserve	(831)
(574)	Financial Instruments Adjustment Account	1,419
(15,224)	Pensions Reserve	(16,977)
(11,839)	Accumulated Absences Account	(11,346)
455,041	**Total Unusable Reserves**	**503,030**

23.1 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. 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.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2024/25 £'000		2025/26 £'000
177,504	**Balance 1 April**	**214,538**
46,598	Upward revaluation of assets	18,423
(6,290)	Downward revaluation of assets and impairment losses	(6,441)
40,308	**Surplus/(deficit) on revaluation of assets**	**11,982**
(3,274)	Difference between fair value depreciation and historical cost depreciation	(4,188)
0	Accumulated gains on assets sold	(248)
(3,274)	**Amount written off to the Capital Adjustment Account**	**(4,436)**
214,538	**Balance 31 March**	**222,084**

23.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation; impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

NOTE 23 – UNUSABLE RESERVES (continued)

Note 9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2024/25 £'000		2025/26 £'000
248,102	**Balance 1 April**	**269,278**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(25,294)	Charges for depreciation and impairment of non-current assets	(24,212)
(40,767)	Revenue Expenditure funded from Capital under Statute	(19,150)
(294)	Adjustment to non-current balance on the sale of assets	(69)
3,274	Transfer from Capital Revaluation Reserve	4,188
	Capital financing applied in the year:	
43	Capital Receipts	487
67,043	Grants and contributions credited to Comprehensive Income and Expenditure Statement that have been applied to capital financing	60,574
3,456	Revenue provision for the financing of supported capital investment	3,753
11,480	Capital expenditure charged in year against the General Fund	10,597
2,235	Capital receipts set aside / Revenue provision for the financing of unsupported capital investment	3,235
269,278	**Balance 31 March**	**308,681**

23.3 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 that are measured at fair value through other comprehensive income. 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.

2024/25 £'000		2025/26 £'000
(1,414)	**Balance 1 April**	**(1,138)**
296	Upward revaluation of investments	360
(20)	Downward revaluation of investments	(53)
(1,138)	**Balance 31 March**	**(831)**

* 2024/25 figures have been re-categorised to ensure comparison with 2025/26.

23.4 Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account at the end of the financial year represents the amount that should have been charged to the Comprehensive Income and Expenditure Statement in accordance with proper accounting practices under the Code of Practice, but which Statutory Provisions allow or require them to be deferred over future years.

There is a requirement for all premiums and discounts arising from loan extinguishments to be charged to Income and Expenditure in full. Where transactions meet the definition of a modification any premiums or discounts are added to the carrying value of the loan and are then amortised to the Comprehensive Income and Expenditure Statement over the life of the new loan. A modification exists where the terms of the new debt are not "substantially different" from those of the old debt.

NOTE 23 – UNUSABLE RESERVES (continued)

Premiums amortised under statutory provisions can be charged to the General Fund over either the remaining life of the original loan or the life of the replacement loan, whichever is the greater period. Discounts must be credited to the General Fund over 10 years or the life of the original loan, whichever is the shorter period.

The transactions reflected in the Financial Instruments Adjustment Account are as follows:

2024/25 £'000		2025/26 £'000
(625)	**Balance 1 April**	**(574)**
61	Proportion of premiums incurred in previous years charged to General Fund in accordance with statute	2,119
(10)	Deferred credit for receipt of charges due from people under care	(126)
(574)	**Balance 31 March**	**1,419**

23.5 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 benefits earned to be financed as the Council makes employer's contributions to the Pension Fund or eventually pays any pensions for which it is directly responsible, with funding requirements set aside by the time the benefits are to be paid.

2024/25				2025/26		
Gwynedd	**NWEAB***	**Total**		**Gwynedd**	**NWEAB***	**Total**
£000	**£000**	**£000**		**£000**	**£000**	**£000**
(17,248)	**0**	**(17,248)**	**Balance 1 April**	**(15,224)**	**0**	**(15,224)**
(1,074)	(8)	**(1,082)**	Re-measurements of the net pension defined benefit (liabilities) / assets	(11,182)	55	**(11,127)**
(25,889)	(20)	**(25,909)**	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	(20,403)	39	**(20,364)**
28,987	28	**29,015**	Employer's pensions contributions and direct payments to pensioners payable in the year	29,832	(94)	**29,738**
(15,224)	**0**	**(15,224)**	**Balance 31 March**	**(16,977)**	**0**	**(16,977)**

* The NWEAB column in 2025/26 represents the transactions that have been reversed to remove them from Gwynedd's accounts because the Ambition Board has been incorporated into the North Wales Corporate Joint Committee since April 1, 2025. In 2024/25, Cyngor Gwynedd's share of 12.5% of the NWEAB pension reserve was included in the accounts. As a result, the figure on the CIES does not balance with this note as only the actuarial adjustment is reflected in this note.

NOTE 23 – UNUSABLE RESERVES (continued)

23.6 Accumulated Absences Account

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

2024/25 £'000		2025/26 £'000
(9,267)	**Balance 1 April**	**(11,839)**
(2,572)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	493
(11,839)	**Balance 31 March**	**(11,346)***

* (£5k) in 2025/26 represents the transactions that have been reversed to remove transactions relating to NWEAB as the Ambition Board has been incorporated into the North Wales Corporate Joint Committee since 1 April 2025. (£4k relevant to Gwynedd's share of the NWEAB in 2024/25 included in the accounts).

NOTE 24a – CASH FLOW STATEMENT: ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH MOVEMENTS

2024/25 £'000		2025/26 £'000
(21,015)	Depreciation	(23,384)
(4,279)	Impairment and downward valuations	(828)
(576)	(Increase)/Decrease in impairment for bad debts	1,244
5,563	(Increase)/Decrease in Creditors	11,397
(5,072)	Increase/(Decrease) in Debtors	(3,600)
(120)	Increase/(Decrease) in Stock	275
3,107	Pension Liability	9,374
(294)	Carrying amount of non-current assets sold or de-recognised	(317)
(2,772)	Other non-cash items charged to net surplus/deficit on the provision of services	723
(25,458)		**(5,116)**

NOTE 24b – CASH FLOW STATEMENT – ADJUST FOR ITEMS INCLUDED IN THE NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES THAT ARE INVESTING AND FINANCING ACTIVITIES

2024/25 £'000		2025/26 £'000
1	Purchase of short-term and long-term investments	1
467	Proceeds from sale of property, plant, equipment, investment property and intangible assets	291
468		**292**

NOTE 24c – CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

2024/25 £'000		2025/26 £'000
(5,615)	Dividends and Interest received	(3,102)
5,577	Interest paid	4,991

NOTE 25 – CASH FLOW STATEMENT – INVESTING ACTIVITIES

2024/25 £'000		2025/26 £'000
54,579	Purchase of property, plant and equipment, investment property and intangible assets	78,207
1,054,468	Purchase of short-term and long-term investments	892,237
931	Other payments/receipts for investing activities	1,440
(328)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(437)
(1,064,513)	Proceeds from short-term and long-term investments	(932,121)
45,137	**Net cash flows from investing activities**	**39,326**

NOTE 26a – CASH FLOW STATEMENT – FINANCING ACTIVITIES

2024/25 £'000		2025/26 £'000
(4,495)	Cash payments for the reduction of the outstanding liability relating to a finance lease	(1,265)
5,460	Repayments of short-term and long-term borrowing	20,334
965	**Net cash flows from financing activities**	**19,069**

NOTE 26b – CASH FLOW STATEMENT – RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	31 March 2025 £'000	Financing cash flows £'000	Non-cash changes £'000	31 March 2026 £'000
Long-term borrowings	(90,138)	20,751	0	(69,387)
Short-term borrowings	(4,441)	(417)	0	(4,858)
On Balance Sheet PFI liabilities and IFRS 16 Leases	(5,492)	(1,265)	0	(6,757)
Total liabilities from financing activities	**(100,071)**	**19,069**	**0**	**(81,002)**

NOTE 27 – EXPENDITURE AND INCOME ANALYSED BY NATURE

The Council's expenditure and income is analysed as follows:

2024/25 £'000	Expenditure / Income	2025/26 £'000
	Expenditure	
246,473	Employee benefits expenses	248,165
286,724	Other Services expenses	267,449
725	Support Services recharges	1,698
66,077	Depreciation, amortisation and impairment	43,362
6,250	Interest Payments	5,363
32,335	Precepts and Levies	34,904
0	Loss on the disposal of assets	26
638,584	**Total Expenditure**	**600,967**
	Income	
(76,373)	Fees, charges and other service income	(84,927)
(2,873)	Interest and investment income	(5,429)
(170,704)	Income from council tax and non-domestic rates	(182,186)
(416,253)	Government grants and contributions	(379,128)
(173)	(Gain) on the disposal of assets	0
(666,376)	**Total Income**	**(651,670)**
(27,792)	**(Surplus) / Deficit on the Provision of Services**	**(50,703)**

NOTE 28 – AGENCY SERVICES

Cyngor Gwynedd acts as an agent for various schemes on behalf of the Welsh Government:

2024/25				2025/26		
Expenditure	**Income**	**Balance 31 March 2025**	**Scheme**	**Expenditure**	**Income**	**Balance 31 March 2026**
£000	**£000**	**£000**		**£000**	**£000**	**£000**
82,119	(82,119)	0	North and Mid Wales Trunk Road Agency	91,674	(91,674)	0
38	(75)	(232)	Houses into Homes	1,127	(395)	500
0	0	(465)	Houses into Homes 2	465	0	0
0	0	(615)	Home Improvement Loans	0	(615)	(1,230)
0	0	(615)	Supporting Town Centre Regeneration in Caernarfon	0	0	(615)
0	0	(633)	Caernarfon and Bangor Town Centre Scheme	0	(42)	(675)
0	0	(500)	Bangor and Bethesda Town Centre Scheme	0	0	(500)
1,000	(1,371)	(185)	Transforming Towns Scheme	661	(310)	166
388	(72)	(32)	Gwynedd Town Regeneration Fund	252	(118)	102
0	0	(700)	Gwynedd Town Regeneration Fund 2	2	0	(698)
0	(500)	(500)	Gwynedd Town Regeneration Fund 10	0	0	(500)
3,601	(3,402)	199	National Non-Domestic Rates Relief Grant	3,621	(3,420)	400
0	0	0	Low Income Disabled Band Reduction Scheme Support Payment	5	0	5
216	(216)	0	Ukraine Refugee Host Payments	139	(139)	0
6	(6)	0	Ukraine Cash Payments	2	(2)	0

Where the Council acts as an agent, the related income, expenditure, assets and liabilities are not included in the Council's financial statements, except for any balances due to or from the principal body at the balance sheet date. Any administration fees or cost reimbursements to which the Council is entitled are recognised in the Council's Comprehensive Income and Expenditure Statement.

The Council also administers the North and Mid Wales Trunk Road Agency on behalf of the Welsh Government. The principal area of work is managing and maintaining the trunk road network in the North and Mid Wales Councils' Partnership region that extends to around 1,088 kilometres.

NOTE 29 – MEMBERS' ALLOWANCES

The Council paid the following allowances and expenses to members of the Council during the year:

2024/25		**2025/26**
£'000		**£'000**
1,576	Allowances	1,693
14	Expenses	17
1,590		**1,710**

NOTE 30 – OFFICERS' REMUNERATION

30a. The Accounts and Audit (Wales) Regulations 2014 (as amended) require the Council to disclose the following information relating to employees appointed as Senior Officers. In compliance with the defined requirements, the pensionable pay, employer's pension contributions and other employer costs are included below (including termination benefits), but the employer's national insurance contributions are excluded.

2024/25			Chief Officers	2025/26		
Salary and other	Employer's Pension Contributions	Total		Salary and other	Employer's Pension Contributions	Total
£	£	£		£	£	£
126,908	22,485	149,393	Chief Executive [1]	133,306	23,713	157,019
108,595	20,850	129,445	Corporate Director [2]	36,198	6,950	43,148
0	0	0	Corporate Director [3]	56,994	10,943	67,937
108,595	20,850	129,445	Statutory Director of Social Services	112,070	21,517	133,587
94,266	17,035	111,301	Head of Education	99,849	17,752	117,601
97,586	18,736	116,322	Head of Finance [4]	103,043	19,784	122,827
92,209	17,683	109,892	Head of Highways, Engineering and YGC	95,982	18,400	114,382
90,274	17,333	107,607	Head of Adults, Health and Well-being [5]	40,508	5,778	46,286
0	0	0	Head of Adults, Health and Well-being [6]	70,400	13,517	83,917
90,274	17,333	107,607	Head of Economy and Community	93,163	17,887	111,050
90,274	17,333	107,607	Head of Children and Family Support [7]	93,163	17,887	111,050
0	0	0	Interim Head of Children and Family Support - Resources [8]	74,227	12,978	87,205
0	0	0	Interim Head of Children and Family Support - Executive [9]	76,113	14,584	90,697
90,274	17,333	107,607	Head of Environment	93,163	17,887	111,050
86,068	16,525	102,593	Head of Corporate Services	90,993	17,471	108,464
88,254	16,929	105,183	Head of Housing and Property	93,163	17,887	111,050
81,400	15,629	97,029	Head of Legal Service [10]	84,005	16,129	100,134

1. The figures do not include any payment to the Chief Executive in his role as Returning Officer. No payments in 2025/26 (£2,945 in 2024/25), based on the scale defined by the relevant electoral bodies.
2. Holder in role until 31 July 2025.
3. Holder in role since 8 September 2025.
4. Holder of role received £7,597 for the Section 151 Officer duties for Eryri National Park Authority (ENPA). An additional Employer's Pension contribution of £1,459 applies to these duties. These totals are included within the amounts in the above table. ENPA reimburses the Council for these payments.
5. Holder in role until 31 July 2025.
6. Holder in role since 1 June 2025.
7. Holder absent from post during the financial year. Appropriate interim management arrangements were put in place to ensure service continuation.
8. Holder undertaking additional duties and responsibilities since 1 May 2025 and received £5,644 for the additional duties.
9. Holder undertaking additional duties and responsibilities since 1 May 2025 and received £5,646 for the additional duties.
10. The figures do not include any payment to the Head of Legal Service in his role as Deputy Returning Officer. No payments in 2025/26 (£1,646 in 2024/25), based on the scale defined by the relevant electoral bodies.

30b. The Accounts and Audit (Wales) Regulations 2014 (as amended) require the Council to include a ratio of remuneration. The ratio of the Chief Executive's remuneration of £133,306 (£126,908 in 2024/25) to the median remuneration of all the Council's employees for 2025/26 is 5.21:1, which corresponds to a median salary of £25,583 (5.04:1 in 2024/25, which corresponds to a median salary of £25,183).

30c. Other Council employees receiving more than £60,000 remuneration for the year (excluding employer's pension and national insurance contributions) were paid the following amounts but which include termination benefits paid in 8 cases in 2025/26 (22 cases in 2024/25). 7 of these posts would not appear below except for the termination benefits paid in the individual year. The table below includes starters and leavers whose annualised remuneration would exceed £60,000.

NOTE 30 – OFFICERS' REMUNERATION (continued)

Number of other employees who received more than £60,000 and includes remuneration and termination benefits:

Number in 2024/25				Number in 2025/26		
Schools	**Other**	**Total**		**Schools**	**Other**	**Total**
57	12	69	£60,000 - 64,999 *	81	20	101
58	28	86	£65,000 - 69,999 *	52	20	72
30	6	36	£70,000 - 74,999	36	19	55
12	4	16	£75,000 - 79,999	12	8	20
17	0	17	£80,000 - 84,999	12	1	13
5	0	5	£85,000 - 89,999	7	0	7
6	0	6	£90,000 - 94,999	2	0	2
1	0	1	£95,000 - 99,999	4	0	4
1	0	1	£100,000 - 104,999	1	1	2
3	0	3	£105,000 - 109,999	0	0	0
0	0	0	£110,000 - 114,999	1	0	1
2	0	2	£115,000 - 119,999	0	0	0
0	0	0	£120,000 - 124,999	1	0	1
1	1	2	£125,000 - 129,999	1	0	1
1	0	1	£130,000 - 134,999	0	1	1
0	0	0	£135,000 - 139,999	0	0	0
0	0	0	£140,000 - 144,999	1	0	1
0	0	0	£145,000 - 149,999	1	0	1
0	0	0	£150,000 - 154,999	0	0	0
1	0	1	£155,000 - 159,999	0	0	0

* Two employees from a Voluntary Aided School are included in the £65,000-£69,999 band above. In 2024/25, one employee was in the £60,000-£64,999 band and one was in the £65,000-£69,999 band.

NOTE 31 – EXTERNAL AUDIT COSTS

The Council has incurred the following costs relating to external audit:

2024/25 £'000		**2025/26 £'000**
233	Fees payable to auditors appointed by the Auditor General for Wales with regard to external audit services	252
96	Fees payable to auditors appointed by the Auditor General for Wales in respect of statutory inspections	116
47	Fees payable to auditors appointed by the Auditor General for Wales for the certification of grant claims and returns for the year	46
376		**414**
(1)	**Less:** Fees payable to auditors appointed by the Auditor General for Wales in respect of Joint Committees and Harbour Accounts	(1)
(16)	Previous years' adjustment for audit fees	31
359	**Cyngor Gwynedd Net Fees**	**444**

NOTE 32 – GRANT INCOME

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

	Note		2024/25 £'000		2025/26 £'000
Credited to Taxation and Non-specific Grant Income					
Revenue Support Grant (Non-ring-fenced Government Grants)	13		189,952		204,869
Government Capital Grants and Contributions -					
21st Century Schools		6,979		11,365	
General Capital Grant		4,966		7,389	
Transitional Accommodation Programme *		1,757		3,979	
Learning Disability Centres *		44		1,836	
Active Travel Fund *		1,347		1,898	
Wales Energy Grant *		1,064		1,186	
Other *		7,343		5,744	
	13		23,500		33,397
Other Capital Grants and Contributions	13		5,678		7,643
Total			**219,130**		**245,909**
Grants and Contributions Credited to Services					
Welsh Government -					
Local Authority Education Grants *		18,020		18,014	
Housing Support Grant		7,444		8,019	
Children and Communities Grant		5,359		6,402	
Additional Cost Pressures Grant		4,043		4,525	
Coastal Protection Grants *		1,004		2,629	
Social Care Workforce and Sustainability Pressures Grant		1,700		1,781	
Concessionary Fares Grant		1,507		1,625	
Capital Grants		5,488		1,525	
Local Transport Fund Grant		1,772		1,003	
ARFOR Programme Grant		6,282		500	
Post 16 Grant (Education)		4,745		0	
De-Trunking Grant		4,489		0	
Teachers' Pension Grant		2,333		0	
Other *		8,557		10,947	
			72,743		56,970
Other Government Grants and Contributions -					
Levelling Up Fund		81,994		37,084	
Department for Work and Pensions		21,797		17,687	
Other		26,267		29,121	
			130,058		83,892
Other Grants and Contributions			4,789		13,678
Total			**207,590**		**154,540**

* 2024/25 figures have been re-categorised to ensure comparison with 2025/26.

NOTE 32 – GRANT INCOME (continued)

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 could require the monies or property to be returned to the giver. The balances at the year-end are as follows:

Grants Received in Advance	31 March 2025 £'000	31 March 2026 £'000
Long-term		
Capital Grants and Contributions		
Highways and Municipal Capital Contributions	352	207
Environment Grants	1,207	269
Economy	7	10
North Wales Growth Deal	1,349	0
	2,915	486
Total Long-term	**2,915**	**486**
Short-term		
Revenue Grants and Contributions		
Economy and Community Grants	2,848	9,969
Environment Grants	0	9
Adults, Health and Well-being Grants	85	85
Housing Grants	1,505	1,307
Education Grants	0	48
Finance Grants	60	0
Children and Supporting Families Grants	139	88
Other Grants	1	0
	4,638	11,506
Capital Grants and Contributions		
North Wales Growth Deal	3,846	0
Other	275	1,162
	4,121	1,162
Total Short-term	**8,759**	**12,668**
Total	**11,674**	**13,154**

NOTE 33 – 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. To conform to the requirements, this is done by Members and Senior Officers completing a personal declaration, as defined in the CIPFA Code of Practice.

33.1 Welsh and Central Government

Welsh Government has effective control over the general operations of the Council. It is responsible for providing the statutory framework; it provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from the Welsh Government and other Government departments are set out in the subjective analysis in Note 27 which analyses expenditure and income by nature. The position as at 31 March is detailed in Note 32.

33.2 Members and Officers

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2025/26 is shown in Note 29.

The Council appoints members to some external charitable or voluntary bodies or the members have disclosed a link to organisations, public bodies and authorities. Furthermore, members have declared an interest or relationship (as defined) in companies or businesses which may have dealings with the Council.

Senior Officers (as defined) have declared as required and where appropriate an interest or relationship (as defined) in companies, voluntary, charitable, or public bodies which receive payments from the Council.

Excluding related parties identified separately in 33.3 to 33.8 below, a breakdown of the payments made to these bodies under this heading during 2025/26 and balances at 31 March 2026 is as follows:

	Payments made (including 2025/26 creditors) £'000	Amounts owed by the Council £'000	Income received (including 2025/26 debtors) £'000	Amounts owed to the Council £'000
Relevant to Members only	14,418	1,181	(1,184)	(329)
Relevant to Officers only	16,029	2,985	(416)	(162)
Relevant to both Members and Officers	14	1	(2)	(1)
Total	**30,461**	**4,167**	**(1,602)**	**(492)**

33.3 Other Public Bodies

The Council is the administering authority for the Pension Fund. Details of transactions with the Pension Fund are shown in Note 38.

33.4 Eryri National Park Authority (ENPA)

The Head of Finance is a Section 151 officer for Eryri National Park Authority (ENPA), as stated in Note 30 of the accounts. Cyngor Gwynedd administers payroll and internal audit services for ENPA. Some Cyngor Gwynedd Members have been appointed as members of Eryri National Park Authority.

Payments made (including 2025/26 creditors) £'000	Amounts owed by the Council £'000	Income received (including 2025/26 debtors) £'000	Amounts owed to the Council £'000
12	3	(547)	(62)

NOTE 33 – RELATED PARTIES (continued)

33.5 Adra (Tai) Cyfyngedig

The Council administers payroll services for Adra (Tai) Cyfyngedig. Some Cyngor Gwynedd Members have been appointed as members to the Adra (Tai) Cyfyngedig board.

Payments made (including 2025/26 creditors)	Amounts owed by the Council	Income received (including 2025/26 debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
1,530	310	(294)	(229)

33.6 North Wales Corporate Joint Committee

The North Wales Corporate Joint Committee (CJC) which is regarded as an independent legal entity was formally constituted on 14 January 2022, which became fully operational on 30 June 2022 and this was a result of the Local Government and Elections (Wales) Act 2021 creating a framework to have a consistent mechanism for regional collaboration between local government. The North Wales CJC's duties are strategic planning, regional transport and economic well-being. The CJC comprises six constituent councils: Conwy County Borough Council, Denbighshire County Council, Flintshire County Council, Cyngor Gwynedd, Isle of Anglesey County Council and Wrexham County Borough Council. Eryri National Park Authority is also a member of the CJC in relation to the exercise of strategic planning functions. On 1 April 2025, the North Wales Economic Ambition Board Joint Committee was incorporated into the North Wales Corporate Joint Committee. Payments to the CJC during 2025/26 and the balances at 31 March 2026 are as follows:

Payments made (including 2025/26 creditors)	Amounts owed by the Council	Income received (including 2025/26 debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
434	88	(597)	(522)

33.7 Welsh Joint Education Committee (WJEC)

The Council is a member of WJEC CBAC Limited, a charitable company whose members are the twenty-two Welsh unitary authorities. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to £1.

Payments made (including 2025/26 creditors)	Amounts owed by the Council	Income received (including 2025/26 debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
954	101	(42)	(41)

33.8 Subsidiary

Byw'n Iach Ltd was established on 27 June 2018 to provide a leisure service for the residents of Gwynedd. The company is limited by guarantee and the Council's liability is limited to £1, with Cyngor Gwynedd being the sole proprietor. Management responsibilities were transferred to the Leisure Company on 1 April 2019 with a service contract in place which sets out the actual services and outcomes that the company is required to deliver for its fee. The Board of Directors is made up of 6 elected members of Cyngor Gwynedd. The payments to Byw'n Iach Ltd for Leisure Services during 2025/26 and the balances at 31 March 2026 are as follows:

Payments made (including 2025/26 creditors)	Amounts owed by the Council	Income received (including 2025/26 debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
2,023	27	(506)	(338)

NOTE 34 – CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure 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 financed. The CFR is analysed in the second part of this note.

31 March 2025 £'000		31 March 2026 £'000
663,748	Non-current Assets and Assets Held for Sale	719,281
(214,538)	Revaluation Reserve	(222,084)
(269,278)	Capital Adjustment Account	(308,681)
179,932	**Capital Financing Requirement**	**188,516**

The movement in the year is explained as follows:

2024/25 £'000		2025/26 £'000
177,995	**Capital Financing Requirement 1 April**	**179,932**
21,160	Land and Buildings	31,146
11,380	Infrastructure	15,399
10,846	Vehicles, Plant and Equipment	9,393
119	Surplus Assets	88
1,098	Assets under construction	9,701
824	Right of Use Assets	2,353
40,767	Funded from capital under statute	19,150
(43)	Capital Receipts used	(487)
(67,043)	Government Grants and other contributions	(60,574)
(11,480)	Capital expenditure charged to revenue	(10,597)
(3,456)	Revenue provision for the financing of supported capital investment	(3,753)
	Additional voluntary sums set aside:	
(2,235)	Capital receipts set aside / Revenue provision for the financing of unsupported capital investment	(3,235)
179,932	**Capital Financing Requirement 31 March**	**188,516**

NOTE 35 – IFRS 16 LEASES

Council as Lessee

The Council's Lease contracts comprise leases of operational land and buildings; and plant and equipment.

The Council has a service concession arrangement which is included in Property, Plant and Equipment in the Balance Sheet but excluded from this note. Further details on GwyriAD Service Concession Arrangement can be found in Note 41.

Right of Use Assets

This table shows the change in the value of right of use assets held under leases by the Council (see also Note 15 for Right of Use Asset details):

	Land and Buildings	Vehicles, Plant and Equipment	Total Right of Use Assets
	£'000	£'000	£'000
Balance at 31.03.25	**4,633**	**33**	**4,666**
Additions / Transfers	5,454	0	5,454
Revaluation	(166)	0	(166)
Depreciation	(781)	(7)	(788)
Sales	0	0	0
Balance at 31.03.26	**9,140**	**26**	**9,166**

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property, plant or equipment acquired by the Council and finance costs that will be payable by the Council in future years while the liability remains outstanding. The lease liability comprises the following amounts:

31 March 2025 £'000		31 March 2026 £'000
	Right of Use Asset Lease Liabilities	
	(net present value of liabilities):	
621	Current	739
4,078	Non-current	5,441
4,699	Minimum lease payments	**6,180**

NOTE 35 – IFRS 16 LEASES (continued)

Transactions Under Leases

The council incurred the following expenses and cash flows in relation to leases:

31 March 2025 £'000		31 March 2026 £'000
	Comprehensive Income and Expenditure Statement	
227	Interest Expense on lease liabilities	227
234	Expense relating to short term/exempt/low value items	218
0	Income from sub-letting Right of Use Assets	(201)
	Cash Flow Statement	
834	Minimum Lease Payments	1,038
227	Interest Expense on lease liabilities	227
234	Expense relating to short term/exempt/low value items	218
0	Income from sub-letting Right of Use Assets	(201)

Maturity Analysis of Lease Liabilities

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

	Minimum Lease Payments		Right of Use Asset Lease Liabilities	
	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000
No later than one year	621	739	621	739
Later than one year and not later than five years	1,974	2,452	1,974	2,452
More than five years	2,104	2,989	2,104	2,989
	4,699	**6,180**	**4,699**	**6,180**

In 2025/26, minimum lease payments were made by the Council of £811k (£608k in 2024/25) in respect of those assets held as a Right of Use Asset lease.

NOTE 35 – IFRS 16 LEASES (continued)

Council as Lessor

Finance Leases

The Council has leased out property on a finance lease, including:

- Plas Heli, Pwllheli,
- Rhyd Ddu Outdoor Centre.

These leases are on a peppercorn rent basis and for a term that equates to the economic life of the assets. No premium has been received for these leases.

Operating Leases

The Council leases out property under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres,
- for economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are:

	31 March 2025 £'000	31 March 2026 £'000
No later than one year	241	670
Later than one year and not later than five years	594	1,005
Later than five years	4,693	4,636
	5,528	**6,311**

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2025/26 lease payments of £1,130k were received by the Council (£1,197k in 2024/25).

NOTE 36 – EXIT PACKAGES

The number of exit packages with total cost per band, and total cost of the compulsory and other redundancies are set out in the table below. The cost in the table below reflects the related package cost to the employer, rather than the actual value of the payments to the individuals. In accordance with the requirements the related commitments as known to the Council as at 31 March 2026 are included. Included below are the related gross costs but not the financial savings to the Council, where appropriate.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
£	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25 £'000	2025/26 £'000
0 - 20,000	13	17	19	10	**32**	**27**	214	206
20,001 - 40,000	4	2	17	5	**21**	**7**	633	228
40,001 - 60,000	3	2	3	6	**6**	**8**	297	387
60,001 - 80,000	2	0	0	0	**2**	**0**	142	0
80,001 – 100,000	0	1	0	0	**0**	**1**	0	85
100,001 – 150,000	0	0	0	0	**0**	**0**	0	0
150,001 – 200,000	0	0	0	0	**0**	**0**	0	0
200,001 – 250,000	1	0	0	0	**1**	**0**	201	0
Adjustment to previous year's estimate							19	12
Total	**23**	**22**	**39**	**21**	**62**	**43**	**1,506**	**918**

NOTE 37 – PENSION SCHEMES ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEMES

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Government's Department for Education. The scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The scheme is technically a defined benefit scheme. However, the scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of this Financial Statement, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2025/26 the Council paid £15.91m (£15.33m in 2024/25) in respect of teachers' pension costs, which represented 28.68% (28.68% in 2024/25) of teachers' pensionable pay. In addition the Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms for the teachers' scheme. In 2025/26 these amounted to £0.97m (£1m in 2024/25) representing 1.75% (1.86% in 2024/25) of teachers' pensionable pay. These costs are accounted for on a defined benefits basis and are included in Note 38.

NOTE 38 – PENSION COSTS

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

Cyngor Gwynedd participates in two post-employment benefit schemes:

a) **The Local Government Pension Scheme** administered locally by Cyngor Gwynedd for the employees of Gwynedd and 46 other organizations. This is a funded defined benefit scheme based on final salary for service up to 31 March 2014, and based on a career average salary from 1 April 2014. The Council and the employees pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. Cyngor Gwynedd's proportion of the total contributions to the Gwynedd Pension Fund in 2025/26 was 37% (35% in 2024/25).

b) **Arrangements for the award of discretionary post-retirement benefits upon early retirement.** This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Gwynedd Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Cyngor Gwynedd. Policy is determined in accordance with the Local Government Pensions Scheme Regulations.

The principal risks to the Council from the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (such as large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the amounts required by statute as described in the accounting policies note to the General Fund.

Transactions Relating to Post-employment Benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge it is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

NOTE 38 – PENSION COSTS (continued)

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability		
	Net (Liability) / Asset	
Period ended 31 March -	**2025**	**2026**
	£'000	**£'000**
Fair value of plan assets	1,087,014	1,143,772
Present value of funded liabilities	(833,557)	(728,537)
Effect of the asset ceiling	(253,457)	(415,235)
Present value of unfunded liabilities	(17,248)	(15,224)
Opening Position at 1 April	**(17,248)**	**(15,224)**
Service cost -		
Current service cost [1]	(24,317)	(18,488)
Past service costs (including curtailments)	(818)	(447)
Effect of settlements	0	(917)
Total Service Cost	**(25,135)**	**(19,852)**
Net interest -		
Interest income on plan assets	52,915	66,881
Interest cost on defined benefit obligation	(41,376)	(43,365)
Interest on the effect of the asset ceiling	(12,293)	(24,067)
Total Net Interest	**(754)**	**(551)**
Total Defined Benefit Cost Recognised in Profit / (Loss)	**(25,889)**	**(20,403)**
Cash flows -		
Participants' contributions	0	0
Employer contributions	27,207	28,829
Benefits paid	0	0
Unfunded benefits paid	0	0
Contributions in respect of unfunded benefits paid	1,716	1,659
Effect of business combinations and disposals	0	789
Expected Closing Position	**(14,214)**	**(4,350)**
Remeasurements -		
Changes in financial assumptions	144,863	33,306
Changes in demographic assumptions	1,491	25,430
Other experience [2]	7,968	(74,019)
Return on assets excluding amounts included in net interest	(5,847)	40,758
Changes in effect of the asset ceiling	265,750	(38,102)
Total remeasurements recognised in Other Comprehensive Income (OCI)	**414,225**	**(12,627)**
Fair value of plan assets	1,143,772	1,257,135
Present value of funded obligations	(728,537)	(781,757)
Effect of the asset ceiling [3]	0	(477,404)
Present value of unfunded obligations [4]	(15,224)	(14,951)
Closing Position at 31 March [5]	**400,011**	**(16,977)**

1 The current service cost includes an allowance for administration costs of 0.6% of payroll.
2 The other experience on obligations includes an allowance of £6,467,000 for the April 2026 pension increase order impact.
3 The effect of the asset ceiling had already been taken into account in the above table in the Hymans report for 31 March 2026.
4 The unfunded obligations comprise of £5,178,000 (£5,910,000 on 31 March 2025) in respect of LGPS unfunded pensions and £9,773,000 (£9,314,000 on 31 March 2025) in respect of Teachers' unfunded pensions.
5 This is inclusive of the liability relating to both Byw'n Iach and the North and Mid Wales Trunk Road Agency (NMWTRA) employees who are under the responsibility of the council.

NOTE 38 – PENSION COSTS (continued)

Pensions assets and liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the authority's obligation in respect of its defined benefit plan is as follows:

	31 March 2025	31 March 2026
	£'000	£'000
Fair value of plan assets	1,143,772	1,257,135
Present value of funded obligations	(728,537)	(781,757)
Present value of unfunded obligations (IAS 19/IFRIC 14)	(15,224)	(14,951)
Subtotal	**400,011**	**460,427**
Effect of IAS 19/ IFRIC 14	(400,011)	(462,453)
Net Asset/ (Liability)	**0**	**(2,026)**
Add value of unfunded obligations	(15,224)	(14,951)
Net Asset/ (Liability) arising from Defined Benefit Obligation	**(15,224)**	**(16,977)**

The actuarial valuation of the Council's pension scheme liabilities and pension reserve shown on the Balance Sheet reports a net liability of £16.977m. The Council's Actuary, Hymans Robertson LLP, determined that the fair value of the council's pension plan assets outweighed the present value of the plan obligations at 31 March 2026 resulting in a pension plan asset. IFRIC 14 and IAS 19 Employee Benefits require that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling, which is capped at £0 excluding unfunded obligations and agreed past service contributions (which may give rise to an additional liability)

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Council's actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions. The calculated asset ceiling for 2025/26 results in greater future service contributions than future service costs so the economic benefit is limited to zero before adding the present value of the unfunded obligations and agreed past service contributions (which may give rise to an additional liability). The Council relies and places assurance on the professional judgement of the Actuary and the assumptions used to calculate this actuarial valuation.

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

The actuary has provided a detailed breakdown of Fund assets in accordance with the requirements of IAS19. This analysis distinguishes between the nature and risk of those assets, and to further break them down between those with a quoted price in an active market, and those that are not quoted. The asset split for Cyngor Gwynedd is assumed to be in the same proportion to the Fund's asset allocation as at 31 December 2025. The split is shown in the table below. The actuary estimates the bid value of the Fund's assets as at 31 March 2026 to be £3.56bn based on information provided by the Administering Authority and allowing for index returns where necessary.

NOTE 38 – PENSION COSTS (continued)

Fair Value of Employer Assets

The asset values below are at bid value as required under IAS19.

Asset Category	At 31 March 2025				At 31 March 2026			
	Quoted Prices in Active Markets £'000	Prices not quoted in Active Markets £'000	Total £'000	%	Quoted Prices in Active Markets £'000	Prices not quoted in Active Markets £'000	Total £'000	%
Equity Securities								
Consumer	0	0	0	0	0	0	0	0
Manufacturing	0	0	0	0	0	0	0	0
Energy and Utilities	0	0	0	0	0	0	0	0
Financial Institutions	0	0	0	0	0	0	0	0
Health and Care	0	0	0	0	0	0	0	0
Information Technology	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Private Equity								
All	0	61,761	61,761	5	0	57,988	57,988	5
Debt Securities								
Other	0	0	0	0	0	0	0	0
Real Estate								
UK Property	0	72,776	72,776	6	0	61,082	61,082	5
Overseas Property	0	0	0	0	0	0	0	0
Investment Funds and Unit Trusts								
Equities	0	631,674	631,674	55	0	612,182	612,182	49
Bonds	0	336,136	336,136	29	0	432,437	432,437	34
Infrastructure	0	33,756	33,756	3	0	73,736	73,736	6
Other	0	0	0	0	0	0	0	0
Derivatives								
Inflation	0	0	0	0	0	0	0	0
Cash and Cash Equivalents								
All	0	7,669	7,669	1	0	19,710	19,710	1
Total	**0**	**1,143,772**	**1,143,772**	**100**	**0**	**1,257,135**	**1,257,135**	**100**

NOTE 38 – PENSION COSTS (continued)

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, life expectancy and salary levels. Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2025 model, with core parameterisation, initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females.

Both the Gwynedd Pension Scheme and Discretionary Benefits liabilities have been estimated by Hymans Robertson, an independent firm of actuaries. Estimates for the Gwynedd Pension Fund were based on the latest full valuation of the scheme as at 31 March 2022. The significant assumptions used by the actuary in the following table have had a significant impact on the values of the assets and liabilities as follows:

	31 March 2025	31 March 2026
Financial Assumptions	**% p.a.**	**% p.a.**
Pensions Increase Rate	2.75	3.00
Salary Increase Rate	3.25	3.50
Inflation Rate	2.75	3.00
Discount Rate	5.80	6.30
Long-term expected rate of return on all categories of assets	5.80	6.30
Take-up option to convert annual pension into retirement lump sum		
for pre-April 2008 service	65	65
for post-April 2008 service	65	65
Mortality assumptions	**Years**	**Years**
Longevity at 65 for current pensioners		
Men	20.6	20.8
Women	23.5	23.6
Longevity at 65 for future pensioners		
Men	21.6	21.8
Women	25.3	25.2

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. In order to quantify the impact of a change in the financial assumptions used, the actuary has calculated and compared the value of the scheme commitments as at 31 March 2026 on varying bases. The approach taken is consistent with that adopted to derive the IAS19 figures provided in this note.

To quantify the uncertainty around life expectancy, the actuary has calculated the difference in cost to the Council of a one-year increase in life expectancy. For sensitivity purposes this is assumed to be an increase in the cost of benefits of broadly 3-5%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

NOTE 38 – PENSION COSTS (continued)

The figures in the table below have been derived based on the membership profile of the Council as at 31 March 2022, the date of the most recent actuarial valuation. The approach taken in preparing the sensitivity analysis shown is consistent with that adopted in the previous year.

Impact on the Defined Benefit Obligation in the Scheme

Change in assumption	Approximate increase to Defined Benefit Commitment 31 March 2026 %	Approximate monetary amount 31 March 2026 £'000
0.1% decrease in real discount rate	2	13,078
1 year increase in member life expectancy	4	31,868
0.1% increase in the salary increase rate	0	790
0.1% increase in the pension increase rate	2	12,287

Impact on the Council's Cash Flows

One of the objectives of the scheme is that employer contributions should be kept at as constant a rate as possible. Cyngor Gwynedd has agreed a strategy with the fund's actuary to achieve a funding level of 100% over the next 17 years. Funding levels are monitored on an annual basis.

The contributions paid by the Council are set by the Fund Actuary at each triennial valuation, or at any other time as instructed to do so by the Administering Authority. The contributions payable over the period to 31 March 2026 are set out in the Rates and Adjustments certificate. For further details on the approach adopted to set contribution rates for the Council, please refer to the 2022 actuarial report dated 28 March 2023.

Information about the Defined Benefit Obligation

	Liability Split 31 March 2026 £'000	%
Active Members	352,264	45
Deferred Members	106,821	14
Pensioner Members	322,672	41
Total	**781,757**	**100**

The above figures are for the funded obligations only and do not include any unfunded pensioner liabilities. The durations are effective at the previous formal valuation as at 31 March 2022. As at the date of the most recent valuation, the average qualifying period of the defined benefit obligation for scheme members in 2025/26 is 20 years.

Impact in Future Years

The total contributions expected to be made to the Local Government Pensions Scheme by the Council in the year to 31 March 2027 is £23.960m.

As the Actuary's report is based on estimates and due to timing issues, an initial adjustment of (£493,800,120) has been made in 2025/26 (£64,270 in 2024/25) to bring the position of the Scheme based on the Actuarial figures in line with the closing position at 31 March 2026 (before applying any asset ceiling adjustments). This variance has been treated as Actuarial Gains and Losses on Pension Assets and Liabilities.

NOTE 39 – CONTINGENT LIABILITIES

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

The position below relates to circumstances involving three specific contingent liabilities:

- The capping and aftercare requirements for the Council's landfill sites – the provision contained in the accounts is based on existing and known circumstances, in addition to relevant forecasts. However, the actual final cost may differ from the current estimated future cost.

- This Council is exposed to a potential insurance liability relating to the insurance arrangements of its predecessor authorities, being Gwynedd County Council, Arfon Borough Council, Dwyfor District Council, and Meirionnydd District Council, and the closure of the Municipal Mutual Insurance (MMI) Fund on 30 September 1992.

  MMI made a scheme of arrangement with its creditors, by which, if MMI had insufficient funds to meet future claims, a claw-back clause would be triggered (i.e. Scheme of Arrangements) which could affect claims paid since 1992/93. On 13 November 2012, the directors of the Company concluded that the terms of the Scheme of Arrangement should be triggered and served notice on the Scheme Administrator and the Company to that effect. The decision is irrevocable. An initial levy of 15% of the payments made since 30 September 1992 was paid during 2013/14, and a further 10% was paid in 2016/17.

  The maximum potential liability to the Council based on the latest published figures available is £1.4m.

  Up to 2024/25, there was a possibility that further levies may be needed if the original levies were insufficient to meet MMI's liabilities in the long term. Following an assessment, the opinion for the 2025/26 financial year is that the levies already paid are sufficient to meet the liabilities.

- The Council is assessing potential claims including the conviction of a former head teacher at a Gwynedd School and other matters within the field of education. The current status of the claims vary from the initial stages onwards. In the event of liability being established, the Council's payments will be restricted to the policy deductibles under the relevant liability insurance policies. The Council has an existing earmarked Insurance Reserve set aside to fund any costs which would not be covered by the Council's cover.

NOTE 40 – TRUSTS

The Council acts as sole trustee for 177 bequests such as school prize funds, and comforts and improvements funds for numerous Council Establishments. The largest fund, the Welsh Church Fund, has a completely separate accounting ledger, whereas the Council holds the property for 176 of these bequests but makes no decision on the funds use. In every case, the funds do not represent the assets of the Council and therefore they have not been included in the Balance Sheet.

The total balance of the 176 bequests derecognised from the Council's Balance Sheet at 31 March 2026 was £2,262,978 (£2,061,426 on 31 March 2025). The funds are fully invested to generate income.

The largest bequests, the Welsh Church Fund and FMG Morgan Trust Fund, are detailed in appendices A and B of these accounts.

NOTE 41 – SERVICE CONCESSION ARRANGEMENTS

GwyriAD is a Service Concession Arrangement, otherwise known as a 'Private Finance Initiative' (PFI) scheme. The construction commenced in 2012/13 and the plant became operational in September 2013. It is a treatment plant for source-segregated food waste from Gwynedd residents and businesses (mainly) using Anaerobic Digestion (AD) technology. The enterprise is assisting the Council to meet its recycling targets, and to work within its allowances for landfilling of Biodegradable Municipal Waste for a period of 15 years.

The assets used to provide the service are recognised on the Council's Balance Sheet. The value of the related assets was £2.1m as at 31 March 2026 (£2.1m as at 31 March 2025). The Council makes an agreed payment (gate fee) each year based on a minimum amount of tonnage which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year. The Council has the right to increase the amount of tons over the agreed 7,500 tons to a maximum of 11,000 tons, and will pay a reduced gate fee for anything over 7,500 tons.

	Payment for Services	Reimbursement of Capital Expenditure	Interest	Total
	£'000	£'000	£'000	£'000
Paid in 2025/26	498	216	49	763
Payable in 2026/27	498	229	36	763
Payable within 2 to 5 years	705	348	27	1,080
Total	**1,701**	**793**	**112**	**2,606**

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable.

The contractor receives income from energy that is generated from the waste which has enabled it to keep the unitary payment low for the Council. If the income is higher than that which is in the contract, there is an arrangement for it to be shared between the contractor and Cyngor Gwynedd.

The liability outstanding to be paid to the contractor for capital expenditure incurred is as follows:

	2025/26	
	Lease Liability	Deferred Income
	£'000	£'000
Balance outstanding at 1 April 2025	(793)	(498)
Repayment of principal during the year	216	0
Release of deferred income	0	145
Balance outstanding at 31 March 2026	**(577)**	**(353)**

Either party can terminate the agreement at any time should there be deficiencies, subject to giving notice in accordance with the terms of the agreement. Equally, the Council can unilaterally terminate the agreement in accordance with the terms therein. There would be compensation payments linked to any termination arrangement. At the expiry of the agreement, the Council has the right to re-tender for a contractor to provide the service.

NOTE 42 – POOLED BUDGET

Under regulation 19(1) of the Partnership Arrangements (Wales) Regulations 2015, an informal pooled budget arrangement has been agreed between North Wales local authorities and the Betsi Cadwaladr University Health Board in relation to the provision of care home accommodation for older people for 2025/26.

The Council's transactions are included under Adults, Health and Well-being in the Comprehensive Income and Expenditure Statement. Income and expenditure for these pooled budget arrangements are as follows; the notional amounts are included for information only.

	Care Homes for the Elderly	
2024/25 £'000		**2025/26 £'000**
	Expenditure	
136,047	Care Home costs	147,652
136,047	**Total Expenditure**	**147,652**
	Funding	
(12,423)	Denbighshire County Council	(13,600)
(18,090)	Conwy County Borough Council	(19,835)
(14,980)	Flintshire County Council	(17,767)
(16,470)	Wrexham County Borough Council	(15,975)
(13,084)	Cyngor Gwynedd	(15,282)
(7,126)	Isle of Anglesey County Council	(8,320)
(53,874)	Betsi Cadwaladr University Health Board	(56,873)
(136,047)	**Total Funding**	**(147,652)**
0	**(Surplus) / Deficit transferred to reserve**	**0**

NOTE 43 – JOINT OPERATIONS AND JOINT COMMITTEES

The Council currently participates in a number of joint operations with neighbouring North Wales authorities.

During 2025/26, Cyngor Gwynedd participated in two joint committees and one joint operation, collaborating in particular areas between local authorities. Separate accounts are required for joint committees. The two joint committees relating to Gwynedd in 2025/26 are:

- North Wales Residual Waste Treatment Project (NWRWTP)
- GwE (Operations ceased on 31 May 2025)

The joint operation relating to Gwynedd in 2025/26 is:

- Actif North Wales

The joint committee accounts follow the same timetable in terms of the statutory dates for the completion of the accounts. In the circumstances, Cyngor Gwynedd's accounts reflect the related actual net liability, although the subjective analysis position varies subject to the circumstances, and the reporting arrangements, of the various joint committees. The figures and the share relating to Gwynedd have been included in the table below:

Joint Committee / Joint Operation	Host Authority for Finance	Councils and Organisations participating in the Joint Committee / Joint Operation	Cyngor Gwynedd's Share %	Value of Gwynedd's Share (Income and Expenditure Account) £'000
Joint Committee				
GwE	Cyngor Gwynedd	Conwy County Borough Council Denbighshire County Council Flintshire County Council Cyngor Gwynedd Isle Anglesey County Council Wrexham County Borough Council	17.47	186
North Wales Residual Waste Treatment Project	Flintshire County Council	Conwy County Borough Council Denbighshire County Council Flintshire County Council Cyngor Gwynedd Isle of Anglesey County Council	25.20	0
Joint Operation				
Actif North Wales *	Cyngor Gwynedd	Conwy County Borough Council Denbighshire County Council Flintshire County Council Cyngor Gwynedd Isle of Anglesey County Council Wrexham County Borough Council	16.67	0

* Actif North Wales is grant funded.

On 1 April 2025, the North Wales Economic Ambition Board Joint Committee was incorporated into the North Wales Corporate Joint Committee, which is regarded as an independent legal entity.

The individual joint committees' accounts are available on the website of the councils which are host authorities for finance and accounting services.

NOTE 44 – EVENTS AFTER THE REPORTING PERIOD

The Statement of Accounts was authorised by the Head of Finance on 30 June 2026. Events taking place after this date are not reflected in the financial statements or related notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect its impact.

THE WELSH CHURCH FUND

2024/25 £'000		2025/26 £'000
978	**Amount of Fund at 1 April**	1,002
	Add - Income during the year	
49	Interest on Investments	51
	Less - Expenditure during the year	
(25)	Grants and expenses	(53)
1,002	**Amount of Fund at 31 March**	**1,000**
	Represented by the following Assets	
5	Debtors	9
900	Investments	900
97	Cash in Hand	101
1,002		1,010
0	**Less -** Creditors	(10)
1,002	**Total**	**1,000**

NOTES TO THE ACCOUNTS

1. The Scheme for the administration of the Fund provides that the income be applied for charitable purposes - educational, recreational and social, at the discretion of the Council.

2. The Charities Act 1993 requires that an independent examination of the statement of accounts of the Welsh Church Fund be carried out annually.

3. The investments are shown in the accounts at historical cost. The market value of the investments at 31 March 2026 was £904,470.

FMG MORGAN TRUST FUND

2024/25 £'000		2025/26 £'000
166	**Amount of Fund at 1 April**	174
	Add - Income during the year	
16	Interest on assets	17
	Less - Expenditure during the year	
(8)	Grants	(4)
174	**Amount of Fund at 31 March**	**187**
	Assets	
144	Investments	145
30	Cash in Hand	42
174		**187**

NOTES TO THE ACCOUNTS

1. This Fund was set up from the residuary estate of the late Mrs. Florence Merthyr Guest Morgan. The income from the Fund was to be applied to aid residents of certain areas of Llŷn for specified purposes.

2. The investments are shown in the accounts at cost. The market value of the investments at 31 March 2026 was £415,064 (£381,145 at 31 March 2025).

3. The FMG Morgan Fund is outside the provision of the Charities Act 1993. No independent examination or audit is therefore required in respect of this Trust Fund.

The report of the Auditor General for Wales to the members of Cyngor Gwynedd

Opinion on financial statements

I have audited the financial statements of Cyngor Gwynedd for the year ended 31 March 2026 under the Public Audit (Wales) Act 2004.

Cyngor Gwynedd's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

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

- give a true and fair view of the financial position of Cyngor Gwynedd as at 31 March 2026 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

Basis of opinion

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

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

Conclusions relating to going concern

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

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

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

Other Information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

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

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

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

Responsibilities of the responsible financial officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included the following:

- enquiring of management, Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Cyngor Gwynedd's policies and procedures concerned with:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in management override;
- obtaining an understanding of Cyngor Gwynedd's framework of authority as well as other legal and regulatory frameworks that Cyngor Gwynedd operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Cyngor Gwynedd; and
- obtaining an understanding of related party relationships.

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

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

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

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

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

Other auditor's responsibilities

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

Certificate of completion of audit

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

Catherine Mealing-Jones
Auditor General for Wales
26 October 2026

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

The maintenance and integrity of Cyngor Gwynedd's website is the responsibility of the Head of Corporate Services; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Glossary

Actuarial Gains and Losses – For a defined benefit pension scheme, the changes in actuarial surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.

Amortisation – The gradual elimination of a liability, such as a loan, with regular payments over a specified period of time. Such payments must be sufficient to cover both principal and interest.

Asset – Items of worth that are measurable in terms of value.

- A current asset will be consumed or will cease to have material value within the next financial year.
- A non-current asset provides benefit to the Council and to the services it provides for a period of more than one year.

Balances (or Reserves) – These represent accumulated funds available to the Council. Some balances (reserve) may be earmarked for specific purposes for funding future defined initiatives or meeting identified risks or liabilities.

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

Capital Expenditure – Expenditure on the procurement of a non-current asset, which will be used in providing services beyond the current accounting period or expenditure that adds to, and not merely maintains, value of an existing non-current asset.

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

Capital Receipt – Income received from the sale of land or other capital assets.

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

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 are parks and historical buildings.

Creditors – Amounts owed by the Council for work done, goods received or services rendered, for which payments have not been made by the end of that accounting period.

Current Service Cost – The increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period.

Debtors – Amount owed to the Council for work done, goods received or service rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Defined Benefit Scheme – A pension or other retirement benefit scheme other than a defined contribution scheme.

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

Depreciated Replacement Cost (DRC) – A method of valuation that provides a proxy for the market value of specialist assets.

Depreciation – A measure of the cost of the economic benefits of the tangible fixed assets consumed during the period.

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

Finance Lease – A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee.

Financial Instruments – Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives.

General Fund – This is the main revenue fund of the Council and it includes the net cost of all services financed by local taxpayers and Government grants.

Heritage Assets – An asset with Historical, Artistic, Scientific, Technological, Geophysical or Environmental qualities that is held and maintained principally for its contributions to knowledge and culture.

Impairment – A reduction in the carrying value of a fixed asset below its carrying value (due to obsolescence, damage or an adverse change in the statutory environment).

Intangible Asset – An intangible asset is an identifiable non-monetary asset without physical substance. An example includes computer software.

International Financial Reporting Standards (IFRS) – A suite of accounting standards used across the world. They must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

Inventories – Amounts of unused or unconsumed stocks held in expectation of future use. They are categorised as goods or other assets purchased for resale, consumable stores, raw materials and Components, Products and Services in intermediate stages of completion and finished goods.

Investment Property – Property that is held solely to earn rentals or for capital appreciation, or both.

Liability – Amounts due to individuals or organisations which will have to be paid at some time in the future.

Minimum Revenue Provision (MRP) – This is the minimum amount which must be charged to an Authority's revenue account each year and set aside as provision for credit liabilities.

Net Book Value – The amounts in which fixed assets are included in the Balance Sheet, i.e. their historical cost or current value, less the cumulative amount provided for depreciation.

Operating Lease – A type of lease, usually on 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 Council.

Precepts – The levy made by precepting authorities on billing authorities, requiring the latter to collect income from Council taxpayers on their behalf.

Private Finance Initiative (PFI) – A central government initiative which aims to increase the level of funding available for public services by attracting private sources of finance.

Provision – A liability that is of uncertain timing or amount which is to be settled by transfer of economic benefits.

Related Parties – Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Trust Funds – Funds administered by the Council for such purposes as prizes, charities, specific projects and on behalf of minors.