













































# 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.



# 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.

## Bevan Buckland LLP

Chartered Accountants & Statutory Auditors  
Langdon House  
Langdon Road  
Swansea  
SA1 8QY

Date: 7<sup>th</sup> July 2021

**Bevan**  **Buckland**

Chartered accountants, tax and financial planners

# Group Statement of Comprehensive Income

GROUP	Note	2021 £'000	2020 £'000
Turnover - continuing activities	2	14,178	17,210
Less: Operating costs	2	(11,692)	(14,510)
Surplus on sale of fixed assets – housing properties		-	-
<b>Operating surplus: continuing activities</b>	<b>2</b>	<b>2,486</b>	<b>2,701</b>
Interest receivable and other income	6	-	3
Interest payable and similar charges	7	(3,826)	(1,624)
Movement in fair value of investment properties	13	-	(70)
<b>(Deficit) / Surplus on ordinary activities before taxation</b>		<b>(1,341)</b>	<b>1,010</b>
Tax on ordinary activities	11	(61)	-
<b>(Deficit) / Surplus for the year</b>		<b>(1,402)</b>	<b>1,010</b>
Actuarial (loss) / gain in respect of pension schemes	23	(1,340)	1,522
<b>Total comprehensive income for the year</b>		<b>(2,742)</b>	<b>2,532</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.

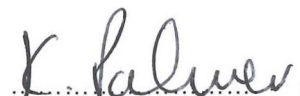
The financial statements were approved by the Board on 26 July 2021 and were signed on its behalf by:



Chair



Board Member



Company Secretary



# Association Statement of Comprehensive Income

ASSOCIATION	Note	2021 £'000	2020 £'000
Turnover - continuing activities	2	14,200	17,210
Less: Operating costs	2	(11,670)	(14,510)
Surplus on sale of fixed assets – housing properties		-	-
<b>Operating surplus: continuing activities</b>	<b>2</b>	<b>2,530</b>	<b>2,701</b>
Interest receivable and other income	6	52	3
Interest payable and similar charges	7	(3,826)	(1,624)
Movement in fair value of investment properties	13	-	(70)
<b>(Deficit) / Surplus on ordinary activities before taxation</b>		<b>(1,244)</b>	<b>1,010</b>
Tax on ordinary activities	11	(61)	-
<b>(Deficit) / Surplus for the year</b>		<b>(1,305)</b>	<b>1,010</b>
Actuarial (loss) / gain in respect of pension schemes	23	(1,340)	1,522
<b>Total comprehensive income for the year</b>		<b>(2,645)</b>	<b>2,532</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 26 July 2021 and were signed on its behalf by:

Chair

Board Member

Company Secretary





## 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 2019</b>	<b>6,087</b>	<b>174</b>	<b>6,261</b>	<b>6,087</b>	<b>174</b>	<b>6,261</b>
Restatements for changes in accounting policy	(42)	-	(42)	(42)	-	(42)
Total comprehensive income	2,532	-	2,532	2,532	-	2,532
Transfer between reserves	(5)	5	-	(5)	5	-
<b>At 31 March 2020</b>	<b>8,572</b>	<b>179</b>	<b>8,751</b>	<b>8,572</b>	<b>179</b>	<b>8,751</b>
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>5,842</b>	<b>167</b>	<b>6,009</b>	<b>5,939</b>	<b>167</b>	<b>6,106</b>

## Consolidated Statement of Financial Position

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Housing properties	12	125,549	120,456
Depreciation	12	<u>(23,525)</u>	<u>(21,974)</u>
		102,024	98,482
Other tangible fixed assets	14	1,479	1,543
Investments	13	<u>1,667</u>	<u>2,220</u>
<b>Total fixed assets</b>		105,170	102,245
<b>Current assets</b>			
Debtors due within one year	16	1,985	1,352
Properties for sale and work in progress	15	2,692	52
Cash at bank and in hand	17	<u>7,412</u>	<u>4,584</u>
		<u>12,089</u>	<u>5,988</u>
Debtors due after more than one year	16	1,198	1,245
Creditors: due within one year	18	(5,633)	(30,447)
Social housing and government grants due in one year	21	(405)	(360)
<b>Net current (liabilities)/assets</b>		<u>6,051</u>	<u>(24,819)</u>
<b>Total assets less current liabilities</b>		<u>112,419</u>	<u>78,671</u>
Creditors: due in more than one year	19	(46,453)	(16,782)
Social housing and government grants due after more than one year	21	(57,512)	(51,808)
Defined benefit pension liability	23	(2,445)	(1,330)
<b>Net assets</b>		<u>6,009</u>	<u>8,751</u>
<b>Capital and reserves</b>			
Share capital	24	-	-
Restricted reserve		-	-
Revenue reserve		6,009	8,751
<b>Total capital and reserves</b>		<u>6,009</u>	<u>8,751</u>

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 26 July 2021 and were signed on its behalf by:



Chair



Board Member



Company Secretary

## Association Statement of Financial Position

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Housing properties	12a	125,549	120,456
Depreciation	12a	<u>(23,525)</u>	<u>(21,974)</u>
		102,024	98,482
Other tangible fixed assets	15	1,479	1,543
Investments	13	<u>1,470</u>	<u>2,220</u>
<b>Total fixed assets</b>		104,973	102,245
<b>Current assets</b>			
Debtors due within one year	16	2,023	1,352
Properties for sale and work in progress	15	187	52
Cash at bank and in hand	17	<u>7,132</u>	<u>4,584</u>
		<u>9,342</u>	<u>5,988</u>
Debtors due after more than one year	16	4,250	1,245
Creditors: due within one year	18	(5,644)	(30,447)
Social housing and government grants due in one year	21	(405)	(360)
<b>Net current (liabilities)/assets</b>		<u>3,293</u>	<u>(24,819)</u>
<b>Total assets less current liabilities</b>		<u>112,516</u>	<u>78,671</u>
Creditors: due in more than one year	19	(46,453)	(16,782)
Social housing and government grants due after more than one year	21	(57,512)	(51,808)
Defined benefit pension liability	23	(2,445)	(1,330)
<b>Net assets</b>		<u>6,106</u>	<u>8,751</u>
<b>Capital and reserves</b>			
Share Capital	24	-	-
Restricted reserve		-	-
Revenue reserve		6,106	8,751
<b>Total capital and reserves</b>		<u>6,106</u>	<u>8,751</u>

The accompanying notes form part of these financial statements.

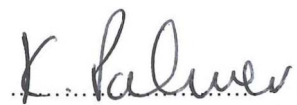
The financial statements were approved by the Board on 26 July 2021 and were signed on its behalf by:



Chair



Board Member



Company Secretary



## Consolidated Statement of Cash Flow

	Note	2021 £'000	2020 £'000
<b>Net cash inflow from operating activities</b>	<b>26</b>	<b>2,753</b>	<b>4,841</b>
<b>Cash flow from financing activities</b>			
Loan drawdown		31,979	6,731
Interest paid		(3,764)	(1,489)
Loan repayments		(25,688)	(2,819)
<b>Cash flow from investing activities</b>			
Interest received		-	3
Purchase and construction of housing properties		(5,106)	(6,168)
Component replacements		(549)	(1,083)
Proceeds from sale of properties & other fixed assets		87	-
Purchase of other replacement fixed assets		(250)	(371)
Development of properties for sale		(1,522)	-
Social housing grant and other grants received		4,888	2,889
<b>Net change in cash and cash equivalents</b>		<b>2,828</b>	<b>2,534</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>4,584</b>	<b>2,050</b>
<b>Cash and cash equivalents at end of the year</b>		<b>7,412</b>	<b>4,584</b>



## Association Statement of Cash Flow

	Note	2021 £'000	2020 £'000
<b>Net cash inflow from operating activities</b>	<b>26</b>	<u>2,809</u>	<u>4,841</u>
<b>Cash flow from financing activities</b>			
Loan drawdown		31,979	6,731
Interest paid		(3,764)	(1,489)
Loan repayments		(25,688)	(2,819)
<b>Cash flow from investing activities</b>			
Interest received		52	3
Purchase and construction of housing properties		(5,106)	(6,168)
Component replacements		(549)	(1,083)
Proceeds from sale of properties & other fixed assets		1,267	-
Purchase of other replacement fixed assets		(250)	(371)
Loans provided to Igneous Ltd for development of properties for sale		(3,090)	-
Social housing grant and other grants received		4,888	2,889
<b>Net change in cash and cash equivalents</b>		<u><b>2,548</b></u>	<u><b>2,534</b></u>
<b>Cash and cash equivalents at beginning of year</b>		<u>4,584</u>	<u>2,050</u>
<b>Cash and cash equivalents at end of the year</b>		<u><u><b>7,132</b></u></u>	<u><u><b>4,584</b></u></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. The Association has agreed a special method of VAT recovery with HMRC in preparation for the work that the Subsidiary company will be undertaking.

## 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.



# 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.

## 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 has to 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. The 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 are addressed below.



# Notes to the Financial Statements

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

	Note	GROUP			ASSOCIATION		
		Turnover	Operating	Operating	Turnover	Operating	Operating
			costs	surplus		costs	surplus
			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>	9,603	(7,242)	2,361	9,625	(7,242)	2,383
<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
		4,576	(4,451)	125	4,576	(4,428)	148
<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>

	Note	GROUP			ASSOCIATION		
		Turnover	Operating	Operating	Turnover	Operating	Operating
			costs	surplus		costs	surplus
			2020	2020		2020	2020
£'000	£'000	£'000	£'000	£'000	£'000		
<b>Social housing lettings</b>							
General Needs and Sheltered Housing							
		8,703	(5,881)	2,822	8,703	(5,881)	2,822
		1,018	(1,089)	(71)	1,018	(1,089)	(71)
	<b>3 &amp; 3a</b>	9,721	(6,970)	2,751	9,721	(6,970)	2,751
<b>Non social housing activities</b>							
		3,275	(3,564)	(289)	3,275	(3,564)	(289)
		4,214	(3,975)	239	4,214	(3,975)	239
		7,489	(7,539)	(50)	7,489	(7,539)	(50)
<b>Total</b>		<b>17,210</b>	<b>(14,509)</b>	<b>2,701</b>	<b>17,210</b>	<b>(14,509)</b>	<b>2,701</b>



# Notes to the Financial Statements

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

Group	General	Supported Housing	2021 Total	2020 Total
	Needs and Sheltered Housing £'000			
<b>Income</b>				
Rent receivable (net of identifiable service charges)	7,440	492	7,932	7,759
Service charges income	347	38	385	578
Income for Support Services	-	471	471	471
Amortisation of grants	405	-	405	376
Other Income	409	1	410	537
Commercial Income	-	-	-	-
<b>Turnover from social lettings</b>	<b>8,600</b>	<b>1,002</b>	<b>9,603</b>	<b>9,721</b>
<b>Cost</b>				
Management Costs	(1,372)	(1,087)	(2,458)	(2,318)
Service Charge Costs	(389)	-	(389)	(475)
Routine Maintenance	(1,831)	(21)	(1,852)	(1,429)
Major Repairs expenditure	(718)	-	(718)	(765)
Bad Debts	(37)	(12)	(50)	(226)
Depreciation of housing properties	(1,646)	-	(1,646)	(1,695)
Other Costs	(129)	-	(129)	(62)
Commercial Spend	-	-	-	-
<b>Operating costs on social housing lettings</b>	<b>(6,122)</b>	<b>(1,120)</b>	<b>(7,242)</b>	<b>(6,970)</b>
<b>Operating surplus on social housing lettings</b>	<b>2,479</b>	<b>(118)</b>	<b>2,361</b>	<b>2,751</b>
Rent Loss Due to Voids (memorandum note)			221	230



# Notes to the Financial Statements

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

Association	General	Supported Housing	2021 Total	2020 Total
	Needs and Sheltered Housing			
	£'000	£'000	£'000	£'000
<b>Income</b>				
Rent receivable (net of identifiable service charges)	7,440	492	7,932	7,759
Service charges income	347	38	385	578
Income for Support Services	-	471	471	471
Amortisation of grants	405	-	405	376
Other Income	431	1	432	537
Commercial Income	-	-	-	-
<b>Turnover from social lettings</b>	<b>8,623</b>	<b>1,002</b>	<b>9,625</b>	<b>9,721</b>
<b>Cost</b>				
Management Costs	(1,372)	(1,087)	(2,458)	(2,318)
Service Charge Costs	(389)	-	(389)	(475)
Routine Maintenance	(1,831)	(21)	(1,852)	(1,429)
Major Repairs expenditure	(718)	-	(718)	(765)
Bad Debts	(37)	(12)	(50)	(226)
Depreciation of housing properties	(1,646)	-	(1,646)	(1,695)
Other Costs	(129)	-	(129)	(62)
Commercial Spend	-	-	-	-
Operating costs on social housing lettings	(6,122)	(1,120)	(7,242)	(6,970)
Operating surplus on social housing lettings	2,501	(118)	2,383	2,751
Rent Loss Due to Voids (memorandum note)			221	230





# 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	
	2021 No	2020 No	2021 No	2020 No
<b>Owned by Cadywn</b>				
Social housing - properties	1,363	1,363	1,363	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>1,447</u>	<u>1,447</u>	<u>1,447</u>	<u>1,447</u>
<b>Managed by Cadwyn</b>				
Can-do lettings	89	111	89	111
Four walls	-	93	-	93
Calon Adref	1	1	1	1
Temporary accomodation	294	330	294	330
The Mill	180	69	180	69
	<u>564</u>	<u>604</u>	<u>564</u>	<u>604</u>
<b>Units in development</b>				
Social housing - properties	100	6	100	6
Open market sales - properties	35	-	-	-
Retail units - properties	2	-	-	-
	<u>137</u>	<u>6</u>	<u>100</u>	<u>6</u>
<b>Total units</b>	<u>2,148</u>	<u>2,057</u>	<u>2,111</u>	<u>2,057</u>

## 5. Operating surplus

The operating surplus is arrived at after charging:

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Depreciation	1,750	1,695	1,750	1,695
Auditors' remuneration in their capacity as auditors	18	15	18	15
Auditors' remuneration in respect of other services	5	2	3	2
Losses from bad debts for service charges and rents receivable	151	222	151	222

## 6. Interest receivable and other income

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Interest receivable and similar income	-	3	52	3



# Notes to the Financial Statements

## 7. Interest payable and similar charges

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Interest on loans repayable in instalments within five years	1,533	900	1,533	900
Interest on loans repayable in instalments wholly or partly in more than five years	155	627	155	627
Breakage costs	2,173	-	2,173	-
Capitalised Interest	(41)	(54)	(41)	(54)
Imputed Interest from effective interest rate	31	135	31	135
Finance charge on re-measurement of pension liability	-	-	-	-
Remeasurements - impact of any change in assumptions	-	-	-	-
Net Interest expense (pension)	28	68	28	68
HFG finance cost contribution	(53)	(52)	(53)	(52)
	<u>3,826</u>	<u>1,624</u>	<u>3,826</u>	<u>1,624</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, except for development of The Wharf scheme where a rate of 2.5% has been used as other additional funding was obtained for this development.



# Notes to the Financial Statements

## 8. Employees

Average monthly number of employees expressed as full time equivalents:

	Group		Association	
	2021	2020	2021	2020
	No	No	No	No
Housing management / Maintenance	56	55	56	55
Development	4	4	4	4
Supported housing	28	30	28	30
Administration	25	22	25	22
	<u>113</u>	<u>111</u>	<u>113</u>	<u>111</u>

## 9. Employee costs:

	Group		Association	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Wages and salaries	2,940	2,874	2,933	2,874
Social security costs	281	266	281	266
Other pension costs	543	374	543	374
	<u>3,764</u>	<u>3,514</u>	<u>3,757</u>	<u>3,514</u>

No emoluments were paid to the Board Members during the year (2020: £nil). Total Expenses reimbursed to the Board Members for the year amounted to £nil due to majority of meetings being held online during the pandemic (2020: £248).

The emoluments paid to the highest paid director excluding pension contributions were £113k (2020: £116k). In comparison to the lowest paid employee this represents a ratio of 6.3:1.

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

	Basic salary (Gross & ER's NIC)	Benefits in Kind	Pension contributions	2021 Total	2020 Total
Aggregate emolumnets	<u>315,325</u>	-	<u>35,184</u>	<u>350,509</u>	<u>435,438</u>

The 2020 totals included redundancy costs totalling £30,000.

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:

	2021	2020
£nil	-	-
£1 - £50,000	2	5
£50,001 - £60,000	6	4
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£80,001 - £90,000	2	2
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	2

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 £1,114 (2020: £2,107).

## 11. Tax on surplus on ordinary activities

	Group		Association	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Current tax reconciliation</b>				
Taxable (loss)/surplus on ordinary activities before tax	<u>203</u>	<u>-</u>	<u>203</u>	<u>-</u>
<b>Theoretical tax at UK corporation tax rate</b>				
Group – (19% (2019:19%))	39	-	39	-
Depreciation	-	-	-	-
Other adjustments	22	-	22	-
Non-taxable income	-	-	-	-
Losses utilised in the year	-	-	-	-
<b>Current tax charge</b>	<u>61</u>	<u>0</u>	<u>61</u>	<u>0</u>



# Notes to the Financial Statements

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

GROUP	Social Housing			Total £'000
	Social Housing Properties held for letting £'000	Properties for letting under construction £'000	Physical adaption works £'000	
<b>Cost</b>				
At 1 April 2020	106,481	12,499	1,476	120,456
Additions	549	5,163	206	5,918
Schemes completed in year	949	(949)	-	-
Transfers	-	-	-	-
Reclassification (to)/from investment properties	-	690	-	690
Reclassification (to)/from stock	-	(1,257)	-	(1,257)
Disposals	(258)	-	-	(258)
At 31 March 2021	107,721	16,146	1,682	125,549
<b>Depreciation</b>				
At 1 April 2020	(21,974)	-	-	(21,974)
Charged in year	(1,752)	-	-	(1,752)
Eliminated on disposal	201	-	-	201
At 31 March 2021	(23,525)	-	-	(23,525)
<b>Net book value</b>				
At 31 March 2021	84,196	16,146	1,682	102,024
At 31 March 2020	84,507	12,499	1,476	98,482

Development administration and overhead costs amounting to £412,403 (2020: £432,036) have been capitalised and included in the above.

Additions to completed properties held for letting	2021 £000	2020 £000
Replacement of components	549	1,114
Purchase of existing properties	-	-
Developments	949	51
Total additions	1,498	1,165



# Notes to the Financial Statements

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

Association	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 2020	106,481	12,499	1,476	120,456
Additions	549	5,163	206	5,918
Schemes completed in year	949	(949)	-	-
Transfers	-	-	-	-
Reclassification (to)/from investment properties	-	750	-	750
Reclassification (to)/from stock	-	(137)	-	(137)
Disposals	(258)	(1,180)	-	(1,438)
At 31 March 2021	107,721	16,146	1,682	125,549
<b>Depreciation</b>				
At 1 April 2020	(21,974)	-	-	(21,974)
Charged in year	(1,752)	-	-	(1,752)
Eliminated on disposal	201	-	-	201
At 31 March 2021	(23,525)	-	-	(23,525)
<b>Net book value</b>				
At 31 March 2021	84,196	16,146	1,682	102,024
At 31 March 2020	84,507	12,499	1,476	98,482

Development administration and overhead costs amounting to £412,403 (2020: £432,036) have been capitalised and included in the above.

Additions to completed properties held for letting	2021 £000	2020 £000
Replacement of components	549	1,114
Purchase of existing properties	-	-
Developments	949	51
Total additions	1,498	1,165



## Notes to the Financial Statements

### 13. Investments

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Commercial properties</b>				
At 1 April 2020	2,220	2,290	2,220	2,290
Additions	137	-	-	-
Transfers (to)/from housing property	(690)	-	(750)	-
Transfers (to)/from other tangible fixed assets	-	-	-	-
Change in fair value of investment properties	-	(70)	-	(70)
At 31 March 2021	<u>1,667</u>	<u>2,220</u>	<u>1,470</u>	<u>2,220</u>
<b>Other investments</b>				
At 1 April 2020	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total investments</b>	<u><b>1,667</b></u>	<u><b>2,220</b></u>	<u><b>1,470</b></u>	<u><b>2,220</b></u>

During the year tenants vacated an investment property and it was transferred to development at cost and valuation of £750k. 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 which is a small increase in the current value. This has not been adjusted for in the financial statements. As at the year end, there is a value of £197k of Commercial units under development, these are currently held at cost and will be adjusted for market value once completed.



# 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 2020	901	393	2,092	1,094	25	4,505
Additions	-	-	214	2	34	250
Reallocation			(74)	(32)	106	-
Disposals	-	(32)	-	-	(82)	(114)
At 31 March 2021	901	361	2,232	1,064	83	4,641
<b>Depreciation</b>						
At 1 April 2020	(447)	(272)	(1,596)	(631)	(16)	(2,962)
Charged in year	(34)	(32)	(118)	(42)	(3)	(229)
Eliminated on disposal	-	29	-	-	-	29
At 31 March 2021	(481)	(275)	(1,714)	(673)	(19)	(3,162)
<b>Net book value</b>						
At 31 March 2021	420	86	518	391	64	1,479
At 31 March 2020	454	121	496	463	9	1,543





# Notes to the Financial Statements

## 15. Properties for sale and work in progress

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Properties for sale and work in progress	2,692	52	187	52
	<u>2,692</u>	<u>52</u>	<u>187</u>	<u>52</u>

At the year-end the Association had 1 property for sale. These were transferred from fixed asset to stock at the year end. The property has been included at net book value.

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

## 16. Debtors

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Due within one year</b>				
Rent and service charge receivable	480	316	480	316
Less: provision for bad and doubtful debts	(352)	(220)	(352)	(220)
	<u>128</u>	<u>96</u>	<u>128</u>	<u>96</u>
Capital trade receivables	52	-	52	-
Other debtors and prepayments	1,804	1,371	1,804	1,371
Less: provision for bad and doubtful debts	-	(115)	-	(115)
Group balances	-	-	38	-
	<u>1,985</u>	<u>1,352</u>	<u>2,023</u>	<u>1,352</u>

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Due in more than one year</b>				
Housing finance grant	931	978	931	978
Interest paid in advance	267	267	267	267
Group balances	-	-	3,052	-
	<u>1,198</u>	<u>1,245</u>	<u>4,250</u>	<u>1,245</u>
	<u>3,183</u>	<u>2,597</u>	<u>6,274</u>	<u>2,597</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 (2020: £8m). 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.

The recommendations of the Treasury Review were implanted in the year with three legacy loans repaid, one loan refinanced and the RCF renewed. In addition a new Private Placement of £41m, of which £10m remains undrawn, was secured providing long term fixed rate funding.



# Notes to the Financial Statements

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

	Group		Association	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Creditors</b>				
Loan interest	342	62	342	62
Other taxation and social security	101	74	117	74
Rent and service charges paid in advance	293	306	293	306
Trade Creditors	82	486	77	486
Maintenance accruals	157	226	157	226
Accruals	426	544	426	544
Housing Loans	1,508	24,888	1,508	24,888
Other Creditors	589	60	589	60
Amounts owed in respect of housing properties under construction	-	517	-	517
Recycled Capital Grant	953	153	953	153
Grants in advance	1,183	3,131	1,183	3,131
	<b>5,633</b>	<b>30,447</b>	<b>5,644</b>	<b>30,447</b>

	Group		Association	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Government grant creditor</b>				
Government grants	405	360	405	360
	<b>405</b>	<b>360</b>	<b>405</b>	<b>360</b>
	<b>6,039</b>	<b>30,807</b>	<b>6,050</b>	<b>30,807</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 £870k (2020: £4.792m).

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

	Group		Association	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Debt (note 20)	46,453	16,782	46,453	16,782
	<b>46,453</b>	<b>16,782</b>	<b>46,453</b>	<b>16,782</b>

# Notes to the Financial Statements

## 20. Debt analysis

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

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Within one year	1,508	24,888	1,508	24,888
Between one and two years	4,513	6,231	4,513	6,231
Between two and five years	1,474	1,940	1,474	1,940
More than five years	40,467	8,611	40,467	8,611
	<b>47,962</b>	<b>41,670</b>	<b>47,962</b>	<b>41,670</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 12.48% or vary with the market. The loans are repayable between the years 2022 to 2055. The THFC loan is repayable as a bullet at maturity in 2042. The Fresh loan will be fully repaid in 2022.

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 £514,541 (2020: £173,739) of fees still to amortise. The rise in the year was due to the restatement of Barclays facilities and the Private Placement with Westbourne.



# 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 2020	59,512	2,856	62,368
Received in year	410	4,654	5,064
Transferred (to)/from grants in advance	(245)	2,193	1,948
Transferred on completion	453	(453)	-
Transferred (to)/from recycled grants	-	(800)	(800)
Disposals	-	-	-
At 31 March 2021	60,130	8,450	68,580

<b>Amortisation</b>			
At 1 April 2020	(10,200)	-	(10,200)
Amortised in year	(463)	-	(463)
Eliminated on disposal	-	-	-
At 31 March 2021	(10,663)	-	(10,663)

<b>Value of amortised grants</b>			
At 31 March 2021	49,467	8,450	57,917
At 31 March 2020	49,312	2,856	52,168

	2021 £'000	2020 £'000
<b>Recycled grant</b>		
At 1 April 2020	153	78
Additions	800	75
Disposals	-	-
At 31 March 2021	953	153

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	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Within one year	405	360	405	360
Between one and two years	405	360	405	360
Between two and five years	1,216	1,080	1,216	1,080
More than five years	55,890	50,368	55,890	50,368
	57,917	52,168	57,917	52,168



## Notes to the Financial Statements

### 22. Operating leases

Cadwyn HA as Lessee:	Motor vehicles	Office equipment	Land & buildings	2021 Total
Group & Association	£'000	£'000	£'000	£'000
Amounts payable within 1 year	10	8	1,324	1,341
Amounts payable within 2-5 years	16	38	4,630	4,684
Amounts payable in over 5 years	-	-	3,700	3,700
<b>Total</b>	<b>26</b>	<b>46</b>	<b>9,653</b>	<b>9,725</b>

	Motor vehicles	Office equipment	Land & buildings	2020 Total
	£'000	£'000	£'000	£'000
Amounts payable within 1 year	10	8	1,162	1,180
Amounts payable within 2-5 years	26	-	4,019	4,045
Amounts payable in over 5 years	-	-	4,247	4,247
<b>Total</b>	<b>36</b>	<b>8</b>	<b>9,428</b>	<b>9,472</b>

Cadwyn HA as Lessor:	Motor vehicles	Office equipment	Land & buildings	2021 Total
Group & Association	£'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>

	Motor vehicles	Office equipment	Land & buildings	2020 Total
	£'000	£'000	£'000	£'000
Amounts payable within 1 year	-	-	161	161
Amounts payable within 2-5 years	-	-	421	421
Amounts payable in over 5 years	-	-	490	490
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,072</b>	<b>1,072</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	2021 Total
	£'000	£'000	£'000	£'000
Lease payments recognised in statement of comprehensive income	10	8	2,846	2,864

	Pool cars	Office equipment	Property	2020 Total
	£'000	£'000	£'000	£'000
Lease payments recognised in statement of comprehensive income	37	8	1,496	1,541

# 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 multi-employer 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 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

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.

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Similarly, an actuarial valuation of the scheme was carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive.

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

	31 March 2021 £'000	31 March 2020 £'000
Fair value of plan assets	9,908	8,622
Present value of defined benefit obligation	12,353	9,952
(Deficit) in plan	(2,445)	(1,330)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	<u>(2,445)</u>	<u>(1,330)</u>

### Recognition of the impact of the asset ceiling

	31 March 2021 £'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 2021 £'000</b>
Defined benefit obligation at start of period	9,952
Current service cost	197
Expenses	11
Interest expense	235
Contributions by plan participants	94
Actuarial losses (gains) due to scheme experience	(129)
Actuarial losses (gains) due to changes in demographic assumptions	(86)
Actuarial losses (gains) due to changes in financial assumptions	2,281
Benefits paid and expenses	(202)
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>12,353</u>

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

	<b>31-Mar 2021 £'000</b>
Fair value of plan assets at start of period	8,622
Interest income	207
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	726
Contributions by the employer	461
Contributions by plan participants	94
Benefits paid and expenses	(202)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	<u>9,908</u>

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £933,000.



# 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 2021 £'000</b>
Current service cost	197
Expenses	11
Net interest expense	28
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>236</u>

### Defined benefit costs recognised in other comprehensive income

	<b>31-Mar 2021 £'000</b>
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	726
Experience gains and losses arising on the plan liabilities - gain (loss)	129
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	86
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(2,281)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(1,340)
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>(1,340)</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>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Absolute Return	547	449
Alternative Risk Premia	373	603
Corporate Bond Fund	585	492
Credit Relative Value	312	236
Distressed Opportunities	286	166
Emerging Markets Debt	400	261
Fund of Hedge Funds	1	5
Global Equity	1,579	1,261
Infrastructure	661	642
Insurance-Linked Securities	238	265
Liability Driven Investment	2,518	2,861
Long Lease Property	194	149
Net Current Assets	60	37
Opportunistic Illiquid Credit	252	209
Opportunistic Credit	272	-
High yield	297	-
Over 15 Year Gilts	-	-
Liquid Credit	118	4
Private Debt	236	174
Property	206	190
Risk Sharing	361	291
Secured Income	412	327
<b>Total assets</b>	<b><u>9,908</u></b>	<b><u>8,622</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-21</b>	<b>31-Mar-20</b>
	<b>% per annum</b>	<b>% per annum</b>
Discount Rate	2.21%	2.35%
Inflation (RPI)	3.07%	2.55%
Inflation (CPI)	2.57%	1.55%
Salary Growth	3.57%	2.55%
Allowance for commutation of pension for cash at retirement (of maximum allowance)	75.00%	75.00%
<b>Life expectancy at age 65 years</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Male retiring in 2021	21.3	21.5
Female retiring in 2021	23.2	23.3
Male retiring in 2041	22.6	22.9
Female retiring in 2041	24.8	24.5



# 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 950 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 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 31 January 2025:	£11,243,000 per annum	payable monthly and increasing by 3% each on 1st April)
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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 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. 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 2016 to 30 September 2025	£12,945,440 per annum	payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028	£54,560 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 2021	31 March 2020	31 March 2019
	(£s)	(£s)	(£s)
Present value of provision	742	879	1,067

### Reconciliation of opening and closing provision

	Period Ending 31 March 2021 (£s)	Period Ending 31 March 2020 (£s)
Provision at start of period	879	1,067
Unwinding of the discount factor (interest expense)	20	13
Deficit contribution paid	(182)	(177)
Remeasurements - impact of any change in assumptions	25	(24)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	742	879

### INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2021 (£s)	Period Ending 31 March 2020 (£s)
Interest expense	20	13
Remeasurements – impact of any change in assumptions	25	(24)
Remeasurements – amendments to the contribution schedule	-	-
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 2021 % per annum	31 March 2020 % per annum	31 March 2019 % per annum
Rate of discount	0.66	2.53	1.39

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 2021 (£s)	31 March 2020 (£s)	31 March 2019 (£s)
Year 1	188	182	177
Year 2	193	188	182
Year 3	199	193	188
Year 4	171	199	193
Year 5	-	171	199
Year 6	-	-	171
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.



# Notes to the Financial Statements

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

A Career average related pension (CARE) has been offered through the SHPS scheme since April 2010. Cadwyn pays contributions at the rate of 9.66% of earnings and members pay contributions at the rate of 7.04%. As at the date of Statement of Financial Position there were 29 active members of the Scheme employed by Cadwyn Housing Association. The annual pensionable payroll in respect of these members was £930,696. 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 47 active members of the Scheme employed by Cadwyn Housing Association. The annual pensionable payroll in respect of these members was £996,886

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

## 24. Share capital

	2021 £	2020 £
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 2020 £'000	Cash flows £'000	Movement in creditors due within one year £'000	At 31 March 2021 £'000
Cash at bank and in hand	4,584	2,828	-	7,412
Housing loans due less than one year	(24,888)	-	23,380	(1,508)
Housing loans due in more than one year	(24,782)	1,709	(23,380)	(46,453)
	<u>(45,086)</u>	<u>4,537</u>	<u>-</u>	<u>(40,549)</u>
<b>Association</b>				
	At 1 April 2020 £'000	Cash flows £'000	Movement in creditors due within one year £'000	At 31 March 2021 £'000
Cash at bank and in hand	4,584	2,548	-	7,132
Housing loans due less than one year	(24,888)	-	23,380	(1,508)
Housing loans due in more than one year	(24,782)	1,709	(23,380)	(46,453)
	<u>(45,086)</u>	<u>4,257</u>	<u>-</u>	<u>(40,829)</u>

## Notes to the Financial Statements

### 26. Net cash flow from operating activities

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
(Deficit)/surplus for the year	(1,402)	1,010	(1,305)	1,010
<b>Adjustments for non-cash items;</b>				
Depreciation of tangible fixed assets	1,981	1,813	1,981	1,813
Amortisation of Government Grants	(463)	(346)	(463)	(346)
Loss on sale of fixed assets	-	-	-	-
Change in fair value of investment properties	-	70	-	70
Re-measurement of pension liability	(253)	(90)	(253)	(90)
NuLife b/fwd investment	-	(43)	-	(43)
<b>Working capital movements</b>				
(Increase) / Decrease in trade and other debtors	(615)	1,407	(615)	1,407
(Decrease) / Increase in trade and other creditors	(351)	(601)	(340)	(601)
<b>Adjustments for investing or financing :</b>				
Interest payable	3,795	1,624	3,795	1,624
Interest receivable	-	(3)	(52)	(3)
Taxation	61	-	61	-
<b>Net cash generated from operating activities</b>	<b>2,753</b>	<b>4,841</b>	<b>2,809</b>	<b>4,841</b>

### 27. Capital commitments

	Group		Association	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Capital Expenditure</b>				
Contracted less certified	11,277	14,524	7,841	14,524
Expenditure authorised by the Board, but not contracted	45,694	27,525	45,694	27,525
	<b>56,971</b>	<b>42,049</b>	<b>53,535</b>	<b>42,049</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 £7K were recharged to Igneous for time spent working on the subsidiary by key management personnel. During the year Cadwyn sold land at cost of £1.118m to Igneous for block F of the wharf development. This comprises of 35 units for open market sales. These are due for completion in January 2022. The profits from the sale of these units will be donated back to Cadwyn as Gift Aid. During the year invoices totalling £31k were paid by Cadwyn and recharged to Igneous for legal and professional fees on the wharf development. Cadwyn has provided on lending of £3m to Igneous and charged £52k of interest at market rate. At the year end there was a debtor of £38k in Cadwyn's accounts and a subsequent creditor in Igneous.

## 29. Contingent assets/liabilities

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 sale. However, the Association is able to recycle the grant over an unspecified period although this will be periodically reviewed by Welsh Government. The total amount of SHG received to date is £66,217,000 (2020 £62,553,000). The total amount of SHG amortised to date is £10,663,000 (2020 £10,200,000).

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 2019 was £10.8m. 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 £44,249 of funding relating to the Coronavirus Job Retention Scheme.