



**Caredig**

People • Homes • Communities

# **ANNUAL REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 March 2022



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# Association Information

Housing for Wales Registered Number: L002

The Co-operative and Community Benefit Societies Registered Number: 21057R

## Management Board:

Board Membership		Full Years' Service
Jackie Royall	Chair of Board	5 years
Mike Santon	Vice Chair Board	1 year
Christopher Foxall	Resigned 8 December 2021	6 years
Deborah Smyth	Chair of HR and Remuneration Committee	6 years
Martin Ridgeway	Chair of Development & Asset Management Committee	6 years
Donna Jones		3 years
Max Humber	Chair of Audit & Risk Committee	3 years
Keith Bowen	Resigned 15 September 2021	2 year
Steffan Phillips		2 year
Hamish Munro	Co-opted	2 year
Ben Wheeler	Co-opted, resigned 10 November 2021	1 year
David Evans		1 year
Angharad Higgins	Responsible Individual Appointed 1 October 2021	< 1 year
Kirsten Achtelstetter	Appointed 7 March 2022	< 1 year
Wiard Sterk	Appointed 7 March 2022	< 1 year

## Executive Officers:

Marcia Sinfield - Chief Executive  
 Cerys Gregory - Executive Director Finance & Business Services  
 Janet Bochel - Executive Director People & Communities

**Company Secretary:** Cerys Gregory, appointed 21 January 2022  
 Farid Ali, resigned 21 January 2022

## Registered Office:

43 Walter Road  
 Swansea  
 SA1 5PN

## External Auditors:

Bevan Buckland LLP  
 Ground Floor  
 Cardigan House  
 Swansea Enterprise Park  
 SA7 9LA

## Internal Auditors:

Astari Limited  
 2 Alexandra Gate,  
 Ffordd Pengam  
 Cardiff  
 CF24 2SA

## Bankers:

Barclays Bank Plc  
 Windsor Court  
 Cardiff  
 CF10 3ZL

## Solicitors:

Blake Morgan Solicitors  
 One Central Square  
 Cardiff  
 CF10 1FS

# Chair of the Board Statement

Welcome to the 2021/22 Annual Report. The Board and I are pleased to be able to report on strong performance during the last twelve months. It has been a busy year during which we became Caredig, a name change which recognised that, whilst we were proud of what the organisation had achieved as Family Housing, it was time to make a step change in how we create homes and provide support to people and communities.

Effective governance is in place and continues to be a focus of improvement. Despite the ongoing challenges of the pandemic, we maintained our top regulatory rating for governance, finance and service delivery when we were assessed by Welsh Government in September 2021.

This has also been reflected in the recent STAR tenant survey, with 83% of tenants being satisfied with the overall service Caredig provides and 82% being satisfied with our repairs and maintenance services, a strong performance during the pandemic.

Last year, as a Board, we focused on our responses to the wider challenges in society: keeping our social housing rents affordable for tenants, reflecting upon the wider social value we deliver across the community and considering how we respond to climate change.

Our recently approved Sustainability Policy is at the centre of how Caredig is responding to the climate challenges we all face. We believe in making positive progress towards the goals set by Welsh Government and we were delighted to achieve the Sustainable Housing Certificate this year.

Furthermore, we recognise the importance of raising awareness of our sustainability response, so this year Caredig has also prepared an

Environmental, Social and Governance Report showing our strong performance in each area.

Equally important to us as a Board is to hear, understand, and respond to tenant voices and lived experiences. Working with the Tenant Hub, we will continue to encourage diversity both in tenant involvement in strategic decisions but also as a Board to ensure we reflect the communities we serve.

We acknowledge and appreciate the lengths that our staff went to in order to support tenants during the Covid pandemic. Looking forward we know how difficult the current economic conditions are and will be for tenants and we applaud the work of the Caredig money solutions team, who make such a difference to the lives of tenants, providing debt and welfare advice. These uncertain times are also challenging for the organisation, however we believe that we are well prepared and as a Board we recognise and are able to provide agile governance.

Looking forward as Caredig we will continue putting people at the heart of everything we do, creating homes where people feel safe and secure and helping to build thriving communities where people can flourish. To match these ambitions we are refining our vision, setting out our updated business objectives - all in all it's an exciting time to be part of the Caredig journey!

Jackie Royall  
Chair of the Board



# Chief Executive's Statement

This is my second year introducing the Annual Report and it remains an absolute privilege and pleasure to be Chief Executive at Caredig.

Throughout 2021/22, whilst the pandemic continued, we provided homes and services, whilst keeping tenants and the public safe. So again, my first thanks must be to the commitment and support of staff, who throughout this difficult time put tenants and service users first.

Thank you also to the Board for their stewardship and effective governance of the organisation. A particular thank you to our Chair, Jackie Royall, whose recent shortlisting for the Housing Heroes Awards, as an Inspirational Leader of the Year, was not a surprise to those of us that work closely with her.

In October 2021 we took the significant step to rename ourselves as Caredig from Family Housing. Caredig means kind in Welsh and we believe this represents who we are and what we do - putting person centred solutions at the heart of the homes and services we provide. The new name has been well received, and the addition of kindness completes our values. This "Caredig Way" reflects these values and ensures we put relationships at the heart of everything we do, as at the heart of good relationships is kindness.

This year has also marked a step change in our successes in attracting grant funding. We have received increased levels of housing support grant funding, accessed significant amounts of integrated care funding and gained a greater share of social housing grant. In addition, we have received over a million pounds of funding to retrofit existing homes as part of our response to decarbonisation.

These successes allow us to support a greater number of people in the delivery of services and to achieve better outcomes for existing tenants and provide additional homes for those at risk of homelessness.

Our development programme for new homes has increased over the last year and we are on track to deliver and exceed our programme of 700 new homes by 2030. In creating these homes we strive to deliver both quality and sustainability, achieving the highest energy performance rating on all new build homes.

Looking forward there is plenty to still achieve and opportunities to do more, delivering person centred solutions and supporting our local authority and Welsh Government partners by creating new homes, at high levels of energy efficiency. Staff have a passion to make a difference and working closely with our partners and funders Caredig will continue to go from strength to strength.

Marcia Sinfield  
Chief Executive

*Marcia Sinfield*



# Report of the Board of Management

## Our Vision, Mission and Priorities

**Our Vision ...** Is that by 2025 we will be a landlord, employer and partner of choice; we will continue to make a positive difference to the lives of our tenants, staff and the communities we work in; we will have achieved an ambitious development programme and supported the circular economy within the areas we work in Wales.

**Our Mission ...** To create strong, vibrant and resilient communities where people can live active, fulfilling, lives - living independently and safely.

*Following our successful name change last year, we are in the process of updating our Vision to ensure we continue to reflect our values, through service delivery and support for tenants.*

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## Our Business Priorities

- ▶ To be a financially strong organisation that is resilient to changes in the external environment
  - ▶ To secure the best possible future for our current and future tenants
  - ▶ To be able to develop and innovate
  - ▶ To provide security for staff; great working environment, opportunities for development, growth and progression
- 

## Our Values

Our behaviour demonstrates what we value – our values determine how we behave towards our customers, our colleagues, our partners and our work; our values influence the decisions we make as individuals and as an organisation.

### Kindness

We recognise that relationships are at the heart of everything we do, at the heart of good relationships is kindness

### Trust

We trust people to do the right thing, because good relationships are built on mutual trust and respect

### Innovation

We continuously strive to be the best we can whilst seeking creative ideas to improve and grow

### Fairness

We endeavour to remove barriers and to treat people fairly and impartially

### Accountability

We accept the responsibility of our role and hold ourselves accountable for our actions and for doing what is right

### Respect

We treat people as individuals and value diversity

# Key Statistics About Our Service

We develop and manage social housing for general needs, older persons and extra care accommodation, with 2,887 (2021: 2,897) homes across South West Wales. We also provide care and support services.

## New Homes



2021/22: **15**  
2020/21: **32**

## Rent Collection

2021/22  
Gross – **3.70% (£635k)**  
Net – **2.19% (£376k)**

2020/21  
Gross – **2.87% (£482k)**  
Net – **2.05% (£344k)**

## Void Rent Loss



2021/22: **1.76%**  
2020/21: **2.01%**

## Average Time to Let a New Home



2021/22: **42 days**  
2020/21: **54 days**

## Keeping Our Homes Safe



**99.59%** Gas servicing completed to time



**100%** of planned Fire Risk Assessments had been completed



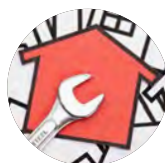
**99.72%** of homes with a valid electrical certificate



**99.6%** Emergency Repairs completed on time



**100%** of properties comply with Control of Asbestos Regulations



**85.91%** of repairs completed Right First Time



**94%** of Tenants were satisfied with their most recent repair

# Hearing the Tenants Voice

## Tenant Involvement

Involving and listening to tenants and service users in the design and delivery of services is a key priority for us at Caredig and we have been working with tenants to implement a Tenant Involvement Strategy to ensure tenants can influence the way we work.

The 'Hub', a new group of tenants and staff overseeing tenant involvement work, has developed throughout the year and has begun to review services, agree future priorities and work closely with Board and staff to create a spirit of co-production. Next steps are to work with tenants to encourage greater levels of involvement and ensure that tenants feel they are able to make a difference and that their voice is heard and acted on.

The Hub has overseen a review of the Complaints Policy, procurement of the bi-annual Tenant Satisfaction survey, testing of the new application system, reviewed Caredig's Rent Policy and worked with the Caredig team to ensure the re-brand was a success.

More locally, we hosted virtual and face to face coffee mornings and worked with over 300 tenants to address issues of anti-social behaviour, fly tipping and rubbish, including community clean up days in partnership with tenants and contractors.

We also worked closely with local businesses and colleges to provide opportunities for tenants to volunteer, which in turn saw tenants begin further education courses. Our Digital Inclusion work also continued and we loaned out devices and mobile phones.

## Tenant Satisfaction Survey

In January 2022, we carried out a STAR survey of tenants to gauge satisfaction with our services.

- ▶ Overall satisfaction stands at **83%**, which compares well with other Welsh Housing Associations.
- ▶ Repairs and maintenance scores increased slightly from our last survey, a strong performance compared to other housing associations and bucking a generally downward trend in the sector.
- ▶ The survey highlighted areas of work to further improve, including the way we listen to and acts on tenants' views and ensure we are easy to deal with.



We will be working with tenants throughout 2022/23 to address the issues raised in this survey.

## Wellbeing and Support

As the impact of Covid continued to affect people's wellbeing, we saw a continued increase in issues such as safeguarding and anti-social behaviour. Our housing services have continued to take a person centred, supportive approach to work with tenants to resolve issues.

We have also continued to provide specific wellbeing and support to tenants who needed extra help and assistance, particularly through our floating support services. We have helped to ensure people can access the right advice and services, including befriending services and food deliveries, to stay safe and well.

Dechrau, our grant funded new wellbeing service, continued to provide additional support for people with mental ill health to help them connect with their community and appropriate services. Demand for this service has been very high and we are pleased to have extended Dechrau into 2022/23.

We were able to secure additional funding to expand our floating support team in Swansea, increasing the number of people over 50 who are able to benefit from this service.

Tenants continue to access services using MyHome24/7.

## Income Management and Money Advice

We have continued to work to support tenants with their financial issues. We have maintained strong levels of performance, with net arrears at 2.19% at the end of March 2022 (2.05% March 2021). During this period, we have not evicted any tenants and we continue to work to avoid the need for enforcement action.

As well as our work the Money Advice Service helped 156 tenants generate £1.1m annually through debt advice and support to maximise their income. The feedback from tenants is extremely positive and has a huge impact on their lives. We are already seeing demand for this service increase as cost of living pressures increase and expect this to continue this year and beyond.



## Money Solutions Team (April 21 / March 22)

This year the team have **helped 156 tenants** to generate **£1,117,382** (Annual amount)

**Here is a breakdown of what has been achieved:**

### Rent Arrears

The Money Solutions Team helped tenants to claim benefits and grants which tenants paid towards their rent accounts:

**£65,574**

Housing  
Benefit  
(HB)

**£137,028**

Universal  
Credit  
(UC)

**£23,503**

Grants towards  
reducing rent  
arrears

### New Tenancies getting tenants started on the right foot

The Team were successful getting grant applications approved which helped tenants with their moving **£149,272** expenses, furniture, reducing heating & council tax costs.

### Maximising the Income of Tenants

Navigating your way through the benefits system can often be daunting, many decision are taken to appeal and with the with the help and support of the Money Solutions Team, tenants were successful able to claim what they were rightly entitled to

- ▶ Tribunals **5 of 5** Tribunals won in the tenants favour
- ▶ JSA & EAS **£82,909** Awarded
- ▶ UC personal costs **£222,872** Awarded
- ▶ Disabled Benefits **£362,471** Awarded

### Debt Advice and Assistance

Debt can be overwhelming and extremely stressful. The Money Solutions Team are on hand to help tenants address all the issues. This year, the team successfully cleared the following debt for tenants;

- ▶ General debt such as catalogue, credit card & pay day loan
- ▶ Debt cleared **£27,335**

### Feedback from Tenants

- ▶ **100%** - Believed the situation had now improved
- ▶ **100%** - Agreed that the team acted with kindness and compassion
- ▶ **80%** - Believed they would now be able to tackle the situation themselves in the future should it arise again

**And, tenants were asked to describe how they felt after working with the team ...**

**Independent, Secure!**

More Confident

*Absolutely wonderful!*

**Self-Confident**

**SAFE**

*I have control of my life again*

**I'm not alone Warm Glow**

*I am more focused mentally*

A lot less stressed :)

**I feel informed**

***I have hope!***

## Rent Affordability

We reviewed our Rent Policy, setting out our approach to rent setting for all our general needs and sheltered homes, in consultation with tenants, staff and Board to ensure we continue to make decisions about the rents we charge in line with the five key principles of:

- Affordable
- Sustainable
- Engage
- Fair
- Accountable

The Policy sets out how we will ensure rents should not exceed 33% of average incomes by 2023 (28% where there is no service charge). It will also ensure there is a balance between the affordability and consistency of the rents we charge for similar properties. We are on track to ensure that all our homes meet these targets within the next two years.

## Supporting Tenants and Staff

During the last 12 months, we have been continuing our commitment to taking a Psychologically Informed Environments (PIE) approach as well as a trauma and adverse childhood experience (TrACE) informed approach to how we support tenants and our staff, embedding them into the services provided.

We have also committed to creating a culture of learning through mistakes rather than blame.

## Our Homes

We want to provide homes and communities that people want to live in. Hearing what makes a house a home for tenants is key to us.

We maintained high levels of landlord compliance including fire, electrical and gas safety, legionella and asbestos management.

The organisation continues to meet WHQS and has during the year made considerable progress and now has a minimal number of acceptable fails. We have plans in place to bring the rest of our homes up to the standard (where physically possible) during 2022/23.

During 2021/22 we spent £2.3m on improving tenants homes, this included the installation of:



**81** New kitchens



**83** Bathrooms / wet rooms



**96** New boilers



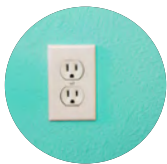
**98** Homes had new windows installed



**76** Composite doors were installed



**231** Fire doors were replaced



**31** Homes were rewired



**29** Homes received upgraded electric heating



**11** Homes received external wall insulation



**30** Homes fitted with PV panels on their roof with battery storage for residual energy

We spent a total of £330k on adapting homes to meet tenants' personal needs. We are also working with other community based associations and Welsh Government to explore how we can achieve the Welsh Government's target of EPCA on all our homes by 2030.

We received grants from Welsh Government to install external wall insulation and PV and battery storage. A further grant has been received to install PV and battery storage to 42 homes in 2022/23.

## Value for Money

At Caredig we know how important it is to provide the best value for money we can for tenants and service users. Our main income is rent, and it is important that we make every pound go as far as possible in benefitting both tenants and communities. Any surplus we make is invested into our homes and communities, so we will always plan to be as efficient and effective as possible in all that we do.

We recognise we need to continue to be efficient at collecting our income so that we have more money to invest, without reducing our service delivery and invest in what matters to tenants in the most economical way.

We listen to what tenants want and are innovative in how we provide services; saving time and money wherever possible without compromising service delivery.

Achieving value for money means we can provide homes of a good standard to those who need them, attractive neighbourhoods where people want to live and a range of programmes to help improve tenant life chances through employment and better health and wellbeing.

In order to deliver our vision, it is essential that we make the best use of the resources available to us, and there for we will:

- ✓ Create a culture that enables everyone to contribute towards VFM
- ✓ Ensure what we do is done as efficiently and cost effectively as possible
- ✓ Concentrate on those things that add value to tenants and service users, as interpreted by them
- ✓ Where possible, archive added value from the resources we use to enhance the lives of tenants and service users

Our approach to value for money has been embedded in our self-evaluation process and we consider:

- ✓ Areas where savings can be made with least impact on satisfaction
- ✓ Peer benchmarking and comparison
- ✓ Costs and cost drivers
- ✓ Areas where improvements can be made with maximum impact on satisfaction

## Our People

Two years on, the coronavirus pandemic continues to heavily influence employee health and wellbeing. The virus has caused significant disruption to resourcing, being our most common reason for staff absence, meanwhile the impacts and understanding of long Covid continue to emerge.

At the same time, this unprecedented period in people's working lives has also presented opportunities: it's proven how fundamental employee wellbeing really is to organisational resilience, and it's given us the chance to learn from the experience of implementing new initiatives at scale and at speed, as we move forward with our agile working strategy using a hybrid approach.

Work plays a significant part in people's lives and so we want our organisation to be a happy, fulfilling and healthy place. We are committed to creating and sustaining a working environment that supports individuals in their personal and professional development and in terms of their health and well-being. Learning and engagement opportunities to support a positive, person-centred culture will continue to be a focus in the coming year as we develop 'The Caredig Way', aligned with work on developing a new Vision.

In addition to being accredited by Best Companies as a 'very good' company to work for, we are proud to be recognised in both the Sunday Times Top 30 Best Companies to work for in Wales, achieving 28th place, and the UK Housing Association's Top 25, achieving 18th place:



## Equality, Diversity and Inclusion

We are committed to equality, diversity and inclusion, both in the workplace and society, with the aim of being a society that is equal, fair and inclusive for all. We want to create workplaces that reflect the communities we serve and where everyone feels welcome, respected and can be themselves.

Our Equality, Diversity and Inclusion Steering Group has representatives from across the organisation as well as a Board Member champion. This group has reviewed our health check base line and considering plans to further develop our approach, with the support of Chwarae Teg.

Alongside this we continue to support sector initiatives, including our commitment to Tai Pawb's "Deeds not Words Pledge" as we play our part in tackling race inequality.

## Health and Safety

There is strong leadership of health and safety across the organisation. Roles and responsibilities are clearly set out at all levels, from the Board, through to the Executive and staff, with line management having clear responsibilities and accountabilities for delivery and compliance.

We monitor health and safety performance and ensure it is robust by providing advice and guidance, training, and identifying opportunities for improvements. Our focus is on strong leadership and culture, as part of the comprehensive management of not just strategic and operational health and safety, but also health and wellbeing.

Our internal health and safety management systems allow accidents, incidents and near misses to be easily reported online and risk assessments, policies, and guidance documentation can be accessed by all employees.

## Development Programme

We have embarked upon an ambitious new development programme which will see the delivery of 700 new affordable homes by 2030.

The pipeline to deliver the 700 affordable homes, includes over 200 homes already included in local authority housing programme delivery plans, reflecting a number of exciting new development opportunities throughout our operating region, with further opportunities coming through regeneration and redevelopment of existing buildings.

Our development programme continues to be guided by the principles of delivering homes of a type and in a location where tenants wish to live. Where possible, our new developments will meet the highest energy efficiency rating of EPC A as we work toward the aim of all our homes being Zero Carbon.



Development at Treboeth



Ffos Las, Carway, Carmarthenshire

We will continue to work collaboratively with other housing associations, local authorities, local developers and contractors recognising the importance of local businesses to the foundational economy.

# Corporate Governance Report

## Board of Management

The Board of Management and Executive Officers are listed on page 1. The Board currently comprises twelve non-executive members. The Board is responsible for the Association's overall strategy and policy framework and ensuring that there is an established and maintained system of internal controls for reviewing their effectiveness. It delegates the day to day management and implementation of that framework to the Chief Executive and other senior executives and managers (the Leadership Team). The Leadership Team has regular meetings during the year and attend the Board of Management meetings.

The Association has an open policy for members of Board of Management on holding its £1 shares. Each member of the Board of Management of the Association holds a £1 share.

Board Members are drawn from a wide background bringing together professional, commercial and local experience together with tenant representatives. The Board met regularly during 2021/22 and was supported by an Audit and Risk Committee, an HR and Remuneration Committee and an Asset Management and Development Committee.

## Internal Control and Risk Management

The Board acknowledge their ultimate responsibility for ensuring that the Caredig has in place a system of controls that is appropriate to the various business environments in which it operates. The Board has in place a formalised framework for:

- a) the identification, review and management of risk;
- b) the safeguarding of the health and safety of tenants and staff of risk;
- c) the reliability of financial information used within the Association or for publication;
- d) the maintenance of proper accounting records; and
- e) the safeguarding of assets against unauthorised use or disposition

## Key Elements of the System 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 has reviewed the effectiveness of the system of internal controls for the period from 1 April 2021 to 31 March 2022.

The key features of our system of internal control include:

- ▶ Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Caredig assets.
- ▶ Comprehensive system of relevant and reliable financial reporting including annual budgets, quarterly management accounts and forecasts, to report actual performance against budget and to highlight variances and investigate as appropriate. This allows the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year, the medium and longer term.
- ▶ Policies and procedures are in place that cover the prevention, detection and reporting of fraud, including cyber fraud and the recovery of assets. There have been no losses due to fraud during the year.
- ▶ All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant committees comprising Board Members and others.
- ▶ 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 and Risk Committee and the Board of Management.

The Board receives regular reports detailing financial trends, treasury risks, covenant compliance and development programme status.

## Risk

The Board is committed to the management of risk in order to achieve the vision and goals of the organisation, and to remain a viable and sustainable business. The Welsh Government, as regulator of the housing association sector, continues to focus on the management of risk, expecting housing associations and particularly their Boards to fully understand the business and financial risk environment in which they operate and to be confident that these risks are effectively managed.

Our Strategic Risk and Assurance Register focuses on key strategic risks and reflects the Board's articulated risk appetite. It allows risks to be mapped, control measures identified and managed using the lines of assurance methodology and responsibility allocated. The first line identifies all controls in place to manage the risk. The second line of assurance provides internal assurance, while third line provides any external assurance in place.

The management of risk is reported to Audit and Risk Committee on a quarterly basis to monitor whether the risk profile is changing and to provide assurance that risk is being managed effectively across the organisation. The quarterly review allows for the discussion and challenge of strategic risks and the levels of assurances the Board have identified for those risks and also identifying new and emerging risks that have not yet appeared on the risk register.

Through the Audit and Risk Committee, the Board reviews the effectiveness of the systems of internal control by approving the work programme for internal audit, which reflect the main risks identified in the organisation's strategic risk register. Outcomes of both internal and external audit reviews are considered by the Committee with all recommendations appropriately acted upon.

## Governance and Compliance

Welsh Government, our regulators, at our last review gave us the highest regulatory grading in both the areas for Governance and Service Delivery and Financial Viability.

Internal auditors, Astari, undertook a review of our Governance Processes and gave an opinion of Substantial Assurance.

The Board has adopted and complies with the Community Housing Cymru Code of Governance issued in 2021. Regulatory touch points have been agreed with Board and the Regulator.

The Board ensures that it can govern effectively by having a clear approach to recruitment, induction, training and appraisal as set out below:

**Recruitment, Induction and Training** – Board Member recruitment focuses on ensuring the Association has the right skills, abilities and diversity to lead the organisation to deliver its Business Plan and organisational objectives and to lead and oversee our change programme. The recruitment process is open, using a variety of media. Board delegates responsibility for shortlisting and interview to a sub-group of Board Members and applicants are invited to apply and shortlisting is undertaken against the criteria set in the role specification.

**Evaluation and appraisal** – The Board is committed to robust governance and ensuring it has the skills required to address the areas of improvement and manage the organisation in the future. The Board is very aware of the benefits of evaluation, appraisal and is committed to continuous learning and development.

**Remuneration** – Board Members are remunerated for their services, salaries are in line with the sector.

### **Committees – There are three committees that report to the Board:**

**The Audit and Risk Committee** - has delegated responsibility for all matters relating to internal and external audit, internal control, insurance and risk, finance and treasury, subject to those identified as requiring a recommendation to the Board.

**The Development and Asset Management Committee** - has delegated responsibility for considering, and where necessary reporting to Board for approval the ongoing asset strategy for existing homes, sustainability, de-carbonisation and all matters relating to the development, acquisitions and disposal programme.

**HR and Remuneration Committee** – has delegated responsibility for considering and making recommendations to Board for approval of all matters relating to establishing and reviewing the remuneration package, terms and conditions and the annual cost of living award. The Committee support the Chair of the Board on nominations for Board Membership and review Non- Executive Board Member pay and conditions of service.

In addition, the Board and Committees receive regular reports from the Executive on all matters, including service delivery, performance and governance. These reports are explicitly linked to tenants' outcomes, both current and future, strategic risks, governance and finances.

The Board and its Committees obtain external specialist advice from time to time, as necessary.

### **Reporting to and from the Board**

The Committees ensure effective communication exists between Committees and Board.

In addition to the formal minutes of every Committee meeting the Board receives updates from each Committee Chair.

# Financial Performance

For the year ended 31 March	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000
<b>Statement of Comprehensive Income</b>					
Total Turnover	22,976	22,814	22,391	21,507	21,013
Operating Surplus	4,803	5,299	6,186	6,283	6,594
Surplus after tax	866	1,514	(18,705)	1,713	2,063
(Deficit) / Surplus for the year transferred to reserves	2,540	(1,530)	(15,772)	(1,058)	2,105

Properties owned and Managed	2,817	2,833	2,803	2,791	2,738
Properties owned Managed by Others	70	64	64	64	64
	<u>2,887</u>	<u>2,897</u>	<u>2,867</u>	<u>2,855</u>	<u>2,802</u>
Operating Surplus as % of Turnover	20.9%	23.2%	27.6%	29.2%	31.4%
Rent Losses (voids and bad debts as % of rent and service charges receivable)	2.3%	2.5%	2.0%	2.1%	1.9%
Rent Arrears (gross arrears as % of rent and service charges Receivable)	4.3%	4.1%	5.1%	4.5%	5.7%
Rent Arrears (Gross arrears [adjusted for Bad Debt Provision] as % of rent and service charges Receivable)	2.9%	2.7%	3.8%	2.7%	2.6%
Liquidity (Current assets divided by current liabilities)	0.41	1.34	1.27	2.01	1.19
EBITDA - MRI interest cover	138%	135%	139%	135%	148%
Gearing - Historic Property Cost	42%	43%	44%	36%	37%

Turnover has increased by £162k (0.7%) compared to previous year, driven by the increase in rents as set out by Welsh Government rent policy, combined with higher physical adaptation grant income and additional Care & Support grants, partly offset by lower Furlough income.

Void loss was 1.7% (2020: 2.3%), the previous year was particularly affected by the Pandemic. Void management remains a priority for continued improvement.

During the year the Association's management costs increased by £366k driven by higher Care & Support costs, lease termination costs, higher depreciation and the writing off of capitalised loan fees on a £16m loan where the decision was taken to refinance it early. Total operating costs increased by £658k of which £164k was from more physical adaptation works and £72k from higher service charge costs driven by higher utilities. The Association's operating surplus fell to 20.9% of turnover (2021: 23.2%). The Association is continuing to review management and service costs throughout the organisation to ensure that the future structure is fit for purpose and is able to deliver efficient and responsive services to tenants.

Interest payable on borrowings was £3.9m (2021: £3.8m) helped by low interest rates for most of the year.

As at 31st March 2022, cash and cash equivalents totalled £6.9m (2021: £5.0m). Our debt ratio is 30% variable and 70% fixed interest rates. £16m of loans were fixed during the year increasing the fixed % from 53% at the start of the year to 70% by the end of the year. A decision was made in April 2022 to refinance a further £16m of loans which have been included within creditors: amounts falling due within one year, reducing liquidity to 0.41. If the £16m of loans had not been included in creditors: amounts falling due within one year, liquidity would have been 1.21.

Our covenants, in respect of interest cover, asset cover and debt per unit were all met.

As part of our annual corporate planning process, we have set our 2022/23 Budget and prepared the 30 year Business Plan. The Medium Term Financial Plan identifies that we will continue to increase our debt as we realise our ambition of 700 affordable new homes by 2030. Over that period, we will continue to improve our housing assets as part of our WHQS work and ongoing commitment to asset improvement.

# Environmental, Social and Governance

We are committed to the best environmental, social and governance (ESG) practice both in the way we operate now and how we aspire to operate in the future. ESG reporting has undergone standardisation following the White Paper 'UK Social Housing: Building a Sector Standard Approach for ESG Reporting'.

In recognition of the importance of ESG reporting both to Caredig, its tenants and stakeholders, this year we have produced an ESG report, which provides an opportunity to give a detailed update of our performance against each of the named categories. This report can be accessed on the [Publication](#) page of our website.

## Looking Ahead

We recognise the increasing volatility in society and the economy and the impact that this has on both Caredig and its tenants. At Caredig we believe we are well placed to respond to these challenges and as part of this we will continue to ensure costs are closely scrutinised, but equally importantly we will focus on innovation and service delivery to maximise the return on our assets and our social value. Similarly we will continue our focus on supporting tenants and service users during this difficult time, reflecting upon the cost of living challenges that they face.

We are committed to improving our performance and efficiency to deliver best value for money to tenants and stakeholders.

Caredig is reflecting upon and updating its Vision and Values following its renaming in October 2021. As part of this we will continue to progress the following business objectives:

- ▶ Making ourselves easier to deal with, by tailoring services to tenants based on tenant priorities. Understanding and addressing areas of tenant satisfaction and concerns and making quality and cost based decisions to develop our measures on which we base performance, including tenant arrears, void turnarounds and customer satisfaction.
- ▶ Creating a Customer Services Strategy to strengthen our approach to service delivery and respond to feedback from tenants and staff.
- ▶ Fulfilling our commitment to ensure that rents and service charges are affordable, coupled with greater consistency of rents according to the type, size and location of the home.
- ▶ Community partnerships and collaborating with other similar organisations, local health boards and local authorities to deliver optimal services for tenants.
- ▶ Continuing to embed a Psychological and trauma informed approach to our work
- ▶ Delivering our programme of 700 new affordable homes by 2030.

- ▶ Further investing in our homes, continuing option appraisals and ensuring compliance with the Renting Homes Act.
- ▶ Delivering our Sustainability Strategy, ensuring its principles are embedded throughout the organisation and action is taken to meet the targets to reduce our carbon footprint.
- ▶ Continuing our digital journey, improving the digital and self-serve options available to our customers, providing a much greater choice of how and when they access our services.
- ▶ Recognising that agile working reflects the way we live and work, we will continue to pursue how we work in a more flexible and mobile way, whilst maintaining the safety of staff and tenants and ensuring optimal service delivery.
- ▶ Continue working with Tenants through the Tenant HUB to help shape our current and future services and ensuring their voices are heard.
- ▶ Taking a proactive approach to inclusivity and diversity championing an inclusive culture.
- ▶ Improving transparency reporting and effectively communicate our performance and how well we are doing by benchmarking against other similar organisations.
- ▶ Continuing to contribute our fair share in achieving the ambitious vision set by the Welsh Government in its Well-being of Future Generations (Wales) Act.
- ▶ Successfully implementing the Renting Homes Act; we will create new occupation contracts with tenants and review our policies and procedures in light of changes the Act will bring to the way we manage tenancies and homes.
- ▶ Developing our response to both the Building Safety Bill and Welsh Government Building Safety Act, their potential impact on our homes and how we operate.

# Statement of Board Responsibilities

The Board are 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 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 30 to 38 and apply them on a consistent basis;
- ▶ Make judgements and estimates that are prudent and reasonable;
- ▶ State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in these financial statements; and
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board are responsible for keeping proper accounting records that are sufficient to show and explain the Association's transactions and 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 Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, The Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015, and the Statement of Recommended Practice for Registered Social Housing Providers issued in 2014 and updated in 2018.

The Board are 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 are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board, the Audit and Risk Committee has reviewed the effectiveness of the system of internal financial control in existence for the year ended 31 March 2022. Based on the audit work carried out during the year, no weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditors' report on the financial statements.

In so far as the Board of Management is aware:

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

# **Auditors**

At the September 2015 AGM, shareholders of Caredig Limited voted in favour to the appointment of Bevan Buckland LLP Chartered accountants to carry out statutory financial audit for a term of 3 years. At the AGM in September 2018, the appointment was extended for a further year, at the AGM in September 2019, the appointment was extended for another further year, at the AGM in September 2020, the appointment was extended for another further year and at the AGM in September 2021, the appointment was extended for a further year.

**By order of the Board.**

**Jackie Royall**  
**Chair of the Board**

A handwritten signature in blue ink that reads "Royall".

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAREDIG LIMITED  
REGISTERED UNDER THE CO-OPERATIVE AND COMMUNITY BENEFIT  
SOCIETIES ACT 2014**

**Year ended 31st March 2022**

**Opinion**

We have audited the financial statements of Caredig Limited for the year ended 31 March 2022 which comprise the statement of comprehensive income, the statement of changes in reserves, the statement of financial position, the 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 association's affairs as at 31st March 2022 and of the association'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 association 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 Association'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 Association 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.

## **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 association has not kept proper accounting records; or
- The 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 19-20), 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 Association'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 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.

### **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 Association, 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/auditors](http://www.frc.org.uk/auditors) responsibilities. This description forms part of our Report of the Auditors.

### **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 Association'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  
Ground Floor  
Cardigan House  
Castle Court  
Swansea Enterprise Park  
Swansea  
SA7 9LA

Date: 27th July 2022

*Bevan Buckland*

**Statement of Comprehensive Income  
for the year ended 31st March 2022**

	Notes	2022 £'000	2021 £'000
<b>Turnover</b>	2	<b>22,976</b>	22,814
<b>Operating expenditure</b>	2	<b>(18,173)</b>	(17,515)
<b>Operating Surplus</b>	5	<b>4,803</b>	5,299
Surplus on sale of fixed assets	6	(86)	8
Interest receivable and other income	7	1	9
Interest payable and similar charges	8	(3,852)	(3,802)
<b>Surplus / (deficit) before tax</b>		<b>866</b>	1,514
Taxation		-	-
<b>Surplus / (deficit) after tax</b>		<b>866</b>	1,514
Actuarial (losses) / gains in respect of pension schemes	16	1,674	(3,044)
<b>Total comprehensive income for the year</b>		<b>2,540</b>	(1,530)

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.

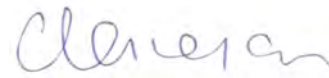
The financial statements were approved by the Board of Directors on 27<sup>th</sup> July 2022 and signed on its behalf by:

J Royall  
(Chair - Board)

M Humber  
(Chair Au30dit & Risk)

C Gregory  
(Company Secretary)





**Statement of Changes in Reserves  
for the year ended 31st March 2022**

Notes	Total reserves £'000
<b>Balance at 1 April 2020</b>	<b>(5,925)</b>
Gain after tax from statement of comprehensive income	1,514
Actuarial losses in respect of pension schemes	(3,044)
Total comprehensive income for the year	(1,530)
<b>Balance at 1 April 2021</b>	<b>(7,455)</b>
Gain after tax from statement of comprehensive income	866
Actuarial losses in respect of pension schemes	1,674
Total comprehensive income for the year	2,540
<b>Balance at 31 March 2022</b>	<b>(4,915)</b>

**Statement of Financial Position  
at 31 March 2022**

	Notes	2022 £'000	2021 £'000
<b>Tangible fixed assets</b>			
Housing land and buildings - gross cost	9	231,202	227,388
- depreciation	9	(31,223)	(29,683)
		199,979	197,705
Other fixed assets	10	1,896	2,192
<b>Total Fixed Assets</b>		<b>201,875</b>	<b>199,897</b>
<b>Current assets</b>			
Stock	11	159	189
Trade and other debtors: amounts falling due within one year	12	2,958	2,823
Cash and cash equivalents		6,857	4,987
		9,974	7,999
Trade and other debtors: amounts falling due after more than one year	13	4,397	4,510
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	14	(23,395)	(5,090)
Social housing and other government grants: amounts falling due within one year	17	(822)	(867)
		(14,243)	2,042
<b>Net current assets/(liabilities)</b>		<b>(14,243)</b>	<b>2,042</b>
<b>Total assets less current liabilities</b>		<b>192,029</b>	<b>206,449</b>
<b>Non-current liabilities</b>			
Creditors: amounts falling due after more than one year	15	(82,754)	(98,796)
Social housing and other government grants: amounts falling due after more than one year	17	(111,437)	(110,474)
Provisions for liabilities	16	(2,753)	(4,634)
		(4,915)	(7,455)
<b>Total net assets</b>		<b>(4,915)</b>	<b>(7,455)</b>
<b>Capital and reserves</b>			
Called-up share capital	18	0	0
Total reserves		(4,915)	(7,455)
<b>Total capital and reserves</b>		<b>(4,915)</b>	<b>(7,455)</b>

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board of Directors on 27<sup>th</sup> July 2022 and signed on its behalf by:

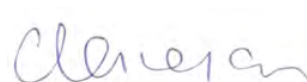
J Royall  
(Chair - Board)



M Humber  
(Chair Audit & Risk)



C Gregory  
(Company Secretary)



**Statement of Cash Flows  
for the year ended 31st March 2022**

	2022 £'000	2021 £'000
<b>Net cash generated from operating activities (see Note i)</b>	<b>7,334</b>	<b>7,296</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets - housing property additions	(2,651)	(2,125)
Purchase of tangible fixed assets - component additions	(2,268)	(1,927)
Purchase of tangible fixed assets - other fixed assets	(264)	(242)
Proceeds from sale of tangible fixed assets	35	23
Grants received	4,001	1,507
Interest received	2	12
<b>Cash flow from financing activities</b>		
Interest paid	(4,319)	(3,983)
Loan breakage cost including arrangement and facility fees	-	-
New secured loans	-	-
Repayment of borrowings	-	-
<b>Net change in cash and cash equivalents</b>	<b>1,870</b>	<b>561</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4,987</b>	<b>4,426</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>6,857</b>	<b>4,987</b>

**Statement of Cash Flows notes  
for the year ended 31st March 2022**

<b>Note i - Net cash generated from operating activities</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flow from operating activities</b>		
Surplus / (deficit) for the year after tax	866	1,514
<b>Adjustments for non-cash items:</b>		
Depreciation of tangible fixed assets - housing properties	2,487	2,494
Depreciation of tangible fixed assets - other fixed assets	559	426
Impairment of tangible fixed assets	-	-
Government grants utilised in the year	(822)	(867)
<b>Working capital movement:</b>		
(Increase) / decrease in stock	(11)	3
(Increase) / decrease in trade and other debtors	(26)	(210)
Increase / (decrease) in trade and other creditors	566	529
Increase / (decrease) in provisions	3	42
Pension costs less contribution payable	(225)	(420)
<b>Adjustment for investing or financing activities:</b>		
(Profit) / Loss on disposal of tangible fixed assets	86	(8)
Interest Receivable	(1)	(9)
Interest Payable	3,852	3,802
Loan breakage cost including arrangement and facility fees	-	-
<b>Net cash generated from operating activities</b>	<b>7,334</b>	<b>7,296</b>
<b>Note ii - Free cash flow</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net cash generated from operating activities</b>	<b>7,334</b>	<b>7,296</b>
Interest paid	(4,319)	(3,983)
Loan breakage cost including arrangement and facility fees	-	-
Interest received	2	12
<b>Adjustment for reinvestment in existing properties</b>		
Component replacements	(2,268)	(1,927)
Purchase of other replacement assets	(264)	(242)
<b>Free cash generated / (consumed) before loan repayments</b>	<b>485</b>	<b>1,156</b>
New loans (excluding revolving credit and overdrafts)	-	-
Loans repaid (excluding revolving credit and overdrafts)	-	-
<b>Free cash generated / (consumed) after loan repayments</b>	<b>485</b>	<b>1,156</b>

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**1. Principle accounting policies****Format of accounts**

The Association is a public benefit entity. The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 102 in the United Kingdom, the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015 and the Statement of Recommended Practice for Registered Social Housing Providers 2018. All amounts are presented in pounds sterling (GBP), which is both the functional and presentational currency of the Association.

**Basis of accounting**

The financial statements are prepared in the historical cost basis of accounting.

**Basis of preparation**

After reviewing the Associations forecasts and projections, the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The Association therefore continues to adopt the going concern basis in preparing its financial statements.

**Turnover and revenue recognition**

Turnover comprises rental and service charge income, fees, amortisation of grants and revenue grants receivable.

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.

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**1. Principle accounting policies (Continued)****Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities including bank loans, are measured initially at fair value, net of transaction cost, and are measured subsequently at amortised cost using the effective interest method.

**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 statement of comprehensive income in the year.

**Finance**

The financial statements have been prepared on the basis that the capital expenditure referred to in Note 9 and 10, will be grant aided, funded by loan or met out of reserves.

**Loans**

Loans are advanced by local authorities, building societies, banks and investment companies under the terms of individual mortgage deeds and security arrangements in respect of each property or housing scheme.

Although the level of loan finance is approved by private lenders the amount of actual draw down throughout the financial year is determined by the Association in accordance with its specific requirements.

Loan arrangement fees are capitalised and recognised as expenditure over the term of the loan through the effective interest rate applied to the loan and amendments thereto when subsequent fees arise during the course of such loans.

**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.

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**1. Principle accounting policies (Continued)****Grants and amortisation**

Social Housing Grants (SHG) are capital grants receivable from the Welsh Government which are repayable in the event of disposal, demolition or change of use to an ineligible activity, save in circumstances 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.

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 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.

Grants received from central government agencies and local authorities are shown within creditors on the face of the statement of financial position. 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 as follows:

- i. Main structure 150 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.

Grants are repayable under certain circumstances, primarily following the sale of property. Such repayable grants are included within creditors in the 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.

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**1. Principle accounting policies (Continued)****Shared Equity Property**

Where housing properties are sold under s106 agreement the net book value of the percentage sold is released to the Statement of Comprehensive Income, the remaining percentage held by the association is transferred to investments held as fixed assets.

**Shared Ownership**

The costs of shared ownership properties are accounted for as fixed assets and sales treated as disposals and are shown in the Statement of Comprehensive Income within surplus/deficit on sales of housing properties.

**Operating Leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Comprehensive Income as incurred.

**Leased Assets**

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the association'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.

**Housing land and buildings and depreciation**

Housing properties 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.

"Properties in the course of construction" are stated at cost and are transferred into "social housing properties" when completed. Any 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.

Profit or loss on disposal of a property is recognised at the date a sale becomes certain. The profit or loss arising on disposal is the difference between the sale price and the total of depreciated cost and any associated costs of disposal such as legal and valuation fees. The grant originally received on a property is repayable in full at time of disposal, demolition or

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**1. Principle accounting policies (Continued)**

change of use to an ineligible activity. Such grant is transferred to recycled grant until such time as it is utilised on another development or repaid to Welsh Government (WG)

Some residents have rights under their tenancy agreement to purchase their homes at prices which are at a discount to the open market price. Some properties have been partially sold under shared ownership arrangements. Occupiers have full use of the properties concerned and pay a rent which reflects the proportional interest retained by the Association. In the statement of financial position, the Association's interest is shown as a proportion of the original historic cost, corresponding to the interest retained. Occupiers can purchase some or all of that retained interest at a corresponding proportion of the current market value when that transaction arises.

Depreciation is charged on the historic cost of property components. Freehold land is not depreciated. Leasehold land is depreciated over the remaining term of the lease. The depreciable amount is written off over the estimated useful lives from the date of purchase or construction.

Where a housing property comprises two or more major components with substantially different useful economic lives, each component is accounted for separately and depreciated over its individual useful economic life. 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 component's expected economic useful life as follows:

<b>Component</b>	<b>No of Years</b>
Main Structure	150
Kitchens	21
Bathroom	30
Heating	19
Windows	30
Doors	30
Roof	55
Electrics	40
Solar PV Panels	25
Solar PV Invertors	10
External Wall Insulation	55

Components on leasehold land are depreciated over the shorter of the above and the remaining period of the lease.

The costs of repairs and maintenance are recognised as expenses incurred in the statement of comprehensive income based on work done at the year end.

**CAREDIG LIMITED****NOTES OF THE FINANCIAL STATEMENTS**  
Year ended 31st March 2022**1. Principle accounting policies (Continued)****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 and depreciation**

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis so as to write off the cost less estimated residual value of assets over their expected useful economic lives as follows:

<b>Component</b>	<b>% pa</b>
Office Premises	1%
Office Furniture & Equipment	15%
Office Refurbishment	10%
Computer Hardware & Software	33%
Motor vehicles	25%
Service Charge Assets	3% – 33%

**Apportionment of Employee Administration Costs**

Direct employee, administration and operating costs have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of actual expenditure. Management, finance and administration costs are further apportioned on the basis of staff salaries, except for development overheads, the calculation for which is based upon recognised development costs only.

**Pension obligations – defined benefit schemes**

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 administered multi – employer funds.

Triennial valuations by the independent actuaries of the schemes highlight the estimated pension liability in respect of past service commitments, and the requisite employer contributions resulting from the projected surplus or deficit. The fair value of plan assets, present value of the defined benefit obligation and the defined benefit liability are shown in the statement of financial position.

**CAREDIG LIMITED****NOTES OF THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**1. Principle accounting policies (Continued)**

The statement of comprehensive income reflects the current service cost, expenses and net interest expense of the scheme.

**Pension obligations – defined contribution schemes**

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 administered funds in the names of the 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.

**Provisions**

Provisions are recognised where uncertainty exists in relation to the timing or amount that may be required to settle potential liabilities. Any amounts provided are included as expenditure in the statement of comprehensive income and recognised as liabilities in the statement of financial position based upon the Group's best estimate of the associated liability.

**Stock**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

**Asset held for resale – Property**

Non-current assets and associated liabilities are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable.

Assets designated as held for sale are held at the lower of carrying amount at designation and fair value less costs to sell. Depreciation is not charged against property, plant and equipment classified as held for sale.

**VAT**

The Association is registered for and subject to VAT on a partial exemption basis. Expenditure is shown inclusive of any irrecoverable VAT suffered on the acquisition of goods and services.

**CAREDIG LIMITED****NOTES OF FINANCIAL STATEMENTS**

Year ended 31st March 2022

**1. Principle accounting policies (Continued)****Taxation**

The Association is registered with charitable status as a Housing Association and is registered under The Co-operative and Community Benefit Societies Act 2014. It benefits from corporation tax exemptions available to charitable bodies. For activities which fall within its charitable purposes, no provision for corporation tax is made.

The Association has invested in a programme of fitting solar panel technology to some of its properties. The solar panels are eligible for government funded feed in tariff, which will generate an income based on energy produced. This income is deemed outside its charitable purpose and is subject to corporation tax.

**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.

**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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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.

**(1) 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.

**CAREDIG LIMITED****NOTES OF FINANCIAL STATEMENTS**

Year ended 31st March 2022

**1. Principle accounting policies (Continued)****(2) 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.

**(3) Estimated useful lives of property, plant and equipment**

Tangible fixed assets 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. The accounting policies above show the useful economic lives used for each asset.

**(4) Bad and Doubtful debts**

The estimate for Bad & Doubtful debts is based on the aged balance of the debt and the tenancy status. All debts are provided for on a sliding scale depending on number of weeks outstanding with any debt over 11 weeks being fully provided. All former tenant debt is fully provided

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 underlying the depreciation of property assets have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## CAREDIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 2022

**2. Analysis of turnover and costs****a) Particulars of turnover, operating costs and operating surplus**

	Operating Turnover	Operating Costs	Operating Surplus	Operating Turnover	Operating Costs	Operating Surplus
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing lettings (Note 2b)	21,927	(17,449)	4,478	21,314	(17,007)	4,307
<b><u>Other social housing activities</u></b>						
Property Improvements Grant	339	(330)	9	165	(156)	9
Other	710	(394)	316	1,335	(352)	983
<b>Total</b>	<b>22,976</b>	<b>(18,173)</b>	<b>4,803</b>	<b>22,814</b>	<b>(17,515)</b>	<b>5,299</b>

## CAREDIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 2022

**2. Analysis of turnover and costs (Continued)****b) Particulars of income and expenditure from social housing lettings**

	General needs £'000	Supported Housing £'000	2022 Total £'000	2021 Total £'000
<b>Income</b>				
Rent receivable	14,145	650	14,795	14,466
Service charge income	2,192	666	2,858	2,752
Grant Income for support services	652	2,800	3,452	3,229
Amortisation of social housing and other government grants	782	40	822	867
<b>Turnover from social housing lettings</b>	<b>17,771</b>	<b>4,156</b>	<b>21,927</b>	<b>21,314</b>
<b>Operating costs</b>				
Management costs	4,648	3,029	7,677	7,311
Service charges	2,328	555	2,883	2,811
Routine maintenance	3,672	185	3,857	3,846
Major repairs expenditure	201	-	201	250
Bad debts	89	3	92	137
Depreciation of housing properties	2,467	94	2,561	2,458
Development and other costs	27	-	27	83
Property Lease payments	152	-	152	112
<b>Operating costs on social housing activities</b>	<b>13,584</b>	<b>3,866</b>	<b>17,449</b>	<b>17,007</b>
<b>Operating Surplus on social housing lettings</b>	<b>4,187</b>	<b>290</b>	<b>4,478</b>	<b>4,307</b>
<b>Memorandum information: Rent loss due to voids</b>	<b>(215)</b>	<b>(94)</b>	<b>(309)</b>	<b>(296)</b>

**c) Turnover of indirectly Managed Agencies**

	2022 Total £'000	2021 Total £'000
Gross rents receivable	232	227

These figures exclude void charges.

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**3. Employee Information**

The average number of staff (including executive officers) employed during the year was:

	2022 Number	2022 F.T.E	2021 Number	2021 F.T.E
Corporate Staff	26	25	29	28
Operations Staff	128	110	116	99
Care & Support staff	110	97	118	97
<b>Total</b>	<b>264</b>	<b>232</b>	263	224

	2022 £'000	2021 £'000
<b>Staff Costs</b>		
Wages and Salaries	5,916	5,553
Social security costs	481	438
Pension costs	290	290
	<b>6,687</b>	<b>6,281</b>

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**4. Board Members and Executives**

	2022			Total £'000	2021 Total £'000
	Basic Salary £'000	Benefits in kind £'000	Pension Contributions £'000		
Aggregate emoluments of executive officers	302	0	25	327	290

The highest paid senior executive during the period excluding settlements was the Chief Executive. The total emoluments of the highest paid senior executive excluding pension contributions and settlement agreements were £100k (2021: £98k)

Pension costs are shown as contributions paid on the senior executive's behalf. The number of senior executives accruing retirement benefits is 3 (2021: 3)

The full-time equivalent number of all staff including directors whose remuneration payable (including pension costs) in the period fell within the following bands was:

	2022	2021
£60,000 - £69,999	-	-
£70,000 - £79,999	1	-
£80,000 - £89,999	2	2
£90,000 - £99,999	-	-
£100,000 - £109,999	1	1

The Chief Executive and Executive Directors are ordinary members of the contributory pension scheme – no enhancement or special terms apply, and the Association makes no contribution to any individual pension arrangement.

From 1 January 2021, Board members began to be paid emoluments. Total remuneration paid to Board Members was £49,238 (2021:£12,042). The total of expenses paid to the Board was £93 (2021: £315).

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**5. Operating Surplus**

	2022	2021
	£'000	£'000
Surplus for the year from continuing activities is stated after charging/(crediting):		
Depreciation of properties	2,357	2,393
Depreciation of other assets	559	426
Amortisation of grants	(822)	(867)
Surplus on disposal of fixed assets	(86)	8
Bad Debts	92	137
Auditors' remuneration:		
- In their capacity as auditors	18	18
- Other services	11	17
Lease Payments:		
- Land and buildings	152	112
- Other assets	92	129

**6. Surplus/(Loss) on disposal of Fixed Assets**

	2022	2021
	£'000	£'000
Proceeds	11	29
Less Historical Cost	(801)	(160)
Add Depreciation	606	137
Add Grant Funding	98	2
	(86)	8
Less Miscellaneous Costs	-	-
Less Transfers to Recycled Grant	-	-
<b>Surplus/(deficit) on sale of fixed assets</b>	<b>(86)</b>	<b>8</b>

## CAREDIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 2022

**7. Interest Receivable**

	2022 £'000	2021 £'000
Interest receivable from investments	1	9
<b>Total interest receivable</b>	<b>1</b>	<b>9</b>

**8. Interest Payable and Similar Charges**

	2022 £'000	2021 £'000
On bank loans and overdrafts and other loans:		
Repayable wholly or partly in more than 5 years	3,735	3,759
Amortised loan arrangement fees	19	9
Capitalised development interest	-	(8)
Discount factor on pension liability (interest)	98	42
<b>Total interest payable</b>	<b>3,852</b>	<b>3,802</b>

An average rate of interest set at the start of the year of 4.0% (2021: 4.3%) has been used to calculate the finance costs capitalised.

## CAREDIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 2022

## 9. Tangible fixed assets – Housing land and buildings

	Social Housing Properties £'000	HARPS Housing Properties £'000	Properties in the course of Construction £'000	Total £'000
<b>Cost</b>				
At 1st April 2021	225,383	1,956	49	227,388
Property acquisitions	1,491	-	1,160	2,651
Component additions to existing properties	2,264	4	-	2,268
Components disposals	(387)	21	-	(366)
Housing property disposals	(88)	(651)	-	(739)
<b>At 31st March 2022</b>	<b>228,663</b>	<b>1,330</b>	<b>1,209</b>	<b>231,202</b>
<b>Depreciation</b>				
At 1st April 2021	28,034	1,649	-	29,683
Charge for Year	2,312	45	-	2,357
Components disposals	(232)	(4)	-	(236)
Housing property disposals	(28)	(553)	-	(581)
<b>At 31st March 2022</b>	<b>30,086</b>	<b>1,137</b>	<b>-</b>	<b>31,223</b>
<b>Net book value</b>				
<b>At 31st March 2022</b>	<b>198,577</b>	<b>193</b>	<b>1,209</b>	<b>199,979</b>
At 31st March 2021	197,349	307	49	197,705
			<b>2022</b>	2021
			<b>£'000</b>	<b>£'000</b>
Housing properties comprise:				
Freehold land and buildings			153,763	155,417
Short leasehold land and buildings			1,118	891
Long leasehold land and buildings			45,098	41,397
<b>Total housing land and buildings</b>			<b>199,979</b>	<b>197,705</b>

The HARPS residential properties are a leasehold scheme which will be handed back to the freehold owner at the end of the lease. The term of these leases ranges from between 12 and 64 years.

Additions to existing properties completed comprise of £2,264,000 for component items.

Expenditure on properties charged directly to Statement of Comprehensive Income is detailed as per the operating costs note 2(b).

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**10. Other tangible fixed assets**

	Freehold Offices £'000	Furniture and Equipment £'000	Total £'000
<b>Cost</b>			
At 1st April 2021	698	5,590	6,288
Additions	-	264	264
Disposals	-	(15)	(15)
<b>At 31st March 2022</b>	<b>698</b>	<b>5,839</b>	<b>6,537</b>
<b>Depreciation</b>			
At 1st April 2021	271	3,825	4,096
Charge for Year	30	529	559
Eliminated on disposals	-	(14)	(14)
<b>At 31st March 2022</b>	<b>301</b>	<b>4,340</b>	<b>4,641</b>
<b>Net book value</b>			
<b>At 31st March 2022</b>	<b>397</b>	<b>1,499</b>	<b>1,896</b>
At 31st March 2021	427	1,765	2,192

None of the above assets were held under finance leases or hire purchase contracts.

**11. Stock**

	2022 £'000	2021 £'000
Stock	24	13
Properties held for sale	135	176
<b>Total stock held at year end</b>	<b>159</b>	<b>189</b>

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**12. Trade and other debtors: amounts falling due within one year**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Rent arrears	764	707
Less: Provision for bad and doubtful Rental debts	(244)	(246)
Development Grants receivable	113	398
SHG Grants receivable	1,425	450
Other grants receivable	54	45
Prepayments	564	598
Other debtors	365	914
Due from Hostel managing agents	14	13
Interest receivable	-	1
Insurance claims	-	35
Property held for resale	-	-
Less: Provision for bad and doubtful General debts	(97)	(92)
<b>Total debtors due within one year</b>	<b>2,958</b>	2,823

## CAREDIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 2022

**13. Trade and other debtors: amounts falling due after more than one year**

	2022 £'000	2021 £'000
Capital Debtor	4,397	4,510
<b>Total debtors due after more than one year</b>	<b>4,397</b>	<b>4,510</b>

**14. Creditors: amounts falling due within one year**

	2022 £'000	2021 £'000
Recycled Social Housing Grant	164	164
Social Housing Grant In Advance	2,199	17
Deferred Income	4	4
Loan interest and similar charges	333	639
Value Added Tax	7	4
PAYE and Social Security	144	130
Pensions	2	5
Purchase ledger & other creditors	849	557
Accruals	972	1,076
Rents paid in advance	305	350
Maintenance creditors	2,077	1,963
Development Contract Creditors	223	75
Premium on Issue of Bond	161	161
Housing Loans	15,955	(55)
<b>Total creditors due within one year</b>	<b>23,395</b>	<b>5,090</b>

Housing loans are shown net of capitalised loan fees of £49k (2021: £61k)

## CAREDIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 2022

**15. Creditors: amounts falling due after more than one year**

	2022	2021
	£'000	£'000
Housing Loans	80,080	95,941
Premium on Issue of Bond	2,406	2,567
Other Creditors	-	1
Deferred Income	266	270
Pension Creditor	2	17
<b>Total creditors due after more than one year</b>	<b>82,754</b>	<b>98,796</b>

Housing loans are repayable as follows:	2022	2021
	£'000	£'000
<b>Amounts falling due:</b>		
Within one year or less	15,955	(55)
Between one and two years	(45)	(57)
Between two and five years	2,280	1,106
In five years or more	77,845	94,892
In more than one year	80,080	95,941
<b>Total housing loans</b>	<b>96,035</b>	<b>95,886</b>

Housing loans are shown net of capitalised loan fees of £773k (2021: £930k)

Housing loans are secured by specific charges on the Association's housing properties. Rates of interest during the year ranged from 1.31% to 15.00%. The weighted average rate of interest was 4.0% (2021: 3.9%). At 31 March 2022, 70% (2021: 53%) of loans bore interest at fixed rates and 30% (2021: 47%) at variable rates.

At 31 March 2022 Housing loans are provided by banks £96.8m (2021: £96.8m).

£48.8m of housing loans are repayable by annual, half yearly or quarterly instalments over terms of 10 – 60 years. The final instalments fall to be repaid in the period 2023 to 2051.

A decision was made in April 2022 to refinance £16m of loans. In preparation for repayment of the loan £96k of remaining capitalised finance fees relating to that loan were written off during the year and the loan has been included within creditors: amounts falling due within one year.

## CAREDIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 2022

**16. Pension provision**

	2022 £'000	2021 £'000
At 1st April 2021	4,634	2,001
Re-measurement of opening pension liability	-	-
	<b>4,634</b>	2,001
Discount factor on pension liability (interest)	98	42
Employer contribution paid including deficit contributions	(706)	(712)
Current service cost	401	259
	<b>(207)</b>	<b>(411)</b>
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(680)	(1,494)
Experience gains and losses arising on the plan liabilities - gain (loss)	1,208	(190)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(342)	81
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(1,860)	4,647
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	<b>(1,674)</b>	<b>3,044</b>
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)	<b>(1,674)</b>	<b>3,044</b>
<b>At 31st March 2022</b>	<b>2,753</b>	4,634
	2022 £'000	2021 £'000
Defined benefit scheme	2,753	4,634
Growth plan	-	-
<b>At 31st March 2022</b>	<b>2,753</b>	<b>4,634</b>

## CAREDIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 2022

**17. Social housing and other government grants**

	Social Housing Properties £'000	HARPS Housing Properties £'000	Properties in the course of Construction £'000	Total £'000
<b>Gross grant creditor</b>				
At 1st April 2021	125,135	1,491	-	126,626
Property acquisitions	774	-	1,045	1,819
Housing property disposals	(61)	(485)	-	(546)
<b>At 31st March 2022</b>	<b>125,848</b>	<b>1,006</b>	<b>1,045</b>	<b>127,899</b>
<b>Amortisation</b>				
At 1st April 2021	14,098	1,187	-	15,285
Credit for year	785	37	-	822
Housing property disposals	(17)	(450)	-	(467)
<b>At 31st March 2022</b>	<b>14,866</b>	<b>774</b>	<b>-</b>	<b>15,640</b>
<b>Net grant creditor</b>				
<b>At 31st March 2022</b>	<b>110,982</b>	<b>232</b>	<b>1,045</b>	<b>112,259</b>
At 31st March 2021	111,037	304	-	111,341
The grants are amortised as follows:			<b>2022</b>	2021
			<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due:</b>				
Within one year or less				867
Between one and two years				867
Between two and five years				2,601
In five years or more				107,006
In more than one year				110,474
<b>Total grant creditor</b>				<b>111,341</b>
			<b>112,259</b>	

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**18. Called-up share capital**

	2022	2021
	£	£
<b>Allotted, issued and fully paid</b>		
At 1st April 2021	31	29
Issued during the year	4	2
Shares cancelled during the year	(8)	-
<b>At 31st March 2022</b>	<b>27</b>	<b>31</b>

Shareholders have no equity interest in the Association; they have no right to any dividend distribution on winding up. In addition, there is no provision for the redemption of shares, the value of the share being written back to reserves. Shareholders have the right to vote at General meetings of the Association.

**19. Capital commitments**

	2022	2021
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	4,360	55
Capital expenditure that has been authorised by the Board of Management but has not yet been contracted for	28,219	183

The above capital commitments will be financed using a mixture of Social Housing Grant (SHG), Housing Finance Grant (HFG) and Private Finance. The private finance will come from existing funds.

## CAREDIG LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 2022

**20. Operating Leases**

Future minimum amounts payable under non-cancellable operating lease agreements are as follows:

	Properties £'000	Other £'000	2022 £'000	2021 £'000
Within one year	75	92	167	169
In one to two years	74	18	92	128
In three to five years	221	1	222	156
In over 5 years	1,557	-	1,557	243
<b>Total</b>	<b>1,927</b>	<b>111</b>	<b>2,038</b>	<b>696</b>

**21. Accommodation units**

	2022 Number	2021 Number
<b><u>Accommodation in Management</u></b>		
General Needs & Extra Care at end of year	2,691	2,709
Shared Ownership, Fixed Equity & Leasehold at end of year	22	18
Supported Housing at end of year	104	106
	<b>2,817</b>	<b>2,833</b>
<b><u>Accommodation Managed by others</u></b>		
General Needs & Extra Care at end of year	0	4
Supported Housing at end of year	70	60
	<b>70</b>	<b>64</b>
<b>Total number of units</b>	<b>2,887</b>	<b>2,897</b>

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**22. Pensions - SHPS Scheme**

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 638 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 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 has not been 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.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £31.6m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

From 1st April 2022 to 30th September 2026 £603,415 per annum (increasing by 5.5% per annum)

Expenses for death-in-service insurance, administration and Pension Protection Fund (PPF) Levy are included in the contribution rate. 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.

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**22. Pensions - SHPS Scheme (Continued)**

Three of the existing structures are closed, one is based on a final salary with a 1/60th accrual rate, one is based on a final salary with a 1/70th accrual rate and the other is based on final salary with a 1/80th accrual rate. Two of the existing structures are closed to new members and is based on career average revalued earnings (CARE), one with a 1/60th accrual rate and the other with a 1/80th accrual rate.

During the accounting period Caredig paid contributions at the rate of 10% in respect of the CARE 1/60th accrual rate structure, and 10% in respect of the CARE 1/80th accrual rate structure, and 3% in respect of the defined contribution scheme. As at the statement of financial position date there were 73 (2021: 77) active members of the defined benefit schemes and 140 (2021: 141) active members of the defined contribution scheme.

During the year the association made payments of £500,000 (2021: £490,000) to the Social Housing Pension Scheme for the recovery plan of the past service deficit.

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

	2022 £'000	2021 £'000
Fair value of plan assets	19,174	17,792
Present value of defined benefit obligation	21,927	22,426
Surplus (deficit) in plan	(2,753)	(4,634)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(2,753)	(4,634)

**Reconciliation of the impact of the asset ceiling**

	2022 £'000
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Issued during the year	-
Shares cancelled during the year	-

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**22. Pensions - SHPS Scheme (Continued)**

Reconciliation of opening and closing balances of the defined benefit obligation

	2022
	£'000
Defined benefit obligation at start of period	22,426
Current service cost	401
Expenses	19
Interest expense	491
Member contributions	163
Actuarial losses (gains) due to scheme experience	1,208
Actuarial losses (gains) due to changes in demographic assumptions	(342)
Actuarial losses (gains) due to changes in financial assumptions	(1,860)
Benefits paid and expenses	(579)
Defined benefit obligation at end of period	21,927

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

	2022
	£'000
Fair value of plan assets at start of period	17,792
Interest income	393
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	680
Employer contributions	725
Member contributions	163
Benefits paid and expenses	(579)
Fair value of plan assets at end of period	19,174

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**22. Pensions - SHPS Scheme (Continued)**

Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)

	2022 £'000
Current service cost	401
Expenses	19
Net interest expense	98
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	<b>518</b>

Defined benefit costs recognised in Other Comprehensive Income

	2022 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	680
Experience gains and losses arising on the plan liabilities - gain (loss)	(1,208)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	342
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,860
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	1,674
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)	<b>1,674</b>

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**22. Pensions - SHPS Scheme (Continued)**

## Assets

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Global Equity	<b>3,680</b>	2,836
Absolute Return	<b>769</b>	982
Distressed Opportunities	<b>686</b>	514
Credit Relative Value	<b>637</b>	560
Alternative Risk Premia	<b>632</b>	670
Fund of Hedge Funds	<b>-</b>	2
Emerging Markets Debt	<b>558</b>	718
Risk Sharing	<b>631</b>	648
Insurance-Linked Securities	<b>447</b>	427
Property	<b>518</b>	370
Infrastructure	<b>1,366</b>	1,186
Private Debt	<b>492</b>	424
Opportunistic Illiquid Credit	<b>644</b>	452
High Yield	<b>165</b>	533
Opportunistic Credit	<b>68</b>	488
Cash	<b>65</b>	-
Corporate Bond Fund	<b>1,279</b>	1,051
Liquid Credit	<b>-</b>	212
Long Lease Property	<b>493</b>	349
Secured Income	<b>715</b>	740
Liability Driven Investment	<b>5,351</b>	4,522
Currency Hedging	<b>(75)</b>	-
Net Current Assets	<b>53</b>	108
<b>Total assets</b>	<b>19,174</b>	17,792

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.

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**22. Pensions - SHPS Scheme (Continued)**

Key assumptions

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Discount Rate	2.79%	2.19%
Inflation (RPI)	3.54%	3.26%
Inflation (CPI)	3.17%	2.87%
Salary Growth	4.17%	3.87%
Allowance for commutation of pension for cash at retirement	<b>75% of maximum allowance</b>	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	<b>2022</b>
	<b>£'000</b>
Male retiring in 2022	<b>21</b>
Female retiring in 2022	<b>24</b>
Male retiring in 2042	<b>22</b>
Female retiring in 2042	<b>25</b>

From 1 April 2016 Caredig changed the basis of the defined benefit schemes to the following:

- Career average re-valued earnings with a 1/60th accrual rate.
- Career average re-valued earnings with a 1/80th accrual rate.
- Defined Contribution benefit structure for auto enrolment

Employees were block transferred into the appropriate scheme from the 1 April 2016. All defined benefit schemes have now been closed to all employees.

During the accounting period Caredig paid contributions at the rate of 10% for the 60th scheme, 10% for the 80th scheme and 3% for the Defined Contribution scheme.

Member contributions varied between 11.5% to 12.5% for 60th scheme, 5.1% to 7.1% for the 80th scheme, depending on their age and 5% for the Defined contribution scheme.

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31st March 2022

#### 22. Pensions - SHPS Scheme (Continued)

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. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 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."

#### 22. Pensions – Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 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

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

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

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**22. Pensions – Growth Plan (Continued)**

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 asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

From 1 April 2019 to 30 September £11,243,000 per annum (payable monthly 2025: 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.

**PRESENT VALUE OF PROVISION**

	Period Ending 31 March 2022 (£000s)	Period Ending 31 March 2021 (£000s)
Present value of provision	4	21

**RECONCILIATION OF OPENING AND CLOSING PROVISIONS**

	Period Ending 31 March 2022 (£000s)	Period Ending 31 March 2021 (£000s)
Provision at start of period	21	25
Unwinding of the discount factor (interest expense)	-	-
Deficit contribution paid	(5)	(5)
Remeasurements - impact of any change in assumptions	-	1
Remeasurements - amendments to the contribution schedule	(12)	-
Provision at end of period	4	21

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**23. Pensions – Growth Plan (Continued)****INCOME AND EXPENDITURE IMPACT**

	Period Ending 31 March 2022 (£'000s)	Period Ending 31 March 2021 (£'000s)
Interest expense	-	-
Remeasurements – impact of any change in assumptions	-	1
Remeasurements – amendments to the contribution schedule	(12)	-
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	-	-

**ASSUMPTIONS**

	31 March 2022 % per annum	31 March 2021 % 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.

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 (£000s)	31 March 2021 (£000s)	31 March 2020 (£000s)
Year 1	2	5	5
Year 2	2	6	5
Year 3	1	6	6
Year 4	-	5	6
Year 5	-	-	5

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.

It is these contributions that have been used to derive the company's balance sheet liability.

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**23. Analysis of changes in net debt**

	At 1st April 2021	Cashflows	Other non cash movements	At 31st March 2022
	£'000	£'000	£'000	£'000
Cash	4,987	1,870	-	<b>6,857</b>
Bank loans due within one year	(6)	6	(20)	<b>(20)</b>
Bank loans due greater than one year	(96,810)	-	20	<b>(96,790)</b>
Premium on issue of bond due within one year	(161)	-	-	<b>(161)</b>
Premium on issue of bond due greater than one year	(2,567)	-	161	<b>(2,406)</b>
<b>Total</b>	<b>(94,557)</b>	<b>1,876</b>	<b>161</b>	<b>(92,520)</b>

Loans are shown gross of loan arrangement fees.

**24. Legal status**

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 (registration number: 21057R) and is a registered social landlord (National Assembly for Wales registration number: L002).

**25. Related Party Transactions**

There are no related party transactions to report.

**CAREDIG LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31st March 2022

**26. Contingent Liabilities**

- a) The Association amortises government grants over the useful life of the properties, as required by Housing SORP 2014. Although the Association has no current plans to sell its housing land and buildings, if it were to then government grants may become repayable.

The total contingent liability as at 31 March 2022 is £15,640k (2021: £15,285k). This represents amortised amounts of social housing and other government grants

- b) The Association is a participating employer member of the Pension Trust's Growth Plan. This is a multi-employer pension scheme, which is in most respects a money purchase arrangement, but it also has some guarantees. Employees of the Association have participated in the Growth Plan primarily using additional voluntary contributions (AVCs). In accordance with the Occupational Pension Schemes (Employer Debt on Withdrawal) Regulations 2005, a potential debt can arise on employers that participate in the Growth Plan.

The debt will only crystallise in the event that the Association ceases to participate in the scheme or in the event of the scheme winding up at a time when it is not fully funded on a buy-out basis.

The Association has been notified by the Pensions Trust that the estimated employer debt on withdrawal from the plan based on the financial position of the plan as at 30 September 2020 was £49,421.63.

An employer debt could also arise on withdrawal from the Association's main final salary pension scheme arrangements through the Social Housing Pension Scheme (SHPS).

The estimated employer debt for the Association on withdrawal from the SHPS plan based on the financial position of the scheme as at 30 September 2020 was £16.7 million. As events which could crystallise the debt are unlikely to arise in the foreseeable future, no specific provision is deemed necessary.

**Empowering People**  
**Creating Homes**  
**Thriving Communities**

## **Caredig**

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