

# Cadwyn Housing Association Limited - Group

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**Consolidated report and financial statements  
For the year ended 31 March 2022**



Cadwyn Housing Association Limited  
Report and financial statements for the year ended 31 March 2022

# Information

<b>Co-operative and Community Benefit Society number:</b>	18805R
<b>Welsh Government registration number:</b>	L019
<b>Registered office:</b>	197 Newport Road, Cardiff, CF24 1AJ
<b>Board members:</b>	<b>Ms F O'Brien</b> (Chair) <b>Mr J Union</b> (Vice Chair) <b>Ms K Dalton</b> <b>Ms N Eynon</b> <b>Ms S Hughes</b> <b>Mr D Walker</b> <b>Ms C Madge</b> <b>Mr P Riley</b> <b>Mr P Evans</b> <b>Mr Gareth Hexter</b> <b>Mr Mark Davies</b> <b>Mr Peter Maggs</b>
<b>Chief Executive &amp; Company Secretary</b>	<b>Ms K Palmer</b>
<b>Executive Directors:</b>	<b>Mrs C Stark</b> (Executive Director of Housing) <b>Mrs S Daniel</b> (Executive Director of Corporate Services) <b>Mr A Bateson</b> (Executive Director of Assets & Investments) - resigned July 2021
<b>Bankers:</b>	Barclays Bank PLC Windsor Court, 3 Windsor Place Cardiff, CF10 3BT
<b>Solicitors:</b>	Hugh James 2 Central Square, Cardiff, CF10 1FS
<b>External Auditors:</b>	Bevan Buckland LLP Ground Floor, Cardigan House, Swansea, SA7 9LA
<b>Internal Auditors:</b>	TIAA Regus House Malthouse Avenue, Cardiff, CF23 8RU (To March 2022)  Astari Limited Alexandra Gate, 2 Ffordd Pengam, Cardiff. CF24 2SA (From April 2022)



**Cadwyn Housing Association Limited**  
**Report and financial statements for the year ended 31 March 2022**

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# Strategic Report

## Mission and Values

### Introduction

Cadwyn is a community housing association, working predominantly in Cardiff. We own or manage over 2000 homes. We were originally established in 1968. Our mission is “to provide good quality homes and build communities through partnership and innovation”

### Our Vision

We want to achieve Thriving Communities to be rooted in our community, providing homes and opportunities to transform people’s lives for the better.

### Our Offering

We provide Homes & Opportunities

### Our Purpose

Cadwyn provides good quality homes and builds communities through partnership and innovation

### Our Values

Everything we do will be underpinned by how we work with each other using our values of:

- Fairness
- Kindness
- Honesty
- Respect

## Our key Aims

### Existing Homes

We ensure people live in well managed and maintained homes, which are safe, comfortable and energy efficient.

### New Homes

We increase the supply of new affordable and environmentally sustainable homes for those in need

### People

We work with our tenants and communities so that they thrive

### Our Business

We are a successful and independent social business valued for our contribution



# Strategic Report

## Existing Homes

### Improve energy efficiency and carbon emissions

In the financial year 2021-22, the following Component Replacements were completed to improve the energy efficiency of our homes:

- 154 properties received new external doors
- 26 properties received new windows
- 21 properties received new boilers/heating systems
- 10 properties received solar PV panels with battery storage

In addition to the works above Cadwyn managed the installation of 20 solar PV panels on behalf of Taff Housing and CCHA as part of our joint ORP 1.0 bid.

In March 2022 Cadwyn received a grant offer from the Welsh Government as part of the Optimised Retrofit Programme (ORP) 2022-23.

Grant was awarded for the installation of PV units with battery storage and fabric insulation, which will benefit 38 properties in Cardiff. In a separate bid as part of a collaboration with five other RSL's grant was received to undertake decarbonisation works to four homes including insulation measures to building fabric, PV & battery storage, roof & floor insulation and heating systems upgrades. As part of the bid we will be working with partner Wood Knowledge Wales on a 'Welsh Timber-focused retrofit framework'. The framework will work along the lines of Survey, Design & Model, Install, Evaluation, Sharing & Learning as well as identifying innovative Welsh Timber based products for use on retrofits. Also included is developing a PAS Umbrella framework within the collaboration.

### Maintain WHQS & implement any revisions to WHQS

Our stock condition survey programme is ongoing with 175 Stock Condition Surveys undertaken in 21-22 and we are continuing to monitor and maintain WHQS performance. Following the recent recruitment of two new Surveyors, the existing staff structure has been reviewed and we are now in a position to complete 50 surveys a month to catch up on our backlog from Covid.

Consultation has opened on WHQS 2023 with a draft version of the updated standard being issued. Significant changes such as the provision of floor coverings on new lets, alignment with the fitness for Human Habitation Regulations 2022 and high levels of energy performance key highlights to consider. A compliance statement will be produced once the WHQS 2023 guidance is finalise detailing the measures Cadwyn will take to ensure compliance with the updated version.

### Effective & Efficient reactive repairs

It was a challenging year dealing with reactive repairs with CanDo contractors completing 6,718 repairs in the year. With high demand and at times shortage of available appointments due to the backlog caused by Covid or high levels of staff sickness. 1,373 repairs were completed by external contractors.



# Strategic Report

At the close of the financial year there were 238 internal jobs (Can Do) that had exceeded its target date. 79 reactive jobs with external contractors had exceeded its target date. All works are scheduled in.

A decision has been made to hold planned works on bathrooms to the latter part of the year, to allow for the two members of the team to be released to support the reactive backlog. This will provide an additional 80 hours per week on the reactive programmes for anything up to 4 months. The bathroom programme will then commence and will still be delivered on target across the year.

## Landlord Health & Safety

Firerite were appointed via a WPA framework demonstrating excellent quality fire risk assessments with 3rd party accreditation in line with current best practice requirements. While working through a backlog of actions from previous assessments Firerite have commenced their programme of completing new FRA's across our whole stock in the next 12 months.

In other compliance areas homes went overdue due to debts on the meter in line with the rising cost of living crisis. It is anticipated that this will become more common with rising energy costs so early engagement will be key.

Biennial Legionella Risk Assessments were undertaken across 14 schemes where a risk has been identified. All associated actions from the assessments have been completed during the 21/22 financial year.

## New Homes

### Increase number of new affordable homes

We have an ambitious development programme over the next 5 years of delivering 400 new affordable homes. The pandemic has had a significant impact on the programme but we are working hard with our contractors to continue to deliver the programme. We are due to complete the first 100 homes in 2021/22/23 which are:-

The Wharf – 38 apartments

Clarence House – 18 (EPCA) apartments

Bay Chambers – 44 apartments

Rhiw Las – 9 apartments (s.106)

In addition, we have secured a £600K loan for housing loan from Welsh Government for the acquisition of 74 – 78 Park Road Whitchurch. This will be repaid when we draw down the social housing grant for the scheme.

Over the past 4 years we have land banked a number of strategic sites in preparation for our Business Plan growth. The investment team will continue to progress the acquired sites through planning whilst looking for new opportunities. Cadwyn has the largest development programme in Cardiff.

### EPC A rated & low Carbon

The revised Welsh Government standards require all new build homes to meet an energy efficiency rating of an EPC A. All new schemes are now designed to meet this standard. The investment team review the design and specification on each scheme and consider the energy strategy and the best and most efficient way of achieving the standard for Cadwyn and the residents.



# Strategic Report

In addition, we will also work very closely with the PaM's & Community teams to ensure the agreed specifications can be maintained and managed effectively.

## **Build market homes to cross subsidise social homes**

The Pandemic has significantly delayed our development programme, however, work continues on the 35 open market sales units at The Wharf. The scheme is anticipated to be completed in August 2022 and the profit from the sales of properties will cross subsidise the new build programme of affordable homes. The work is being carried out by our subsidiary company, Igneous with any profits being gift aided back to Cadwyn. We have had a positive interest in the scheme with 30 apartments being reserved off plan with 5 remaining.

## People

### **Increase tenant engagement**

Significant effort was put into incorporating the wider tenant voice in 2021/22. As part of the strategic changes to engagement, we have successfully conducted calls to tenants who are statistically less likely to engage. The three groups that we have prioritised for engagement are those who identify as LGBTQ+, come from ethnically marginalised backgrounds, and aged between 35-54. Conscious efforts were made to ensure that engagement was offered in other community languages. This work will inform the strategic direction of tenant engagement going forward with a strategy launch in 2022/23.

Joint efforts within departments has allowed us to monitor and analyse tenants who call our centralised customer services function in a bid to understand how accessible our services are to tenants. Data analysis from this work will allow us to understand how accessible our services are to tenants and to what extent this is true for all of our communities. Learning from the lockdowns has supported our work to conduct welfare calls to every tenant on a 2-year basis and various initiatives are being taken forward by our Customer Services Team.

### **Reduce repeat homelessness**

Cadwyn let 32 general needs properties and 50% of these were to households on the Homelessness list and 25% to those on the Immediate list. There were two evictions during the year: one was a tenant with high rent arrears who received a long custodial sentence and the other was for severe anti-social behaviour. Tenancy sustainability during the first two years of a tenancy was 82%.

Supported Housing accommodated 132 homeless families, 115 within Nightingale House and 18 within Hafan. Each one of these families received support to ensure their needs were met and equip them with the skills, knowledge and understanding to successfully manage their own tenancies upon leaving our schemes. Of the 9 families moving on from Hafan, all of them were placed into stable tenancies and no evictions. Of the 87 move on's from Nightingale House, there were no evictions, with 85 being planned move-ons into stable accommodation.

Using Cymorth Cymru's Evidencing Impact of Housing Support Grant, we can show that through the Welsh Government Housing Support Grant funding of £494,676 made available through Cardiff Council, our Supported Housing services made a net saving of £791,482 to public services (Health, Homelessness, Criminal Justice & Social Care).



# Strategic Report

## Improve wellbeing of tenants and the community

The Financial Inclusion service made a difference of £585k to 223 tenants through accessing new benefits, addressing debts and loans, and applying for grants. This was an increase of £55k on the previous year.

The in-house employment, training and education scheme, Realise Your Potential, received 120 referrals and 33 service users found employment during the year. 38 also completed accredited training and 55 were referred for additional support.

We have seen an increase in tenant demand, particularly in relation to mental health and the absence of sufficient statutory support in this area. This has put greater pressure on customer-facing staff who do not always have the capacity or professional skills to deliver the services required.

Nu Life provided essential household items to 282 households via its referrals process with the local authority, housing associations, and other statutory and third sector agencies. This included 53 Cadwyn households and contributed to tenancy sustainability. By collecting donated furniture and other goods, over 5,000 items were saved from landfill. Sales to the public were particularly successful last year which ended with an overall income of over £108,000. A new five-year Nu Life strategy is currently being drafted to grow this valuable local service.

## Ensure our services meet the needs of our communities

To find out if our services are meeting tenants needs, we carry out a full tenant survey every other year, the last one taking place in early 2022. Overall satisfaction with services increased by 2% since 2020. Our wider tenant engagement work leads the drive to improve services to meet needs.

In addition to core landlord services we meet the needs of tenants in other ways, through added-value services such as those mentioned above and through referring to and working in partnership with external agencies.

The Complaints Procedure was reviewed in 2021 to reflect current good practice and the Cadwyn Tenant Scrutiny Team are in the process of reviewing how the organisation handles complaints.

Following the Tai Pawb QED quality mark award in April 2021, the momentum to maintain the focus on equality and diversity has continued via a new Staff/Tenant Equalities Group and an in-house project team who concentrate on initiatives such as the Deeds Not Words pledges

## Our Business

### Financial viability is strong

An annual VFM statement is included within the statutory accounts, and we continue to monitor and review low performing areas

The IT strategy was approved and implemented during the year with the aim of improving systems and increasing productivity

We have been working on developing a procurement strategy through a shared staff resource with 2 other local housing associations.

### Good Governance & validation

In 2021 we used an external consultant to review our Governance documents. We have continued to work throughout the year to implement changes to the documents. This has also involved work on our strategies and policies, as well as improving our internal controls and processes.

The Audit, Risk & Assurance Committee (ARAC) continue to have oversight of the Board Assurance Framework, Risk Register and our program of Internal Audits.

The Board are committed to complying with the existing Community Housing Cymru's Code of Governance and have altered existing practice consequently.





# Strategic Report

## Our Business

### High performing staff and board

We successfully recruited and integrated 22 new members of staff within the period. We also successfully attracted and integrated 4 Kickstart Placement holders. 2 Kickstarters have successfully secured paid employment following their placement with us.

Following external advice and consultation with staff, tenants and stakeholders, the Cadwyn Board agreed to take forward Board Remuneration and this commenced in September 2021.

Our People Strategy and Equalities Diversity & Inclusion Strategy have been formally approved by the Board and we are working on the associated action plans to embed the learning throughout Cadwyn.

We have been working through the Quality in Equality & Diversity (QED) accreditation with Tai Pawb over the last 18 months, we recently learned that the judging panel had awarded us the QED. This was formally handed over in June 2021. We further developed our Equalities Action Plan, bringing together actions from our Equalities Strategy, QED and the Tai Pawb pledges. We successfully passed our 6 month QED review with Tai Pawb

Our Equalities Group developed further and committed to a Heritage Project in order to engage with tenants and communities in Butetown

We Signed and committed to the Zero Tolerance to Racism Pledge

We encouraged people from minority backgrounds to seek opportunities with Housing Association Boards through the Pathway to Board Programme

We committed to supporting people from minority backgrounds to work in Housing via the Get into Housing Programme

We facilitated edi training for board, with support from Tai Pawb's CEO. Guest speakers shared their lived experiences with staff in relation to gender re-assignment, sexual orientation and disability

### A culture of openness, trust and transparency

We have continued holding online monthly staff meetings. This recordings of which are included within the weekly staff briefings.

We have also moved to SharePoint so that staff can access documents more easily remotely.

In our 2021 staff survey we achieved an overall 88% overall staff satisfaction rate. In addition we achieved an 88% satisfaction rate in relation to supporting staff positively with their personal health and wellbeing.

Decision time was implemented to improve reporting to board.



# Strategic Report

## Risk and Uncertainty

Understanding and mitigating risk is a key Board responsibility. The Senior Leadership Team review the risk maps (strategic and operational) monthly, ARAC review quarterly with the Board reviewing twice a year. Risk movement is highlighted and discussed.

Capital risk in commercial investment will be mitigated by development being carried out in the subsidiary company, with a separate board suitably qualified to understand the challenges. Treasury management, tax risks and pensions advice are managed by accessing independent consultants.

Revenue risk is mainly created by the changing welfare reforms that have reduced tenant's income, on the assumption that they would be better off in work. Additionally, the introduction and roll out of Universal Credit paid directly to tenants creates uncertainty to our future income. Provisions for bad debts have increased in our budgets and our staff members are working hard to support tenants to pay

## Value for money statement

Cadwyn is committed to delivering the best possible services to tenants and in order to do this it will ensure that Value For Money (VFM) is at the core of everything it undertakes. Making money go further enables us to devote more resources to achieving and exceeding our business objectives. Providing more quality homes, improving service standards, supporting a wider range of activities and keeping down costs for residents are all key activities to achieve VFM and will demonstrate that we understand our costs, tenants and services.

We have adopted TPAS 6 Es approach to VFM to demonstrate the outcomes we have achieved this year. Under each one we have included a statement on the commitment and outcome that we want to achieve for each area.

### 1. Economy

**We will ensure we understand and communicate the costs of running our services**

**Outcome:** Cadwyn will be transparent to stakeholders on the cost of our service

### Income generation and savings

This year we transferred Calon, our Temporary Accommodation scheme, to the Local Authority. It is the Local Authority's statutory responsibility to ensure that people with local connection and people with particular needs have fair access to accommodation. We have supported them with this for several years, however, due to challenges over the future viability of scheme and funding constraints it was transferred to the Local Authority.

We secured £245K funding through Optimised Retrofit Programme (ORP), which part funded installation of PV panels on 30 properties, these were split evenly between Cadwyn, Taff and CCHA. The funding also contributed towards training our staff to undertake whole house surveys and will fund the installation IES systems for monitoring the effectiveness of the PV panels in terms of carbon footprint. We also secured additional income by providing management services to Taff and CCHA to enable them to access grant from the ORP funding pot.



# Strategic Report

## Value for money statement

### 2. Effectiveness

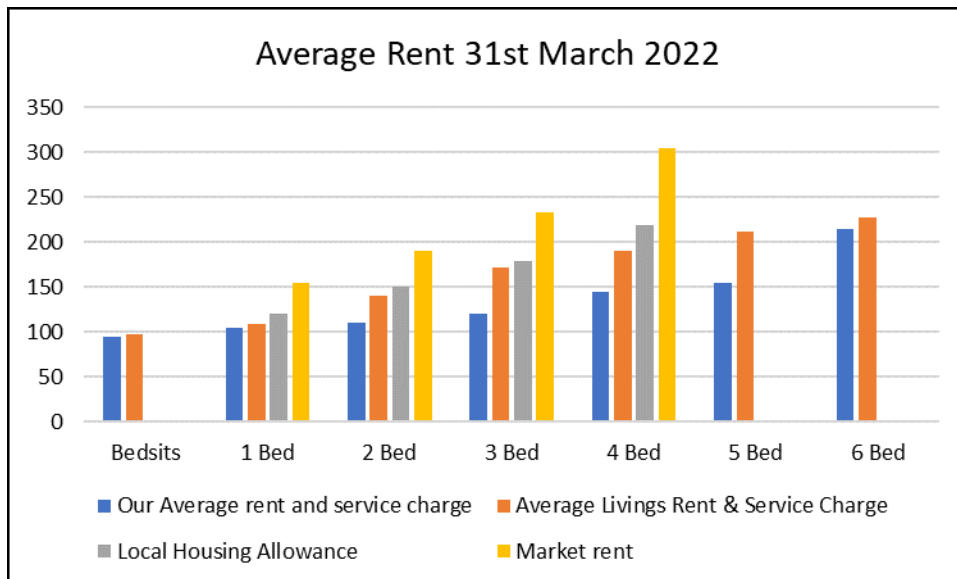
**We will engage with all stakeholders and get feedback on the services we provide to tenants**

**Outcome:** Cadwyn will involve tenants in shaping and evaluating services

#### Rent affordability

It is most important that our rents are affordable to all our tenants. We also want to ensure that rents are fair and are in line with what tenants expect. There is no universal measure of affordability and we have tried to find a method that is simple to apply and understand. This year we implemented a new local rent setting policy. We have used the living rent model to assist in determining the affordability of our rent and service charges. Our latest tenant satisfaction survey showed 42% thought this was a good way to measure affordability.

Our latest tenant satisfaction survey showed that 77% of tenants were satisfied with rent as value for money and 66% satisfied that service charges were value for money. We include service charges as well as rent charge when assessing overall affordability. A summary is provided of average rents and service charges compared to an estimated living rent and market rent.



One-bedroom and bedsits properties are in blocks of flats, some of which attract high service charges, this is an area of concern for Cadwyn. Last year we froze the rent on these properties which brought them back slightly under the living rent threshold. We are also working on an affordability strategy which includes a strategic review of the service charges in 2022/23.



# Strategic Report

## Value for money statement

### Service improvement

The team has worked hard to improve the overall service for our tenants including an accessibility review of the website, a new process to keep communal areas clear and safe for residents, new partnerships with organisations who can support tenants (e.g. Accessible Wales, Age Cymru, Race Equality First), an extended money advice service, and the implementation of Breathing Space, a government scheme that gives support to tenants in debt.

### Tenant Satisfaction results

Bench- mark	2020 result	Change over time	2022 result	
81%	74%	↑	76%	Satisfaction overall
80%	76%	↑	81%	Trust Cadwyn
81%	74%	↓	73%	Quality of home
85%	72%	↑	76%	Safety and security of home
80%	77%	↓	76%	Value for money of rent
69%	58%	↑	62%	Value for money of service charge
73%	69%	↓	66%	Repairs and maintenance overall
82%	Didn't ask		75%	Easy to deal with
69%	67%	↓	64%	Listens to views and acts on them
61%	Didn't ask		58%	Having a say in service management
64%	Didn't ask		60%	Taking a part in decision making
82%	70%	↑	72%	Neighbourhood as a place to live
63%	Didn't ask		57%	Dealing with ASB

Overall satisfaction with Cadwyn's services had fallen from 81% in 2018 to 76% in 2022. On the opposite end of the scale 18% were actively dissatisfied, 8% more than in 2022. This pattern is not unusual, however, with many landlords experiencing similar falls when compared to before the COVID pandemic.

The results came in just after the year end so we will be working on understanding the changes and establishing an action plan to address areas where performance has dropped.



# Strategic Report

## Tenant Engagement

Tenant engagement work in 2021 has been focused on building the foundations for strong engagement in subsequent years. This has included designing a new model of engagement that will

be incorporated into the new Engagement Strategy in 2022, strengthening the Tenant Scrutiny team

who are beginning a new review on complaints, gathering profiling data and engagement preferences, planning a welfare calls programme, and tracking the reasons for incoming calls.

Partnerships with organizations who can support Cadwyn's engagement continue to be developed, including Age Cymru who will be involved in next year's Older Persons review. Here's some headline data:

- 472 tenants engaged throughout the whole calendar year.
- 79% of this figure was classed as 'new engagement'.
- 39 calls made to non-engagers from BAME groups, tenants aged 35-54 and LGBTQ+ groups.  
This work is ongoing, and we are aiming to reach a total of 174 by end of Q4 (21/22)
- 226 tenants who have specified their desired method of engagement – captured in Open Housing.

## Value for money statement

### 3. Efficiency

**We will continually review performance and services we offer and learn from our actions to achieve greater efficiency**

**Outcome:** Cadwyn will embed value for money in the organisation

## WALES GLOBAL ACCOUNTS VALUE FOR MONEY INDICATORS

A more detailed review of the indicative VFM indicators that have been published in the All Wales Global Accounts are detailed below. The development of a suite of indicators for the sector is a work in progress and is set out below to provide some indication of our performance compared to the sector. This provides a good proxy to measure performance and trend.



# Strategic Report

## Value for money statement

VFM Indicator	Sector Median 2020/21 All	Cadwyn			
		2019	2020	2021	Trend
Total operating costs per social housing unit	£3,242	£3,581	£3,450	£3,744	↑
Management costs per Social Housing unit	£1,097	£1,699	£1,604	£1,699	↑
Reactive repair costs per Social Housing unit	£1,106	£1,075	£988	£1,280	↑
Major repairs and component costs per social housing unit (Capital Expenditure)	£381	£618	£770	£371	↓
Major repairs and component costs per Social Housing unit (Capital & Revenue Expenditure)	£628	£1,342	£1,299	£876	↓
Bad debts per Social Housing unit	£27	£13	£156	£34	↓
Weighted average cost of capital	4.09%	3.80%	4.19%	4.16%	↓
Free cash flow per Social Housing unit	£987	£1,102	£1,362	£1,251	↓
Gross Arrears/Social Housing turnover	4.08%	4.50%	3.25%	5.00%	↑
Total Turnover per Social Housing unit	£6,153	£6,343	£6,722	£6,636	↓
Rental void loss per Social Housing unit	£76	£70	£79	£153	↑



# Strategic Report

## Equality

**We will ensure services are fair and accessible to all**

**Outcome:** Cadwyn will deliver on the equality strategy

### **Equalities**

In April, Cadwyn achieved Tai Pawb's QED quality mark. The work to gain this standard included setting up a new staff/tenant equalities group that meets monthly. The Equalities group considered the 6 Transformational Goals within our Equalities Strategy, confirmed their priority areas and are now working on a Heritage Project linked to community engagement.

A group of internal staff developed an Equalities Action plan, pulling together actions agreed from our Equalities Strategy, QED, and Deeds not Words Pledges.

There is also a protected characteristics calendar focusing on one area per month with staff and external speakers at staff meetings as well as discussions within teams to broaden knowledge.

Tenants from diverse groups, who have not engaged previously, have been contacted by the Tenant Engagement service to gather their views and these will feed into the new Tenant Engagement Strategy.

Cadwyn were part of a Diverse Workforce bid to WCVA called 'Getting into housing'. The bid was successful and will result in 35 paid placements across 7 of the local RSLs. The objective is to actively recruit people from ethnic minorities into the workforce of Cardiff's Housing Associations.

Cadwyn is also a founding member of the 'Pathways to Board' programme to train and support more people from different backgrounds to become board members and to increase diversity on our boards.

## Ethos

**We will embed the organisation values in value for money**

**Outcome:** Cadwyn will embed values into decision making on services that are provided to tenants

This year we have produced a number of strategies that outline our strategic goals in order to set clear objectives and embed the value for money ethos in the organisation. These have been listed below

- Treasury strategy
- Investment strategy
- Digital strategy

We also undertook a refresh of Cadwyn's strategy Building Homes & Opportunities and our 4 key aims to ensure they were fit for purpose

Work is continuing the VFM strategy to embed VFM in the organisation to engage with tenants to help identify what is value for money to them. We are also working on a new procurement strategy which will include how we intend to involve tenants in shaping our services.

# Strategic Report

## Value for money statement

### 4. External We will add value to the communities we serve

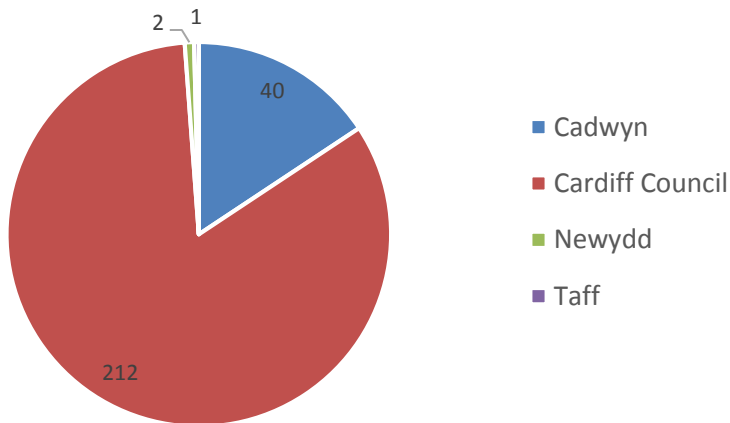
**Outcome:** Cadwyn will demonstrate the benefits we bring to others

#### Tenant and Community Investment

A further 8 apprenticeships have been secured through our development contracts.

We have also continued to support our tenants and the community through Realise Your Potential, NuLife furniture and financial inclusion. Realise Your Potential supported 84 tenants, of which 25 gained paid employment. 15 non-tenants were also supported, some of whom are volunteers at Nu Life.

Nu Life has provided furniture to 255 households:



3,918 items were saved from landfill  
17 volunteers work at Nu Life.

The Financial Inclusion Coach have made a financial difference for tenants totalling £449,330.

Additionally, a total of £21,093 has been received in Discretionary Housing Payments for 15 tenants following applications by Rent Officers. These payments have cleared the majority of arrears for all of the tenants.

Supported Housing has been a key partner to the LA in alleviating and preventing homelessness. This year we have supported and housed 91 families in Nightingale House and Hafan, achieving 85% and 89% positive move-on's into permanent accommodation respectively.

Cadwyn with the support of Clarion secured funding from the kickstart programme which offers six-month paid employment for young people aged 16 to 24 years old who are currently claiming Universal Credit and are at risk of long-term unemployment. Cadwyn has supported 4 placements this year.

Further work is planned in this area to review our community benefits offer and our measurement of social value to further develop this area of work in the coming year.





# Strategic Report

## Prospects for the Future

The Board has been focused on building a sustainable organisation for the future and laying the infrastructure for diversification.

The Association operating surplus for the year is £2,094k, compared to the £1,895k that was forecast and a budget of £2,358k. This variance against budget is primarily due to increased reactive repairs spend which was offset by lower bad debts and employee costs.

Net surplus was £441k against a forecast of £353k and budget of £856k.

## Audit, Risk & Assurance Committee

This committee is made up of four members of the Board and is led by a committee Chair. The Committee meets at least three times a year. The Committee's delegated authorities and calendar of prioritised work have not changed substantially from previous years. The key responsibilities of the Committee are to monitor external audit, internal audit reports, evaluating risk and ensuring that an appropriate control system is in place.

## Remuneration and Nominations Committee

The Committee oversees the recruitment and appraisal of all Board members and is responsible for agreeing the Terms and Conditions of employment for the Group Chief Executive and Board Members. The Committee is made up of a Chair and Vice Chair and another three Board Members. The Committee meets as and when is necessary but at least once a year.

## Gender pay gap

The gender pay gap is the difference between the average earnings of men and women, expressed relative to men's earnings. Cadwyn had in employment 129 (2021: 126) relevant employees as at 31st March 2022;

<b>2022</b>	54% Female	46% Male
<b>2021</b>	60% Female	40% Male

	<b>31 March 2022</b> Women's earnings are:	<b>31 March 2021</b> Women's earnings are:
Mean gender pay gap	5.96% lower	3.61% lower
Median gender pay gap	4.79% lower	1.88% lower



# Strategic Report

## Statement of Internal Control

The board is responsible for the Association's system of internal financial controls which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

The Board have established the following procedures in order to provide on-going effective internal financial controls:

- Written financial procedures with headline delegated authorities which are reviewed annually to ensure they are fit for purpose;
- Comprehensive system of financial reporting including annual budgets and quarterly management accounts, to report actual performance against budget and to highlight variances;
- Monitoring of the internal financial controls and procedures by the Association's internal auditor and (for the year-end) by the external auditors. These reports are reviewed by Audit Committee and the Board.

## Statement of Board responsibilities

The Board is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. The Co-operative and Community Benefit Societies Act 2014 and Registered Social Landlord legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period.

In preparing those financial statements, the Board is required to select suitable accounting policies, as described on pages 28 to 35, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Board must also prepare the financial statements on the going concern basis unless it is in appropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the relevant legislation.

The Board is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and the integrity of the corporate and financial information included on the Association's website.

In so far as the Board is aware:


- there is no relevant audit information of which the Association's auditors are unaware; and
- the Board has taken all steps that they ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

A resolution to re-appoint Bevan and Buckland as auditors was proposed and approved by the Board on 25 July 2022.

The Annual General Meeting will be held on 25 July 2022

This report has been approved by the Board on 6 July 2022

Signed by the Chair

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Cadwyn Housing Association Limited  
Report and financial statements for the year ended 31 March 2022

# Independent auditor's report to the members of Cadwyn Housing Association Ltd - Group on corporate governance

In addition to our audit on the financial statements for the year ended 31 March 2022, we have reviewed the Board's statement of Cadwyn Housing Association Ltd's ("the Association") compliance with the Welsh Government Circular 02/10, Internal Financial Control and Financial Reporting ("the Circular").

The objective of our review is to enable us to conclude on whether the Board has provided the disclosures required by the Circular and whether the statement is consistent with the information of which we are aware from our audit work on the financial statements.

We are not required to form an opinion on the effectiveness of the Association's corporate governance procedures or its internal financial control.

## Opinion

With respect to the Board's statement on internal controls assurance on page 15, in our opinion the Board of Management has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work on the financial statements.

DocuSigned by:

*Bevan Buckland UP*

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### **Bevan Buckland LLP**

Chartered Accountants & Statutory Auditors  
Ground Floor, Cardigan House  
Castle Court  
Swansea Enterprise Park  
Swansea  
SA17 9LA

Date: 29/07/2022

**Bevan**  **Buckland LLP**  
Chartered accountants, tax and financial planners



# Independent auditor's report to the members of Cadwyn Housing Association Limited

We have audited the financial statements of Cadwyn Housing Association Limited (the parent association) and its subsidiary for the year ended 31 March 2022 which comprise the consolidated and Association statements of comprehensive income, the consolidated and Association statements of changes in reserves, the consolidated and Association statements of financial position, the consolidated cash flow statement and its related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

## In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent association's affairs as at 31st March 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other Information

The Board are responsible for the other information. The other information comprises the information included in the Group annual report, other than the financial statements and our auditor's report thereon. The Board are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.



# Independent auditor's report to the members of Cadwyn Housing Association Limited

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the parent association has not kept proper accounting records; or
- the parent financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

## Responsibilities of the board

As explained more fully in the Statement of Responsibilities of the Board (set out on page 12), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the group or the parent association or to cease operations, or have no realistic alternative but to do so.

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

Our 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 our 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.

## Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.



# Independent auditor's report to the members of Cadwyn Housing Association Limited

## Identifying and assessing potential risks related to irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
  - 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;
  - internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas;
  - Purchasing in relation to the development and maintenance programmes, including any sales to connected individuals at below market value;
  - The recognition of development and maintenance expenditure in the correct period;
  - The rationale of any major fund flows during the period;
  - The potential of rent fraud arising as a result of collusion between the asset and housing teams.
- obtaining an understanding of the legal and regulatory frameworks that the company 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 the Group, the key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

## Audit response to risks identified

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- 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.

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

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



Cadwyn Housing Association Limited  
Report and financial statements for the year ended 31 March 2022

# Independent auditor's report to the members of Cadwyn Housing Association Limited

## Use of our report

This report is made solely to the Association's members, as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Bevan Buckland UP*

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Bevan Buckland LLP  
Chartered Accountants & Statutory Auditors  
Ground Floor, Cardigan House  
Castle Court  
Swansea Enterprise Park  
Swansea  
SA7 9LA

Date: 29/07/2022

**Bevan**  **Buckland LLP**  
Chartered accountants, tax and financial planners



Cadwyn Housing Association Limited  
Report and financial statements for the year ended 31 March 2022

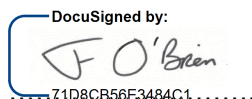
# Group Statement of Comprehensive Income

GROUP	Note	2022 £'000	2021 £'000
Turnover - continuing activities	2	11,852	14,178
Less: Operating costs	2	(9,909)	(11,693)
Surplus on sale of fixed assets – housing properties		147	-
<b>Operating surplus: continuing activities</b>	<b>2</b>	<b>2,090</b>	<b>2,486</b>
Interest receivable and other income	6	-	-
Interest payable and similar charges	7	(1,850)	(3,826)
Movement in fair value of investment properties	13	-	-
<b>Surplus / (Deficit) on ordinary activities before taxation</b>		<b>241</b>	<b>(1,341)</b>
Tax on ordinary activities	11	(64)	(61)
<b>Surplus / (Deficit) for the year</b>		<b>177</b>	<b>(1,402)</b>
Actuarial gain / (loss) in respect of pension schemes	23	957	(1,340)
<b>Total comprehensive income for the year</b>		<b>1,134</b>	<b>(2,742)</b>

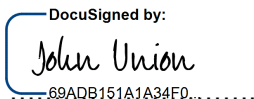
The consolidated results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

Historical cost surpluses and deficits were identical to those shown in the income and expenditure account.

The financial statements were approved by the Board on 25 July 2022 and were signed on its behalf by:

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Chair

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Vice Chair

DocuSigned by:  
  
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Board Member





Cadwyn Housing Association Limited  
Report and financial statements for the year ended 31 March 2022


# Association Statement of Comprehensive Income

ASSOCIATION	Note	2022 £'000	2021 £'000
Turnover - continuing activities	2	11,881	14,200
Less: Operating costs	2	(9,934)	(11,671)
Surplus on sale of fixed assets – housing properties		147	-
<b>Operating surplus: continuing activities</b>	<b>2</b>	<b>2,094</b>	<b>2,530</b>
Interest receivable and other income	6	146	52
Interest payable and similar charges	7	(1,799)	(3,826)
Movement in fair value of investment properties	13	-	-
<b>Surplus / (Deficit) on ordinary activities before taxation</b>		<b>441</b>	<b>(1,244)</b>
Tax on ordinary activities	11	(64)	(61)
<b>Surplus / (Deficit) for the year</b>		<b>377</b>	<b>(1,305)</b>
	23	957	(1,340)
<b>Total comprehensive income for the year</b>		<b>1,334</b>	<b>(2,645)</b>

The association results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

Historical cost surpluses and deficits were identical to those shown in the income and expenditure account.


The financial statements were approved by the Board on 25 July 2022 and were signed on its behalf by:

DocuSigned by:  
  
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Chair

DocuSigned by:  
  
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Vice Chair

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Board Member



Cadwyn Housing Association Limited  
Report and financial statements for the year ended 31 March 2022

## Statement of Changes in Reserves - Group & Association

	GROUP			ASSOCIATION		
	Revenue reserve £'000	Designated reserves £'000	Total reserves £'000	Revenue reserve £'000	Designated reserves £'000	Total reserves £'000
<b>At 1 April 2020</b>	<b>8,572</b>	<b>179</b>	<b>8,751</b>	<b>8,572</b>	<b>179</b>	<b>8,751</b>
Restatements for changes in accounting policy	-	-	-	-	-	-
Total comprehensive income	(2,742)	-	(2,742)	(2,645)	-	(2,645)
Transfer between reserves	12	(12)	-	12	(12)	-
<b>At 31 March 2021</b>	<b>5,843</b>	<b>167</b>	<b>6,009</b>	<b>5,939</b>	<b>167</b>	<b>6,106</b>
Total comprehensive income	1,134	-	1,134	1,334	-	1,334
Transfer between reserves	31	(31)	-	31	(31)	-
<b>At 31 March 2022</b>	<b>7,008</b>	<b>136</b>	<b>7,143</b>	<b>7,304</b>	<b>136</b>	<b>7,440</b>




Cadwyn Housing Association Limited  
Report and financial statements for the year ended 31 March 2022

# Consolidated Statement of Financial Position

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Housing properties	12	134,115	125,549
Depreciation	12	(24,969)	(23,525)
		<u>109,146</u>	<u>102,024</u>
Other tangible fixed assets	14	1,341	1,479
Investments	13	<u>1,774</u>	<u>1,667</u>
<b>Total fixed assets</b>		<b>112,261</b>	<b>105,170</b>
<b>Current assets</b>			
Debtors due within one year	16	2,320	1,985
Properties for sale and work in progress	15	5,856	2,692
Cash at bank and in hand	17	<u>9,299</u>	<u>7,412</u>
		<u>17,475</u>	<u>12,090</u>
Debtors due after more than one year	16	1,176	1,198
Creditors: due within one year	18	(6,531)	(5,634)
Social housing and government grants due in one year	21	(403)	(405)
		<u>10,541</u>	<u>6,051</u>
<b>Net current (liabilities)/assets</b>		<b>10,541</b>	<b>6,051</b>
<b>Total assets less current liabilities</b>		<b>123,978</b>	<b>112,419</b>
Creditors: due in more than one year	19	(54,788)	(46,453)
Social housing and government grants due after more than one year	21	(60,637)	(57,512)
Defined benefit pension liability	23	(1,411)	(2,445)
		<u>7,143</u>	<u>6,009</u>
<b>Net assets</b>		<b>7,143</b>	<b>6,009</b>
<b>Capital and reserves</b>			
Share capital	24	-	-
Restricted reserve		-	-
Revenue reserve		7,143	6,009
		<u>7,143</u>	<u>6,009</u>
<b>Total capital and reserves</b>		<b>7,143</b>	<b>6,009</b>

The accompanying notes form part of these financial statements.

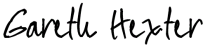
The financial statements were approved by the Board on 25 July 2022 and were signed on its behalf by:

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Chair

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Vice Chair

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Board Member




Cadwyn Housing Association Limited  
Report and financial statements for the year ended 31 March 2022

# Association Statement of Financial Position

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Housing properties	12a	134,115	125,549
Depreciation	12a	<u>(24,969)</u>	<u>(23,525)</u>
		109,146	102,024
Other tangible fixed assets	15	1,341	1,479
Investments	13	<u>1,713</u>	<u>1,470</u>
<b>Total fixed assets</b>		<b>112,200</b>	<b>104,973</b>
<b>Current assets</b>			
Debtors due within one year	16	2,326	2,023
Properties for sale and work in progress	15	137	187
Cash at bank and in hand	17	<u>8,952</u>	<u>7,132</u>
		<u>11,415</u>	<u>9,342</u>
Debtors due after more than one year	16	4,874	4,250
Creditors: due within one year	18	(3,811)	(5,645)
Social housing and government grants due in one year	21	(403)	(405)
<b>Net current (liabilities)/assets</b>		<b><u>7,201</u></b>	<b><u>3,292</u></b>
<b>Total assets less current liabilities</b>		<b>124,276</b>	<b>112,516</b>
Creditors: due in more than one year	19	(54,788)	(46,453)
Social housing and government grants due after more than one year	21	(60,637)	(57,512)
Defined benefit pension liability	23	(1,411)	(2,445)
<b>Net assets</b>		<b><u><u>7,440</u></u></b>	<b><u><u>6,106</u></u></b>
<b>Capital and reserves</b>			
Share Capital	24	-	-
Restricted reserve		-	-
Revenue reserve		7,440	6,106
<b>Total capital and reserves</b>		<b><u><u>7,440</u></u></b>	<b><u><u>6,106</u></u></b>

The accompanying notes form part of these financial statements.


The financial statements were approved by the Board on 25 July 2022 and were signed on its behalf by:

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Chair

DocuSigned by:  
  
.....69ADB151A1A34F0.....

Vice Chair

DocuSigned by:  
  
.....40BA63D416DF4FE.....

Board Member



Cadwyn Housing Association Limited  
Report and financial statements for the year ended 31 March 2022

## Consolidated Statement of Cash Flow

	Note	2022 £'000	2021 £'000
<b>Net cash inflow from operating activities</b>	<b>26</b>	<b>5,558</b>	<b>2,753</b>
<b>Cash flow from financing activities</b>			
Loan drawdown		11,000	31,979
Interest paid		(1,799)	(3,764)
Loan repayments		(3,604)	(25,688)
<b>Cash flow from investing activities</b>			
Interest received		-	-
Purchase and construction of housing properties		(7,600)	(5,106)
Component replacements		(920)	(549)
Proceeds from sale of properties & other fixed assets		280	87
Purchase of other replacement fixed assets		(77)	(250)
Development of properties for sale		(2,995)	(1,522)
Social housing grant and other grants received		2,044	4,888
<b>Net change in cash and cash equivalents</b>		<b>1,887</b>	<b>2,828</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>7,412</b>	<b>4,584</b>
<b>Cash and cash equivalents at end of the year</b>		<b>9,299</b>	<b>7,412</b>



Cadwyn Housing Association Limited  
Report and financial statements for the year ended 31 March 2022

# Association Statement of Cash Flow

	Note	2022 £'000	2021 £'000
<b>Net cash inflow from operating activities</b>	<b>26</b>	<u>2,850</u>	<u>2,809</u>
<b>Cash flow from financing activities</b>			
Loan drawdown		11,000	31,979
Interest paid		(1,799)	(3,764)
Loan repayments		(3,604)	(25,688)
<b>Cash flow from investing activities</b>			
Interest received		146	52
Purchase and construction of housing properties		(7,600)	(5,106)
Component replacements		(920)	(549)
Proceeds from sale of properties & other fixed assets		280	1,267
Purchase of other replacement fixed assets		(77)	(250)
Loans provided to Igneous Ltd for development of properties for sale		(500)	(3,090)
Social housing grant and other grants received		2,044	4,888
<b>Net change in cash and cash equivalents</b>		<u><b>1,820</b></u>	<u><b>2,548</b></u>
<b>Cash and cash equivalents at beginning of year</b>		<u>7,132</u>	<u>4,584</u>
<b>Cash and cash equivalents at end of the year</b>		<u><b>8,952</b></u>	<u><b>7,132</b></u>



# Notes to the Financial Statements

## Legal status

The Association is a registered under the Co-operative and Community Benefit Societies Act 2014 and is a Registered Social Landlord with charitable status, registered with the Welsh Government.

## 1. Accounting policies

The principal policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

### Format of accounts

The Association is a public benefit entity with a trading subsidiary. The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) in the United Kingdom issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for "Registered Social Housing Providers" as updated in 2018 (Housing SORP 2018), and comply with the Accounting Requirements for Social Landlords registered in Wales General Determination 2015.

### Basis of consolidation

The consolidated financial statements include the results of Cadwyn Housing Association Limited and its subsidiary Igneous Limited which is also a registered social landlord – 'the Group'.

The Association has the right to appoint members to the Board and thereby exercise control over the subsidiary.

The Group accounts consolidate the accounts of the Association and all its subsidiaries at 31 March under the requirements of FRS 102. The Association is required under the Co-operative and Community Benefit Societies Act 2014 to prepare Group accounts. The consolidation has been carried out in accordance with current accounting standards in order to show the financial information for the Group as a single economic entity. Where any conflict arises between the Housing SORP 2018 and applicable financial reporting standards, then the Housing SORP 2018 prevails.

### Turnover and revenue recognition

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, amortisation of social housing and other government grants, and other services included at the invoiced value (excluding VAT) of goods and services supplied in the year and revenue grants receivable in the year. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Surpluses or deficits resulting from the sale of properties and fixed asset investments are shown in the income and expenditure account under surpluses/deficits from the sale of fixed assets. Revenue is recognised when sale completion of the property has been achieved.

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities. Amortisation of Social Housing and other government grants is accounted for in line with the accounting policy.

### Debtors

Short term debtors are measured at transaction price less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method less any impairment. Where deferral of payment terms have been agreed at below market rate and where material, the balance is shown at the present value, discounted at a market rate.



# Notes to the Financial Statements

## Value Added Tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

The majority of the Associations business is exempt from vat and the partial exemption method is applied to recover the amounts where applicable.

## Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Except as noted below, full provision for deferred taxation is made under the liability method on all timing differences that have arisen, but not reversed by the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

## Interest payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- a) interest on borrowings specifically financing the development programme after deduction of social housing grant (SHG) received in advance; or
- b) a fair amount of interest on borrowings of the Association as a whole after deduction of SHG received in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the income and expenditure account in the year.

## Pensions – defined contribution scheme

The Association makes payments to defined contribution schemes on behalf of its employees. The schemes are funded by fixed contributions from both employees and the Association. The scheme assets are invested separately from the Association assets in independently administrated funds in the names of employees concerned and there is no residual liability for the Association beyond remittance of these contributions.

The associated expenditure is recognised immediately in the statement of comprehensive income in the year in which contributions are earned.

## Pensions – defined benefit scheme

The Association makes payments to defined benefit pension schemes on behalf of its employees. The schemes are funded by contributions partly from the employees and partly by the Association at rates determined by independent actuaries. The scheme assets are invested separately from the Association assets in independently administrated multi-employer funds.

The cost of these benefits and the present value of the obligation depends on a number of factors including life expectancy, salary increases and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. Variations from in these assumptions could significantly impact the liability. The defined benefit scheme closed to new and existing members on 31 March 2022.





# Notes to the Financial Statements

## Housing properties

Housing properties are principally properties available for rent and are stated at cost. The cost of properties is their purchase price together with incidental costs of acquisition and direct costs of the development process. Where properties come into the ownership of the Association under Section 106 agreements, these are often purchased at below cost price. Where this is the case the cost is increased to the full cost and the difference is shown as imputed cost within property acquisitions, with the corresponding balance shown as imputed grant within creditors.

Housing properties – depreciation is charged on the historic cost of property components. The depreciable amounts are written off over the estimated useful economic lives from the date of purchase / build. Freehold land is not depreciated. Leasehold properties are depreciated over the remaining period of the lease.

Properties in the course of construction are stated at cost and are transferred into social housing properties when completed. Any incremental overhead costs directly attributable to bringing fixed assets into their working condition for their intended purpose are capitalised. Expenditure on the initial purchase of land and buildings is capitalised and disclosed as part of properties in the course of construction.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements. Where a housing property comprises two or more components with substantially different useful economic lives then each component is accounted for separately. Expenditure relating to the subsequent replacement or renewal of components is capitalised as incurred. Depreciation is charged on cost on a straight line basis over the components expected economic lives. Housing properties are broken down into the following three components, structure, windows and roofs.

Shared ownership properties are not depreciated on the basis that the residual value is likely to be greater than the net cost.

Profit or loss on disposal of property is recognised at the date a sale becomes certain. The profit or loss arising on disposal is the difference between the sale price, SHG income previously recognised within income, and the total of depreciated cost together with any associated costs of disposal such as legal and valuation fees.

## Depreciation of housing properties

The Group separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life. The depreciable amount is arrived at on the basis of original cost, less residual value.

The Group depreciates the major components of its housing properties at the following annual rates:

Structure – rehabilitated properties	100 years on cost
Structure – newbuild properties	150 years on cost
Roofs	150 years on cost
Electrical Consumer unit	30 years on cost
Electrical Wiring	30 years on cost
Windows	30 years on cost
Doors	26 years on cost
External works	26 years on cost
Solar PV	25 years on cost
Bathrooms	28 years on cost
Kitchens	19 years on cost
Heating	18 years on cost
External buildings - sheds	15 years on cost

Freehold land is not depreciated. Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business, if shorter.



# Notes to the Financial Statements

## Social housing grant

Social housing grant (SHG) is receivable from the Welsh Government (the WG) and is repayable in the event of disposal, demolition or change of use to an ineligible activity, save in circumstance where the Welsh Government considers it appropriate to reduce the amount repayable. These are designed as a contribution towards the capital cost of providing new social housing and are received when a property is developed or acquired.

Government grants received for housing properties are recognised in income over the useful life of the housing property structure under the accruals method.

SHG due from the WG or received in advance is included as a current asset or liability. SHG received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with the WG. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the statement of financial position in liabilities.

Where individual components are disposed of, this does not create a relevant event for recycling purposes. Upon disposal of the associated property, the Group is required to recycle the full amount of the original grant received. A contingent liability is disclosed in the accounts in relation to SHG amortised to date, due to the potential requirement to recycle upon sale of a property.

## Housing finance grants

Housing finance grants (HFG) are capital grants receivable from the Welsh Government which are repayable to the extent that such amounts have been received in the event of the disposal, demolition or change of use to an ineligible activity. These are designed as a contribution towards the capital cost of providing new social housing and are received in instalments over a term of 30 years commencing once a scheme is approved for development.

## Decarbonisation Grants

Grants received from the Welsh Government to improve energy efficiency and reduce carbon emissions are written off in the year of expenditure.

## Investment properties

Government grants received in respect of investment properties are recognised under the performance method. Where such grants are not subject to specified future performance related conditions they are recognised as income. Any grant received before the revenue recognition criteria are satisfied is recognised as a liability.

## Other grants

Other grants are receivable from local authorities and other organisations. Capital grants are shown as a liability on the statement of financial position. Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

## Amortisation of grants

Grants relating to assets are recognised in income on a straight-line basis over the expected useful life of the asset. Government grants received for housing properties are recognised in income over the expected useful life of the housing property structure – over 10 – 100 years.

Where grants are received in advance they are carried forward as current liabilities to be matched against future capital expenditure as it is incurred. Grants receivable in respect of completed schemes or those under construction are included as debtors in the financial statements.



# Notes to the Financial Statements

## Development costs

Development costs are capitalised in as much as they comprise purchase price, directly attributable costs to bring the properties into working condition for their intended use and incremental costs that would have been avoided only if the properties had not been constructed as required. Any other development costs which are not directly attributable have been written off to the Statement of Comprehensive Income.

## Accommodation managed by agents

Revenue grant received in relation to these schemes is included in turnover. A substantial portion of the grant is paid over to the managing agent, this expenditure being incorporated in operating costs.

Managing agents collect rent on the schemes, which are applied by them towards the cost of housing the residents. This income and expenditure has been excluded for the accounts of the Association.

## Impairment

Housing properties, including those with individual components and other assets are assessed whether an indication of impairment exists at each reporting date.

Where there is evidence of impairment, assets are written down to their recoverable amount, being the higher of the value in use and fair value less costs to sell. Any such write down is charged to operating surplus.

## Other tangible fixed assets

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Other property assets	Depreciated at 2% per annum on a straight-line basis.
Motor Vehicles	Depreciated over the term of expected useful life, down to the estimated net realisable value, using the reducing balance method
Office/Property Furniture and Equipment	Office furniture and equipment is depreciated at 15% per annum on a reducing balance method. Property furniture and equipment is depreciated on a reducing balance method over the anticipated useful lives of the assets. Computer Equipment is depreciated on a straight-line basis over four or ten years depending on anticipated useful life.
Capital Plant	Depreciated at 25% per annum on a straight-line method

## Depreciation

Tangible fixed assets, other than investment properties, are depreciated over their useful lives based on various factors. The actual lives of the assets are re-assessed on a periodic basis and may vary depending on the standard of the asset. For housing property assets, the assets are broken down into components based on management's assessment of the properties and the specific costs incurred in replacing these components. Individual useful economic lives are assigned to these components.



# Notes to the Financial Statements

## Leased assets

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the Group's normal accounting policies. The present value of future rentals is shown as a liability.

The interest element of rental obligations is charged to expenditure over the period of the lease in proportion to the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to expenditure on a straight-line basis over the lease term.

## Hostels

Nightingale House and Hafan are directly managed family hostels. The rental income and grant monies receivable have been included within the supported housing column in note 3.

Other Hostels are managed by agencies. Social Housing Grants and other revenue grants are claimed by the Association as owner of the hostel premises. The grants are included in the Statement of Comprehensive Income and Statement of Financial Position of the Association. The treatment of other income and expenditure in respect of hostels depends upon whether the Association carries the financial risk. Where the Agency carries the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Association. Other income and expenditure relating to the hostels (within this category) is excluded. (See note 3).

## Leasing Schemes – Calon Adref / CanDo Lettings /Temporary Accommodation

These leasing schemes involve the Association working in partnership with Cardiff County Council and private and other social landlords. The Calon Adref and Temporary Accommodation scheme leases family accommodation from private and other social landlords. The CanDo Lettings scheme aims to get homeless people rehoused in the Private Rented Sector (PRS), speeding up the move-on from hostels and reducing the blocking up of hostel bed spaces. All costs incurred in bringing the scheme on-line have been expended to the Statement of Comprehensive Income.

## Reserves

The Association's Revenue (or general) Reserve has built up over several years from annual surpluses generated from its core business.

The Designated Reserve will be utilised to fund repairs (if so required) to those properties currently leased under the Calon Adref project, prior to handover back to the landlords (after three years) and properties leased for Temporary Accommodation.

## Going Concern

The Group and Association continues to adopt the going concern basis in preparing its financial statements.



# Notes to the Financial Statements

## Properties for sale

Shared ownership first tranche sales, completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour, and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

## Investment in Subsidiary

Investment in the subsidiary is accounted for at cost less any impairment.

## Fixed asset investments

Investments held as fixed assets are stated at market value.

## Investment property

Investment properties consist of commercial properties held in connection with regeneration activity. Investment properties are measured at costs on initial recognition and subsequently at fair value at the year end, with any changes in fair value recognised in income and expenditure.

## Employee benefits

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

## Apportionment of Employee and Administration Costs

Costs are attributable to activities where they can be identified and are apportioned to the relevant sections of the Statement of Comprehensive Income where such an attribution is not possible. This apportionment is generally made in relation to the full time equivalent numbers of staff within each area.

## Holiday pay/flexible working

Flexible working pay is accrued at each reporting date. The holiday year was changed in line with the accounting year therefore Holiday pay is no longer accrued for at the year end.

## Loans

Basic financial instruments are recognised at amortised historical cost. Loan arrangement fees are capitalised and recognised over the term of the loan through the effective interest rate applied to the loan and amendments there to when subsequent fees arise during the course of such loans. Interest on loans is recognised in like manner using the present value of estimated future interest payments.

## Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.



# Notes to the Financial Statements

## Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### Significant management judgements:

The following are management judgements in applying the accounting policies of the Association that have the most significant effect on the amounts recognised in the financial statements.

### Impairment of social housing properties

The Association must make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP. Specifically, this includes whether there is an impairment indicator for a cash-generating unit. For these purposes a cash-generating unit is defined as a property scheme.

### Defined benefit pension scheme

The Association has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

### Categorisation of properties between investment properties and property, plant and equipment

The Association bases this assessment depending on the use of the asset and the level of rent charged.

### Estimation uncertainty

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



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## Notes to the Financial Statements

### 2. Particulars of turnover, cost of sales, operating costs and operating surplus

	Note	GROUP			ASSOCIATION		
		Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
		2022	2022	2022	2022	2022	2022
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Social housing lettings</b>							
General Needs and Sheltered Housing							
		8,875	(7,010)	1,866	8,904	(7,010)	1,894
		1,038	(1,053)	(15)	1,038	(1,053)	(15)
	<b>3 &amp; 3a</b>	<b>9,914</b>	<b>(8,063)</b>	<b>1,851</b>	<b>9,942</b>	<b>(8,063)</b>	<b>1,879</b>
<b>Non social housing activities</b>							
		1,074	(869)	205	1,074	(869)	205
		864	(830)	34	864	(855)	9
		<b>1,938</b>	<b>(1,699)</b>	<b>240</b>	<b>1,938</b>	<b>(1,724)</b>	<b>215</b>
<b>Total</b>		<b>11,852</b>	<b>(9,762)</b>	<b>2,090</b>	<b>11,881</b>	<b>(9,787)</b>	<b>2,094</b>

	Note	GROUP			ASSOCIATION		
		Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
		2021	2021	2021	2021	2021	2021
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Social housing lettings</b>							
General Needs and Sheltered Housing							
		8,600	(6,122)	2,479	8,623	(6,122)	2,501
		1,002	(1,120)	(118)	1,002	(1,120)	(118)
	<b>3 &amp; 3a</b>	<b>9,603</b>	<b>(7,242)</b>	<b>2,361</b>	<b>9,625</b>	<b>(7,242)</b>	<b>2,383</b>
<b>Non social housing activities</b>							
		3,118	(3,115)	3	3,118	(3,115)	3
		1,458	(1,336)	122	1,458	(1,313)	144
		<b>4,576</b>	<b>(4,451)</b>	<b>125</b>	<b>4,576</b>	<b>(4,428)</b>	<b>148</b>
<b>Total</b>		<b>14,178</b>	<b>(11,692)</b>	<b>2,486</b>	<b>14,200</b>	<b>(11,670)</b>	<b>2,530</b>



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## Notes to the Financial Statements

### 3. Particulars of income and expenditure from social housing lettings

Group	General Needs and Sheltered Housing £'000	Supported Housing £'000	2022 Total £'000	2021 Total £'000
<b>Income</b>				
Rent receivable (net of identifiable service charges)	7,515	504	8,020	7,932
Service charges income	482	38	520	385
Income for Support Services	82	495	577	471
Amortisation of grants	401	-	401	405
Other Income	395	1	396	410
<b>Turnover from social lettings</b>	<b>8,875</b>	<b>1,038</b>	<b>9,914</b>	<b>9,603</b>
<b>Cost</b>				
Management Costs	(1,768)	(1,025)	(2,793)	(2,458)
Service Charge Costs	(459)	-	(459)	(389)
Routine Maintenance	(2,012)	(19)	(2,031)	(1,852)
Major Repairs expenditure	(999)	-	(999)	(718)
Bad Debts	77	(9)	68	(50)
Depreciation of housing properties	(1,657)	-	(1,657)	(1,646)
Other Costs	(191)	-	(191)	(129)
Operating costs on social housing lettings	<b>(7,010)</b>	<b>(1,053)</b>	<b>(8,063)</b>	<b>(7,242)</b>
Operating surplus on social housing lettings	<b>1,866</b>	<b>(15)</b>	<b>1,851</b>	<b>2,361</b>
Rent Loss Due to Voids (memorandum note)			<b>257</b>	<b>221</b>





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# Notes to the Financial Statements

## 3a. Particulars of income and expenditure from social housing lettings

Association	General	Supported	2022	2021
	Needs and Sheltered Housing	Housing	Total	Total
	£'000	£'000	£'000	£'000
<b>Income</b>				
Rent receivable (net of identifiable service charges)	7,516	504	8,020	7,932
Service charges income	482	38	520	385
Income for Support Services	82	495	577	471
Amortisation of grants	401	-	401	405
Other Income	423	1	424	432
<b>Turnover from social lettings</b>	<b>8,904</b>	<b>1,038</b>	<b>9,942</b>	<b>9,625</b>
<b>Cost</b>				
Management Costs	(1,768)	(1,025)	(2,793)	(2,458)
Service Charge Costs	(459)	-	(459)	(389)
Routine Maintenance	(2,012)	(19)	(2,031)	(1,852)
Major Repairs expenditure	(999)	-	(999)	(718)
Bad Debts	77	(9)	68	(50)
Depreciation of housing properties	(1,657)	-	(1,657)	(1,646)
Other Costs	(191)	-	(191)	(129)
Operating costs on social housing lettings	(7,010)	(1,053)	(8,063)	(7,242)
Operating surplus on social housing lettings	1,894	(15)	1,879	2,383
Rent Loss Due to Voids (memorandum note)			257	221



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## Notes to the Financial Statements

### 4. Accommodation in management and development

At the end of the year accommodation in management for each class of accommodation was as follows:

	Group		Association	
	2022 No	2021 No	2022 No	2021 No
<b>Owned by Cadywn</b>				
Social housing - properties	1,360	1,363	1,360	1,363
Hostel accomdation - bed spaces	52	52	52	52
Substance mis-use - bed spaces	6	6	6	6
Hostel family - bed spaces	26	26	26	26
	<u>1,444</u>	<u>1,447</u>	<u>1,444</u>	<u>1,447</u>
<b>Managed by Cadwyn</b>				
Can-do lettings	75	89	75	89
Calon Adref	-	1	-	1
Temporary accomodation	-	294	-	294
The Mill	199	180	199	180
	<u>274</u>	<u>564</u>	<u>274</u>	<u>564</u>
<b>Units in development</b>				
Social housing - properties	120	100	120	100
Open market sales - properties	35	35	-	-
Retail units - properties	2	2	1	-
	<u>157</u>	<u>137</u>	<u>121</u>	<u>100</u>
Total units	<u><u>1,875</u></u>	<u><u>2,148</u></u>	<u><u>1,839</u></u>	<u><u>2,111</u></u>

### 5. Operating surplus

The operating surplus is arrived at after charging:

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Depreciation - Housing Properties	1,657	1,521	1,657	1,521
Depreciation - Other	215	229	215	229
Auditors' remuneration in their capacity as auditors	16	18	16	18
Auditors' remuneration in respect of other services	6	5	6	3
Losses from bad debts for service charges and rents receivable	66	151	66	151

### 6. Interest receivable and other income

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Interest receivable and similar income	-	-	146	52



## Notes to the Financial Statements

### 7. Interest payable and similar charges

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Interest on loans repayable in instalments within five years	247	1,533	197	1,533
Interest on loans repayable in instalments wholly or partly in more than five years	1,713	155	1,713	155
Breakage costs	-	2,173	-	2,173
Capitalised Interest	(166)	(41)	(166)	(41)
Imputed Interest from effective interest rate	38	31	38	31
Finance charge on re-measurement of pension liability	-	-	-	-
Remeasurements - impact of any change in assumptions	-	-	-	-
Net Interest expense (pension)	68	28	68	28
HFG finance cost contribution	(50)	(53)	(50)	(53)
	<u>1,850</u>	<u>3,826</u>	<u>1,799</u>	<u>3,826</u>

Imputed Interest from effective interest rates relates to loan acquisition costs (e.g. commitment fees). Previously these were capitalised, now they are set against the available loan balance (creditor) and amortised over the minimum term of the associated financial instrument, using the effective interest method.

Finance charge on re-measurement of pension liability reflects the Associations liability in respect of obligations to make future payments into the scheme in respect of the scheme trustees recovery plans. This now appears as a liability, representing the net present value of those future payment obligations, on the Statement of Financial Position.

An average rate of interest set at 5% has been used to calculate the finance costs capitalised.



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## Notes to the Financial Statements

### 8. Employees

Average monthly number of employees expressed as full time equivalents:

	Group		Association	
	2022	2021	2022	2021
	No	No	No	No
Housing management / Maintenance	59	56	59	56
Development	5	4	5	4
Supported housing	26	28	26	28
Administration	27	25	27	25
	<u>117</u>	<u>113</u>	<u>117</u>	<u>113</u>

### 9. Employee costs:

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Wages and salaries	3,203	2,940	3,196	2,933
Social security costs	295	281	295	281
Other pension costs	580	543	580	543
	<u>4,078</u>	<u>3,764</u>	<u>4,071</u>	<u>3,757</u>

Emoluments of £31,578 were paid to the Board Members during the year (2021: £nil). Total Expenses reimbursed to the Board Members for the year amounted to £125 due to majority of meetings being held online during the pandemic (2021: £20).

The emoluments paid to the highest paid director excluding pension contributions were £114k (2021: £113k). In comparison to the lowest paid employee this represents a ratio of 6.4:1.

Aggregate emoluments payable to key management personnel in the year:-

	Basic salary (Gross & ER's NIC)	Benefits in Kind	Pension contributions	2022 Total	2021 Total
Aggregate emoluments	399,012	-	38,497	437,509	350,509

The 2021 totals included redundancy costs totalling £30,000

#### Employee

The Group Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply and the Association makes no contribution to any individual pension arrangement.



## Notes to the Financial Statements

### 10. Board members and executives

The full time equivalent number of key management personnel whose remuneration payable (including pension costs) in the period fell within the following bands was:

	2022	2021
£70,001 - £80,000	-	1
£80,001 - £90,000	2	2
£90,001 - £100,000	-	-
£100,001 - £110,000	1	-
£110,001 - £120,000	1	1

Pension costs are shown as contributions paid on the senior executives 'behalf. The Chief Executive is a member of the Social Housing Pension Scheme on the same basis as other members of the Association. Pension contributions made to the Social Housing Pension Scheme on behalf of the Chief Executive were calculated on the same basis as other eligible pension scheme members. No enhanced or special terms are applied. Total expenses reimbursed to the senior executives for the year amounted to £1,707 (2021: £1,114).

### 11. Tax on surplus on ordinary activities

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Current tax reconciliation</b>				
Taxable (loss)/surplus on ordinary activities before tax	263	203	263	203
<b>Theoretical tax at UK corporation tax rate</b>				
Group – (19% (2021:19%))	50	39	50	39
Depreciation	-	-	-	-
Other Adjustments	14	22	14	22
Non-taxable income	-	-	-	-
Losses utilised in the year	-	-	-	-
<b>Current tax charge</b>	<u>64</u>	<u>61</u>	<u>64</u>	<u>61</u>

Tax is payable on Solar PV Income.



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## Notes to the Financial Statements

### 12. Tangible fixed assets – properties (Group)

GROUP	Social Housing	Social Housing	Physical	Total
	Properties held for letting £'000	Properties for letting under construction £'000	adaption works £'000	
<b>Cost</b>				
At 1 April 2021	107,721	16,146	1,682	125,549
Additions	920	7,896	30	8,846
Schemes completed in year	-	-	-	-
Transfers	(56)	56	-	-
Reclassification (to)/from investment properties	-	-	-	-
Reclassification (to)/from stock	-	-	-	-
Disposals	(280)	-	-	(280)
At 31 March 2022	108,305	24,098	1,712	134,115
<b>Depreciation</b>				
At 1 April 2021	(23,525)	-	-	(23,525)
Charged in year	(1,657)	-	-	(1,657)
Eliminated on disposal	213	-	-	213
At 31 March 2022	(24,969)	-	-	(24,969)
<b>Net book value</b>				
At 31 March 2022	83,336	24,098	1,712	109,146
At 31 March 2021	84,196	16,146	1,682	102,024

Development administration and overhead costs amounting to £483,749 (2021: £412,403) have been capitalised and included in the above.

Additions to completed properties held for letting	2022 £000	2021 £000
Replacement of components	920	549
Purchase of existing properties	-	-
Developments	-	949
Total additions	920	1,498



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## Notes to the Financial Statements

### 12a. Tangible fixed assets – properties (Association)

Association	Social Housing	Social Housing	Physical	Total
	Properties held for letting	Properties for letting under construction	adaption works	
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 April 2021	107,721	16,146	1,682	125,549
Additions	920	7,896	30	8,846
Schemes completed in year	-	-	-	-
Transfers	(56)	56	-	-
Reclassification (to)/from investment proper	-	-	-	-
Reclassification (to)/from stock	-	-	-	-
Disposals	(280)	-	-	(280)
At 31 March 2022	108,305	24,098	1,712	134,115
<b>Depreciation</b>				
At 1 April 2021	(23,525)	-	-	(23,525)
Charged in year	(1,657)	-	-	(1,657)
Eliminated on disposal	213	-	-	213
At 31 March 2022	(24,969)	-	-	(24,969)
<b>Net book value</b>				
At 31 March 2022	83,336	24,098	1,712	109,146
At 31 March 2021	84,196	16,146	1,682	102,024

Development administration and overhead costs amounting to £483,749 (2021: £412,403) have been capitalised and included in the above.

Additions to completed properties held for letting	2022 £000	2021 £000
Replacement of components	920	549
Purchase of existing properties	-	-
Developments	-	949
Total additions	920	1,498



## Notes to the Financial Statements

### 13. Investments

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
<b>Commercial properties</b>				
At 1 April 2021	1,667	2,220	1,470	2,220
Additions	107	137	243	-
Transfers (to)/from housing property	-	(690)	-	(750)
Transfers (to)/from other tangible fixed assets	-	-	-	-
Change in fair value of investment properties	-	-	-	-
At 31 March 2022	<u>1,774</u>	<u>1,667</u>	<u>1,713</u>	<u>1,470</u>
<b>Other investments</b>				
At 1 April 2021	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total investments</b>	<u><b>1,774</b></u>	<u><b>1,667</b></u>	<u><b>1,713</b></u>	<u><b>1,470</b></u>

Formal valuations have been carried out, by independent qualified valuers, for all the completed commercial units held at the reporting date. The valuers valued the commercial units at £1,515m, a small increase on the current value, this has not been adjusted for in the financial statements. As at the year end, there is a value of £243k of Commercial units for the Association under development, and £304k for the Group these are currently held at cost and will be adjusted for market value once completed.





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## Notes to the Financial Statements

### 14. Tangible fixed assets – other (Group and Association)

	Other property assets £'000	Motor vehicles £'000	Office furniture & equipment £'000	Property furniture & equipment £'000	Capital plant £'000	Total £'000
<b>Cost</b>						
At 1 April 2021	901	361	2,232	1,064	83	4,641
Additions	-	9	47	25	-	81
Reallocation			58	-	(58)	-
Disposals	-	-	-	(4)	-	(4)
At 31 March 2022	901	370	2,338	1,085	25	4,718
<b>Depreciation</b>						
At 1 April 2021	(481)	(275)	(1,714)	(673)	(19)	(3,162)
Charged in year	(34)	(23)	(118)	(38)	(2)	(215)
Eliminated on disposal	-	-	-	-	-	-
At 31 March 2022	(515)	(298)	(1,832)	(711)	(21)	(3,377)
<b>Net book value</b>						
At 31 March 2022	386	72	505	374	4	1,341
At 31 March 2021	420	86	518	391	64	1,479



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## Notes to the Financial Statements

### 15. Properties for sale and work in progress

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Properties for sale and work in progress	5,856	2,692	137	187
	<u>5,856</u>	<u>2,692</u>	<u>137</u>	<u>187</u>

The balance held by the group includes amounts for the site at the Wharf currently being developed for sale. .

### Debtors

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
<b>Due within one year</b>				
Rent and service charge receivable	237	374	237	374
Less: provision for bad and doubtful debts	(165)	(246)	(165)	(246)
	72	128	72	128
Capital trade receivables	80	52	80	52
Other debtors and prepayments	2,168	1,804	2,168	1,804
Less: provision for bad and doubtful debts	-	-	-	-
Group balances	-	-	7	38
	<u>2,320</u>	<u>1,985</u>	<u>2,327</u>	<u>2,023</u>
	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
<b>Due in more than one year</b>				
Housing finance grant	909	931	909	931
Interest paid in advance	267	267	267	267
Group balances	-	-	3,698	3,052
	<u>1,176</u>	<u>1,198</u>	<u>4,874</u>	<u>4,250</u>
	<u>3,496</u>	<u>3,183</u>	<u>7,201</u>	<u>6,274</u>

### 17. Cash at bank

The Association currently has a £21m revolving credit facility with its bankers. This was renewed for a five-year term in Apr-20 and an option to extend to six years was subsequently exercised. This is currently undrawn so £21m is available for immediate drawdown (2021: £21m). In addition to this the Association has a £500K overdraft facility. A minimum cash balance of £500K is maintained above this in line with the Treasury Management Policy agreed by Board in the year.



## Notes to the Financial Statements

### 18. Creditors: amounts falling due within one year

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
<b>Creditors</b>				
Loan interest	374	342	374	342
Other taxation and social security	173	101	197	117
Rent and service charges paid in advance	344	293	344	293
Trade Creditors	91	82	89	77
Maintenance accruals	90	157	90	157
Accruals	506	426	506	426
Housing Loans	3,072	1,508	569	1,508
Other Creditors	585	247	566	247
Amounts owed in respect of housing properties under construction	638	342	418	342
Recycled Capital Grant	50	953	50	953
Grants in advance	608	1,183	608	1,183
	<b>6,531</b>	<b>5,634</b>	<b>3,812</b>	<b>5,645</b>

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
<b>Government grant creditor</b>				
Government grants	403	405	403	405
	<b>403</b>	<b>405</b>	<b>403</b>	<b>405</b>
	<b>6,934</b>	<b>6,039</b>	<b>4,215</b>	<b>6,050</b>

Included within Housing Loans are the Housing loans for land. In accordance with the terms of the loan some has been repaid in the period with the balance repayable within one year £nil (2021: £870k).

### 19. Creditors: amounts falling due after more than one year

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Debt (note 20)	54,788	46,453	54,788	46,453
	<b>54,788</b>	<b>46,453</b>	<b>54,788</b>	<b>46,453</b>



## Notes to the Financial Statements

### 20. Debt analysis

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Within one year	3,072	1,508	569	1,508
Between one and two years	596	4,513	596	4,513
Between two and five years	3,997	1,474	3,997	1,474
More than five years	50,195	40,467	50,195	40,467
	<b>57,859</b>	<b>47,962</b>	<b>55,357</b>	<b>47,962</b>

### Terms of repayment, interest rates & security

Housing loans are secured by specific charges on the Association's housing properties. The interest rates are fixed at between 2.93% and 6.41% or vary with the market. The loans are repayable between the years 2026 to 2055. The THFC loan is repayable as a bullet at maturity in 2042.

Under FRS102 acquisition costs are set against the available loan balance (creditor) and amortised over the minimum term of the associated financial instrument using the effective interest method. At the end of the year there were £498k (2021: £515k) of fees still to amortise.



## Notes to the Financial Statements

### 21. Social housing and government grants (Group and Association)

	Social Housing Properties held for letting £'000	Social Housing Properties for letting under construction £'000	Total £'000
<b>Government grants received</b>			
At 1 April 2021	60,130	8,450	68,580
Received in year	721	1,568	2,289
Transferred (to)/from grants in advance	(363)	938	575
Transferred on completion	(245)	-	(245)
Transferred (to)/from recycled grants	(50)	953	903
Disposals	-	-	-
At 31 March 2022	<u>60,193</u>	<u>11,909</u>	<u>72,102</u>
<b>Amortisation</b>			
At 1 April 2021	(10,663)	-	(10,663)
Amortised in year	(399)	-	(399)
Eliminated on disposal	-	-	-
At 31 March 2022	<u>(11,062)</u>	<u>-</u>	<u>(11,062)</u>
<b>Value of amortised grants</b>			
At 31 March 2022	<u>49,131</u>	<u>11,909</u>	<u>61,040</u>
At 31 March 2021	<u>49,467</u>	<u>8,450</u>	<u>57,917</u>

	2022 £'000	2021 £'000
<b>Recycled grant</b>		
At 1 April 2021	953	153
Additions	50	800
Disposals	(953)	-
At 31 March 2022	<u>50</u>	<u>953</u>

The recycled grant is made up from the SHG on disposed properties. This will be used on another development following approval from Welsh Government.

#### To be amortised as follows:

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Within one year	403	405	403	405
Between one and two years	403	405	403	405
Between two and five years	1,209	1,216	1,209	1,216
More than five years	59,025	55,890	59,025	55,890
	<u>61,040</u>	<u>57,917</u>	<u>61,040</u>	<u>57,917</u>



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## Notes to the Financial Statements

### 22. Operating lease

	Motor vehicles	Office equipment	Land & buildings	2021 Total
	£'000	£'000	£'000	£'000
Amounts payable within 1 year	10	2	1,324	1,336
Amounts payable within 2-5 years	16	-	4,630	4,646
Amounts payable in over 5 years	-	-	3,700	3,700
<b>Total</b>	<b>26</b>	<b>2</b>	<b>9,653</b>	<b>9,682</b>

#### Cadwyn HA as Lessor:

	Motor vehicles	Office equipment	Land & buildings	2022 Total
	£'000	£'000	£'000	£'000
Amounts payable within 1 year	-	-	121	121
Amounts payable within 2-5 years	-	-	363	363
Amounts payable in over 5 years	-	-	490	490
<b>Total</b>	<b>-</b>	<b>-</b>	<b>974</b>	<b>974</b>

	Motor vehicles	Office equipment	Land & buildings	2021 Total
	£'000	£'000	£'000	£'000
Amounts payable within 1 year	-	-	115	115
Amounts payable within 2-5 years	-	-	330	330
Amounts payable in over 5 years	-	-	384	384
<b>Total</b>	<b>-</b>	<b>-</b>	<b>829</b>	<b>829</b>

In the year the following lease payments were recognised as an expense in the statement of comprehensive income:

Group & Association	Pool cars	Office equipment	Property	2022 Total
	£'000	£'000	£'000	£'000
Lease payments recognised in statement of comprehensive income	10	6	1,368	1,384

	Pool cars	Office equipment	Property	2021 Total
	£'000	£'000	£'000	£'000
Lease payments recognised in statement of comprehensive income	10	8	2,846	2,864



## Notes to the Financial Statements

### 23. Social Housing Pension Scheme (Group and Association)

The company participates in the Social Housing Pension Scheme (the Scheme), a multiemployer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

The Social Housing Pension Scheme is accounted for under a valuation basis based on an actuarial valuation at 30 September each year which is rolled forward to the year end. The liabilities are compared, at the relevant accounting date, with the Group's fair share of the scheme's total assets to calculate the company's net deficit or surplus.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. The process is ongoing, and the matter is unlikely to be resolved before the end of 2023 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

#### Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	31 March 2022 £'000	31 March 2021 £'000
Fair value of plan assets	11,547	9,908
Present value of defined benefit obligation	12,958	12,352
(Deficit) in plan	(1,411)	(2,445)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	<u>(1,411)</u>	<u>(2,445)</u>

#### Recognition of the impact of the asset ceiling

	31 March 2022 £'000
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-



## Notes to the Financial Statements

### 23. Social Housing Pension Scheme (Group and Association) (continued)

#### Reconciliation of opening and closing balances of the defined benefit obligation

	<b>31-Mar 2022 £'000</b>
Defined benefit obligation at start of period	12,353
Current service cost	333
Expenses	11
Interest expense	292
Contributions by plan participants	111
Actuarial losses (gains) due to scheme experience	778
Actuarial losses (gains) due to changes in demographic assumptions	(192)
Actuarial losses (gains) due to changes in financial assumptions	(558)
Benefits paid and expenses	(170)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	<u>12,958</u>

#### Reconciliation of opening and closing balances of the fair value of plan assets

	<b>31-Mar 2022 £'000</b>
Fair value of plan assets at start of period	9,908
Interest income	224
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	985
Contributions by the employer	489
Contributions by plan participants	111
Benefits paid and expenses	(170)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	<u>11,547</u>

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was £1,209,000.





## Notes to the Financial Statements

### 23. Social Housing Pension Scheme (Group and Association) (continued)

#### Defined benefit costs recognised in statement of comprehensive income (SOCl)

	<b>31-Mar 2022 £'000</b>
Current service cost	333
Expenses	11
Net interest expense	68
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCl)	<u>412</u>

#### Defined benefit costs recognised in other comprehensive income

	<b>31-Mar 2022 £'000</b>
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	985
Experience gains and losses arising on the plan liabilities - gain (loss)	(778)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	192
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	558
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	957
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	<u>957</u>



## Notes to the Financial Statements

### 23. Social Housing Pension Scheme (Group and Association) (continued)

#### Assets

	<b>31-Mar</b>	<b>31-Mar</b>
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Absolute Return	463	547
Alternative Risk Premia	381	373
Corporate Bond Fund	770	585
Credit Relative Value	384	312
Distressed Opportunities	413	286
Emerging Markets Debt	336	400
Fund of Hedge Funds	-	1
Global Equity	2,216	1,579
Infrastructure	823	661
Insurance-Linked Securities	269	238
Liability Driven Investment	3,222	2,518
Long Lease Property	297	194
Net Current Assets	32	60
Opportunistic Illiquid Credit	388	252
Cash	39	-
Opportunistic Credit	41	272
High yield	100	297
Over 15 Year Gilts	-	-
Liquid Credit	-	118
Private Debt	296	236
Property	312	206
Currency Hedging	(45)	-
Risk Sharing	380	361
Secured Income	430	412
<b>Total assets</b>	<b><u>11,547</u></b>	<b><u>9,908</u></b>

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.



## Notes to the Financial Statements

### 23. Social Housing Pension Scheme (Group and Association) (continued)

#### Key assumptions

	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>% per annum</b>	<b>% per annum</b>
Discount Rate	2.78%	2.21%
Inflation (RPI)	3.44%	3.22%
Inflation (CPI)	3.13%	2.87%
Salary Growth	4.13%	3.87%
Allowance for commutation of pension for cash at retirement (of maximum allowance)	75.00%	75.00%

#### Life expectancy at age 65 years

	<b>31-Mar-22</b>
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2



## Notes to the Financial Statements

### 23a. TPT Retirement Solutions – The Growth Plan (Group and Association)

The company participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

#### Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	payable monthly
---------------------------------------	----------------------	-----------------

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

#### Deficit contributions

From 1 April 2019 to 30 September 2025	£11,243,000 per annum	payable monthly and increasing by 3% each on 1st April)
--	-----------------------	---

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.



## Notes to the Financial Statements

### 23a. TPT Retirement Solutions – The Growth Plan (Group and Association) - (continued...)

#### Present value of contributions

	31 March 2022	31 March 2021	31 March 2020
	(£s)	(£s)	(£s)
Present value of provision	31	742	879

#### Reconciliation of opening and closing provision

	Period Ending 31 March 2022 (£s)	Period Ending 31 March 2021 (£s)
Provision at start of period	742	879
Unwinding of the discount factor (interest expense)	4	20
Deficit contribution paid	(188)	(182)
Remeasurements - impact of any change in assumptions	(1)	25
Remeasurements - amendments to the contribution schedule	(526)	-
Provision at end of period	31	742

#### INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2022 (£s)	Period Ending 31 March 2021 (£s)
Interest expense	4	20
Remeasurements – impact of any change in assumptions	(1)	25
Remeasurements – amendments to the contribution schedule	(526)	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

\*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

#### ASSUMPTIONS

	31 March 2022 % per annum	31 March 2022 % per annum	31 March 2020 % per annum
Rate of discount	2.35	0.66	2.53

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.



## Notes to the Financial Statements

### 23a. TPT Retirement Solutions – The Growth Plan (Group and Association) - (continued...)

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

#### DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 March 2022 (£s)	31 March 2021 (£s)	31 March 2020 (£s)
Year 1	11	188	182
Year 2	11	193	188
Year 3	9	199	193
Year 4	-	171	199
Year 5	-	-	177
Year 6	-	-	-
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year 10	-	-	-
Year 11	-	-	-
Year 12	-	-	-
Year 13	-	-	-
Year 14	-	-	-
Year 15	-	-	-
Year 16	-	-	-
Year 17	-	-	-
Year 18	-	-	-
Year 19	-	-	-
Year 20	-	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.



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## Notes to the Financial Statements

### 23b. CARE pensions (Group and Association)

Two Career average related pension (CARE 60<sup>th</sup> and CASE 80<sup>th</sup>) have been offered through the SHPS scheme since April 2010. Cadwyn pays contributions at the rate of 9.20% / 6.68% of earnings and members pay contributions at the rate of 12.90% / 10.02%. As at the date of Statement of Financial Position there were 38 active members of the Scheme employed by Cadwyn Housing Association. Cadwyn Housing Association continues to offer membership of the CARE Scheme to all its employees.

### 23c. Defined Contributions (Group and Association)

A defined contribution (DC) section of the SHPS Scheme has been available since September 2010. Cadwyn pays contributions at the rate of 6% of earnings and members pay contributions at the rate of 4%.

As at the date of Statement of Financial Position there were 62 active members of the Scheme employed by Cadwyn Housing Association.

Cadwyn Housing Association continues to offer membership of the DC Scheme to all its employees.

### 24. Share capital

	2022 £	2021 £
Shares of one pound each fully paid and issued	<u>41</u>	<u>41</u>

The shareholders have no equity interest in the Association and have no right to dividends or distributions on winding up. Shares cancelled or redeemed are written back to reserves.

### 25. Analysis of changes in net debt

Group	At 1 April 2021 £'000	Cash flows £'000	Movement in creditors due within one year £'000	At 31 March 2022 £'000
Cash at bank and in hand	7,412	1,888	-	9,300
Housing loans due less than one year	(1,508)	(1,513)	-	(3,021)
Housing loans due in more than one year	(46,453)	(7,332)	-	(53,785)
	<u>(40,549)</u>	<u>(6,957)</u>	<u>-</u>	<u>(47,506)</u>
<b>Association</b>				
	At 1 April 2021 £'000	Cash flows £'000	Movement in creditors due within one year £'000	At 31 March 2022 £'000
Cash at bank and in hand	7,132	1,820	-	8,952
Housing loans due less than one year	(1,508)	939	-	(569)
Housing loans due in more than one year	(46,453)	(7,332)	-	(53,785)
	<u>(40,829)</u>	<u>(4,573)</u>	<u>-</u>	<u>(45,402)</u>



Cadwyn Housing Association Limited  
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## Notes to the Financial Statements

### 26. Net cash flow from operating activities

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
(Deficit)/surplus for the year	222	(1,402)	422	(1,305)
<b>Adjustments for non-cash items;</b>				
Depreciation of tangible fixed assets	1,895	1,981	1,895	1,981
Amortisation of Government Grants	(401)	(463)	(401)	(463)
Loss on sale of fixed assets	-	-	-	-
Change in fair value of investment properties	-	-	-	-
Re-measurement of pension liability	77	(253)	77	(253)
<b>Working capital movements</b>				
(Increase) / Decrease in trade and other debtors	(1,457)	(616)	(1,449)	(615)
(Decrease) / Increase in trade and other creditors	3,505	(351)	589	(340)
<b>Adjustments for investing or financing :</b>				
Interest payable	1,799	3,795	1,799	3,795
Interest receivable	(146)	-	(146)	(52)
Taxation	64	61	64	61
<b>Net cash generated from operating activities</b>	<b>5,558</b>	<b>2,753</b>	<b>2,850</b>	<b>2,809</b>

### 27. Capital commitments

	Group		Association	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
<b>Capital Expenditure</b>				
Contracted less certified	6,146	11,277	4,329	7,841
Expenditure authorised by the Board, but not contracted	42,069	45,694	42,069	32,875
	<b>48,215</b>	<b>56,971</b>	<b>46,398</b>	<b>40,716</b>

The above commitments will be financed primarily through borrowings, which are available for draw-down under existing loan arrangements, with the balance funded through social housing grant.





# Notes to the Financial Statements

## 28. Related party transactions

The Association lets accommodation to both current and former tenants who are Board Members. Currently one tenant has been appointed to the Board. The tenancy has been let on the Association's standard terms and cannot use their position to their advantage.

Igneous is a subsidiary company of Cadwyn Housing Association (the parent and ultimate controlling party). Igneous has no employees so through an employee sharing agreement salary costs of £12k and overheads of £8k were recharged not Igneous for time spent working on the subsidiary by key management personnel. Igneous is developing a block of 35 units for open market sales. These are due for completion in July 2022. The profits from the sale of these units will be donated back to Cadwyn Gift Aid. During the year Cadwyn recharged invoices totalling £103k to Igneous for legal and professional fees on the Wharf development. Cadwyn has provided on lending of £500k to Igneous and charged £146k of interest at market rate. At the year-end there was a debtor of £7k in Cadwyn's accounts and a subsequent creditor in Igneous.

## 29. Contingent assets/liabilities

The Group and Association had no contingent assets/liabilities as at 31 March 2022 (2021: nil).

The Group receives capital grant from the Welsh Government, which is used to fund the acquisition and development of housing properties and their components. In certain circumstances upon disposal of grant funded properties the Group is required to recycle this grant by crediting the Recycled Capital Grant Fund.

Social Housing Grant may become repayable in the following circumstances:

- Disposal of a property (including disposals on assisted ownership terms) other than to another RSL;
- Change of use of a property to a use that would be eligible for a lesser amount of grant;
- Change of use of a property to a use that would not be eligible for a grant;
- Demolition of a property where the site does not form part of a new social housing development by a RSL;
- Disposal giving rise to a repayment of discount under Schedule 2 to the Housing Association Act 1985.

Social Housing Grant (SHG) is repayable under certain circumstances primarily following the sale of a property but will normally be restricted to the net proceeds of the sale. However, the Association is able to recycle the grant over an unspecified period although this will be periodically reviewed by the Welsh Government. The total amount of SHG received to date is £66,354,000 (2021 £66,217,000). The total amount of SHG amortised to date is £11,063,000 (2021 £10,663,000). Social Housing Grant (SHG) is repayable under certain circumstances primarily following the sale of a property but

The Association is a participating employer member of the Social Housing Pension Scheme (SHPS). An employer debt could arise on withdrawal from the Social Housing Pension Scheme. The estimated employer debt for the Association on withdrawal from the SHPS plan based on the financial position of the scheme as at 30th September 2020 was £10.7m. At the date of approval of these financial statements no update to this position was available. As events which could crystallise the debt are unlikely to arise in the foreseeable future, no specific provision is deemed necessary.

## 30. Government Grant Assistance

During the year the Group and Association received was £nil (2021: £44,249) of funding relating to the Coronavirus Job Retention Scheme.