

Bro Myrddin Housing Association

Annual Report and Financial Statements 2020/21



Content

Chair's Message	5
Cheif Executive Introduction	6
We Are Bro Myrddin	7
Corporate Priorities	12
Governance	30
Auditiors Reports	41
Financial Statements	45

Registered Office: Plas Myrddin, Merlin Street, Carmarthen, SA31 1RU.



Our Vision is simple...

To be there for our people

Our aspiration is to be an exceptional Housing Association. We will do everything within our resources to deliver excellence for our people and our communities.

A Message from the Chair

2020/2021 has been a truly harrowing year for all as the COVID-19 global pandemic swept through each and every corner of the globe.

I am incredibly proud of the way our excellent staff met the challenge with energy, commitment and passion, delivering the highest level of services possible under such exceptional circumstances,

both professionally and personally.

Little did we think at the beginning of the year of the long-term impact the virus would have on us, with the vast majority of the year lived confined to our homes. It is now quite apparent that we will be impacted by this virus for a great number of years: people learning to live without lost loved ones, people fighting to restore their health and wellbeing, both physical and mental, and facing an economic recovery that is set to take many, many years.

Our purpose and cause has never been more relevant and at the forefront of society's thoughts- we stand ready and determined to play our part in the recovery of our people, our communities and our great nation.

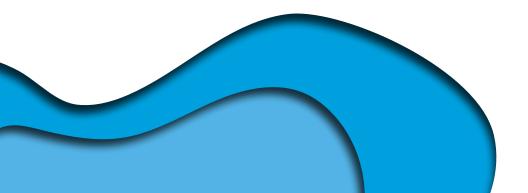
Having been involved in this incredibly rewarding sector for a good number of years, I am proud to see how our people continue to pull together to support each other and communities. Our continued focus



this past year and beyond is Caring, Listening and Delivering for our People and Communities.

On behalf of all on the Board of Management, I would like to thank each and every one of our staff for the resilience and commitment demonstrated throughout this year. Nowhere is this demonstrated more than within our Care Homes, where our care home heroes have and continue to work hard, make sacrifices and live our values every day, supporting our most vulnerable residents get safely through this -Thank You!

Lesley Penn Chair, Board of Management



Chief Executive's Introduction



It gives me pleasure to present to you our Annual Report for 2020/21 as we complete a challenging yet another successful year for the Association.

No one needs reminding that March 2020 saw the country enter lockdown due to the Coronavirus (COVID-19) pandemic. At the time, naively possibly, little did we think the degree and period of lockdown would be to such a prolonged magnitude.

Initially, as the virus took hold in the larger UK cities, even though in our communities cases were low, very quickly the seriousness and the cruelty of the virus reached a poignant moment for us in the Association when in April 2020 a former colleague lost their fight with the virus. As the days and weeks continued, the virus became evermore present in our people's lives.

I am incredibly proud of the way our excellent staff responded to the challenge with energy, commitment and passion. The transition away from business as usual was seamless and I must particularly thank our Care Homes staff who continue to act with courage every day to deliver key services to our most vulnerable resident group.

Having been involved in this amazing sector for a great number of years, and at the helm of Bro Myrddin for the last 10 years, I am heartened, but not surprised, to have seen how all involved rallied, and continue to pull together, to support people and communities during such dark times and to continue to push our services forward.

As is always the fortunate position, we are blessed with an array of stories and performance measures that are testament to the hard work and commitment of everyone involved with the Association. We are proud of the community based and focused Housing Association that we are and, as we share our performance and success stories from this past year within this Annual Report, we do so of the unequivocal understanding that we are fortunate to have been able to continue to operate and be there for our people during such challenging times for the nation, communities and individuals concerned.

Many of our long-standing and new residents continue to face challenges, whether be financial, health or wellbeing. We are as committed as ever to deliver our vision of being there for our people, and I invite you to read our 2021 Business Plan, that sets out our pledges over the next 5 years as we play our role in the recovery of our people, communities and our great nation.

Hilary Jones Chief Executive

We are Bro Myrddin

We are driven by a desire to continue to be regarded as an

Association that Care, Listen and Deliver in providing;

- Social and affordable homes, supported living and housing related services to our Residents, and
- Safe, secure and a rewarding environment to work for our Staff.



Our Vision is to be there for our people (our Residents and Staff) placing them at the core of everything we do.



Our Mission is to enrich our people's lives by providing good quality and sustainable homes and services in our communities through an organisation that people are proud to be associated with.



Our Properties provide warm and secure homes to up to 3,229 people throughout the South West Wales counties of Carmarthenshire and Pembrokeshire.

Our Housing Stock Profile Consists of



423 Flats of 1, 2 and 3 bedrooms



454 Houses of up to 10 bedrooms

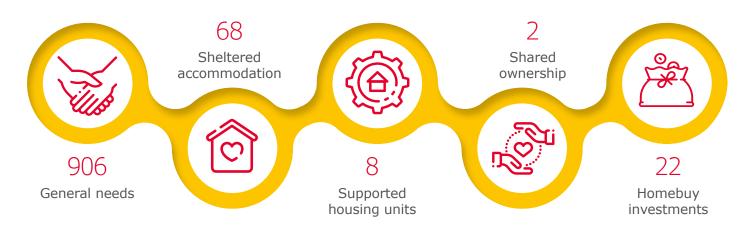


97 Bungalows of up to 10 bedrooms



2 Care Homes

Our housing services profile is



Our **Resident Groups** help shape our services. Unfortunately the pandemic has hugely impacted our ability to run these groups through business as usual streams. The Association has utilised online surveys, text surveys, welfare calls, social media platforms, new online live chat function and its resident newsletter to communicate and invite discussion in relation to services.

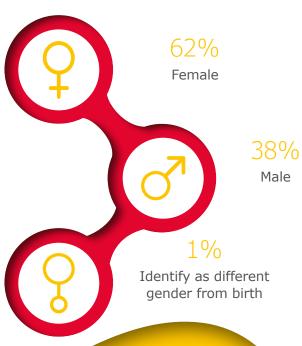
The **Resident Forum** play an integral role in shaping current and future services, policies and strategies. New ideas and/or call for ideas are discussed by the Forum who broadly meet every quarter, unfortunately they were unable to meet during 2020/21 (2019/20: 3).

The **Resident Scrutiny Panel** provide an invaluable additional level of internal probity. They monitor performance and identify areas that need further attention, providing recommendations for improvements where necessary. Unfortunately the pandemic has prevented the panel from meeting during 2020/21 (2019/20: 9) however they were able to complete 1 review during the year, reviewing the 2020 Corporate Business Plan.

The **Resident Readers Panels** consists of a collection of such panels having been born from the call for engagement during the pandemic. These panels will continue to play a vital role reviewing strategies, policies and procedures that help shape our current and future services.

Our Residents

Gender



Impairments

1.2% Deaf BSL User

7.1% Dyslexia / Specific

30.5% Mental & Emotional distress

4.8% Other health condition

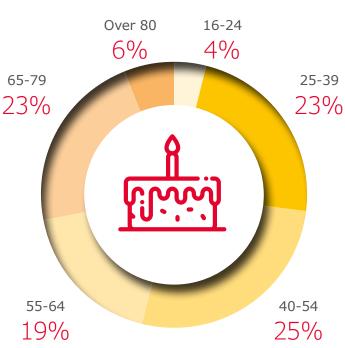
10.1% Hard of hearing

6.3% Learning difficulties

24.6% Physical impairment

5.4% Sight loss/ Partial Sight

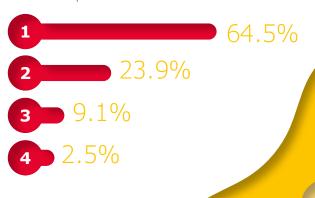
Age Profile



47.2% Residents

Registered Impairment

No. of impairments



Household Size

48.7%	1 person
20.7%	2 people
14.0%	3 people
8.9%	4 people
3.9%	5 people
2.4%	6 people
1.5%	7+ people



Pets 32% Yes 68% No

Ethnicity

0.4%	African
0.4%	Asian
92.7%	British
0.3%	Caribbean
0.9%	Gypsy/Traveller
0.5%	Irish
0.1%	Prefer not
4.6%	Other

Sexual Orientation

0.8%	Bisexual	1.7%	Other
84.2%	Heterosexual	9.0%	Prefer not to say
1.3%	Homosexual	3.0%	No answer

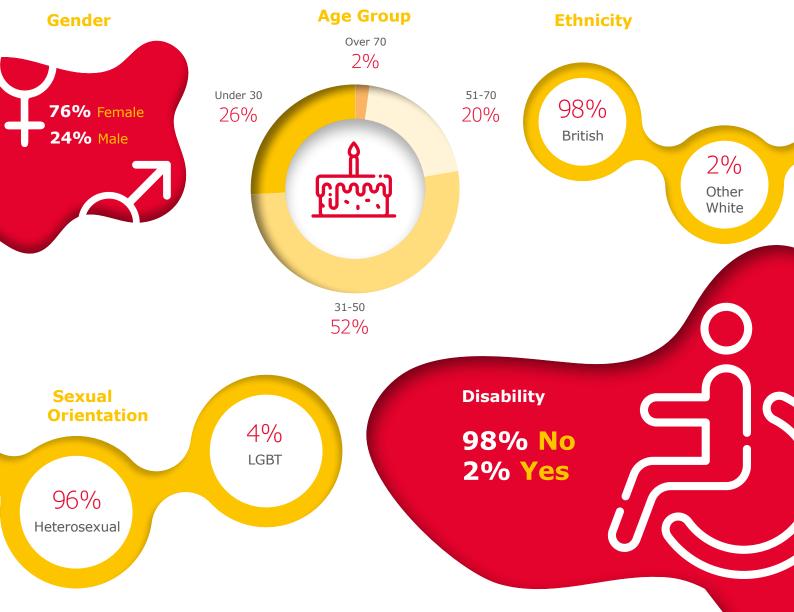
Religion		
Buddhism		0.6%
Christianity		42%
Hinduism		0.2%
Islamism	•	0.1%
No religion		44%
Other		1.8%
Prefer not to say		8%
Sikhism	•	0.1%
No answer		2.5%

Our Staff

Our committed and caring staff have continued to work tirelessly during this most challenging of years, listening and delivering for our People.

They are representative of our communities, 89.1% of the 46 (as at 31/03/2021) individuals who work at the Association live





Our Executive Management



Rhodri Jones Director of Resources

Hilary Jones Chief Executive Tracy Rees Director of Operations

Our Advisors



External Auditors: Bevan Buckland LLP Langdon House, Langdon Road, Swansea, SA1 8QY

Principal Solicitors:



Devonshires Solicitors LLP 30 Finsbury Circus, London, EC2M 7DT



Internal Auditors: TIAA Ltd Artillery House, Fort Fareham, Newgate Lane, Fareham, PO14 1AH



Hugh James LLP Two Central Square, Cardiff, CF10 1FS



Principal Bankers: Barclays Bank PLC, Corporate Banking Centre, 1st Floor, 1 Callaghan Square, Cardiff, CF10 5BT



Darwin Gray LLP, 10 Churchill Way, Cardiff, CF10 2HE



Our Corporate Priorities

Our Corporate Business Plans, which presents our priorities, are developed in consultation with our People; our Residents and our Staff.

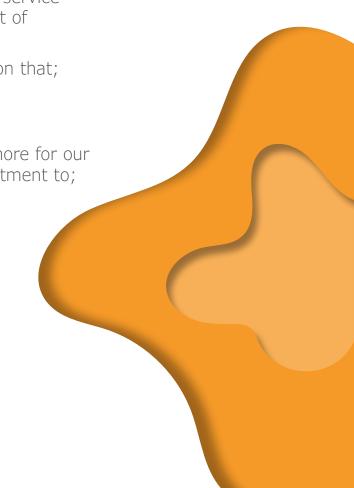
As part of the 2020/21 Business Planning, in addition to seeking our Peoples views on current and future service delivery, we asked our People to tell us what sort of Association they saw us as.

We were thrilled to be described as an Association that;

Cares, Listens and Delivers

Our 2020/21 Plan built on this, to deliver even more for our People and Communities, reaffirming our commitment to;

- Good quality, affordable living
- Secure places to live and work
- Socially responsible practices
- Needs based services
- A united vision
- A values driven culture
- Building for the now and the future
- Organisational development and investment
- Financial capacity



Coronavirus (COVID-19) Pandemic

The global pandemic has severely impacted society, including the Association. Protecting the health and safety of our People has always been and continues to be our priority.

Many of our services have not operated at business as usual levels for the vast majority of the year. We entered the new financial year with our offices closed (on 18/03/2020) and delivering essential services only. All office based staff worked from home with only Care Home staff remaining onsite, under very strict and challenging conditions.

Despite the challenges, we are proud of the commitment and resilience of our staff who have continued to adapt and deliver.

A significant concern for us has been the wellbeing of our people.

• We have worked hard at continuing to support our excellent staff as they juggle the changing landscapes brought about by the pandemic in both professional and personal lives.

We undertook a number of welfare events during the year and have long invested in the IT infrastructure to enable more flexible working, done so through the firm belief that a seamless ability to work flexibly within a positive and mindful environment is one (significant) less thing to worry about. We were incredibly **proud** therefore to have gained the **Investors** in People Gold accreditation in March 2021 evidencing the people focused culture here at Bro Myrddin.



Despite the challenges, we are proud of the commitment and resilience of our staff who have

1,712 welfare calls were made and conversations held

100% satisfaction rate in regards to all

• Many of our residents face long-periods of loneliness and isolation during 'normal' times. Fully aware that the pandemic would further impact this, we quickly implemented a programme of welfare calls. Within 3 weeks, in excess of 930 calls were made and conversations held, in an attempt to **contact all residents**. From these and along with our pre-pandemic knowledge, a picture of our most vulnerable and/or isolated residents emerged.

During the year to 31/03/2020 a total of 1,712 welfare calls were made and conversations held, many of these continue and we are committed to do so indefinitely as society gradually returns to a post-pandemic world and a more agile, neighbourhood and community focused service delivery approach is born.

 As residents spent a greater amount of time at home, an unfortunate bi-product of the pandemic on our communities has been the increasing level of Anti-Social behaviour (ASB). ASB peaked at in excess of 80 live cases during the year, way in excess of the average levels of around 30 cases at any given time.

Staff have worked closely with residents and multi-agencies to manage and resolve these. We are proud that our ASB surveys yielded a 100% satisfaction rate in regards to all areas of the management process; how we handled it, time taken, kept informed and support received. The most influential impact of the pandemic on our services has been our ability to enter people's homes, whether it be to undertake works, inspections or the various types of visits we undertake.

Our programme of works, in particularly the upgrading of heating, electrics, kitchens, bathrooms, windows and doors within our properties, has been severely impacted.

Our property services reduced to essential work, only for the vast period of the year. This saw only emergency repairs and full landlord health and safety compliance (electrical, gas, oil, coal, water, fire, sprinklers and asbestos certificates) work undertaken for most of the year.

As measures we're eased and then tightened again, we still faced difficulties in undertaking this work, by 31/03/2021 there were **62 homes who'd had COVID** flags noted on their accounts due to vulnerabilities.

Understandably, a great number of other residents were reluctant to have works undertaken during this period.

Despite the challenges faced, we are incredibly proud of the year's performance.

The delivery of our Corporate Business Plan is monitored through the following Delivery Streams.

- Improving our legacy homes
- Maintain Homes, Communities and Tenancies
- Deliver more social and affordable homes
- Focus on our People and Communities
- Ensure a well-run business

The following few pages provides a summary insight in to our performance for the year.



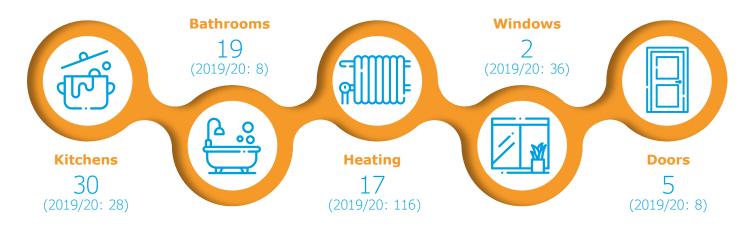
Improving our Legacy Homes

Having the right living environment is important, this year has demonstrated this beyond any others, with the pandemic restricting us to our homes. Both the affordability and quality of one's home impacts both physical and mental wellbeing, we care passionately about this.

A properties efficiency rating make both a more affordable and comfortable home for our people. As at 31 March 2021 the average Energy **Performance Certificate (EPC) rating for** the Association's housing properties stood at 70.71 (2018/19: 70.22) this is against a national average of 61 (reported October **2019).** This is achieved through a combination of property upgrade works and development of new efficient homes.

Planning our work to both minimise disruption for our people and to provide our people with a clear picture of expectations is important to us. The pandemic has hindered our ability, however we continued to work hard on our ratio of responsive works to planned works which averaged 39/60 (2019/20: 35/65) for the year. This remains in line with sector best practice of **40/60.** This demonstrates efficient allocating of work and promotes value for money in our operating environment.

During the year the Association completed the following upgrades;



The Association has a rolling 5 yearly cycle of surveys that assesses the condition of properties, based on Welsh Housing Quality Standards (WHQS).

During the year the Association reached a rate of 89% (2019/20: 82%) surveyed, this is lower than planned however the pandemic severely impacted the ability to undertake these surveys given the need to enter people's homes.

The Association has been fully WHOS compliant since 2012 however the standard allows for "acceptable fails" based on strict criteria around cost, timing, resident choice or physical constraints.



393 (2019/20: 400) homes had a total of 517 (2019/20: 546) acceptable fails. The split of acceptable fails at 31/03/2021 stood at; 10% Resident choice/ 19% Physical constraint / 71%

Timing of remedy



During the year, our town centre block of **5 flats** on Water Street, had a number of tenancy changes having previously had little to no turnover.

With the removal of a chimney and associated roofing works required alongside component upgrades at 3 remaining void properties and external decoration falling due, a major works programme was scheduled.

The works included;

• Complete window and door replacements for all 5 properties, triple glazed units used, including replacement communal door

- Extensive upgrade works to properties (kitchen, bathrooms, electrics, heating)
- Re-design of outside communal area
- Re-surfacing and major building works to the communal space, including new drying patio area
- Electrical upgrade works to the new communal supply, including associated fittings and fire Proofing communal electrical system
- Communal aerial upgrade

The works have resulted in a more pleasant living environment for the residents who commented their desire to now stay at their home indefinitely.



Maintain Homes, Communities and Tenancies

One of our number one priorities each day is the Health & Safety responsibilities we hold as landlords as this provides the foundations that we work from.

Maintaining property servicing compliance is a paramount factor in this and we continue to set ourselves a target of 100% compliance within all 8 areas; Gas, Oil, Electric, Coal, Legionella, Asbestos, Fire Risk and sprinklers. Despite the challenges from the pandemic a 100% rate was maintained in all bar electric and gas which stood at 99.99% as at 31 March 2021 due to difficulties in accessing 2 properties due to the virus.

Repairs is a substantial part of our business and their efficient and effective remedy is of vital importance to our people. Our planned approach this year was to continue to reduce the level of reactive repairs by targeting planned works however the pandemic saw an immediate shift to emergency repairs only. This resulted in a **147% increase in emergency** repairs which took an average of 0.5 days longer to complete.

During the year we invested £2.4m (2019/20: £2.2m) in maintaining our homes, undertaking 3,948 (2019/20: 3,948) repairs;

100% Compliance

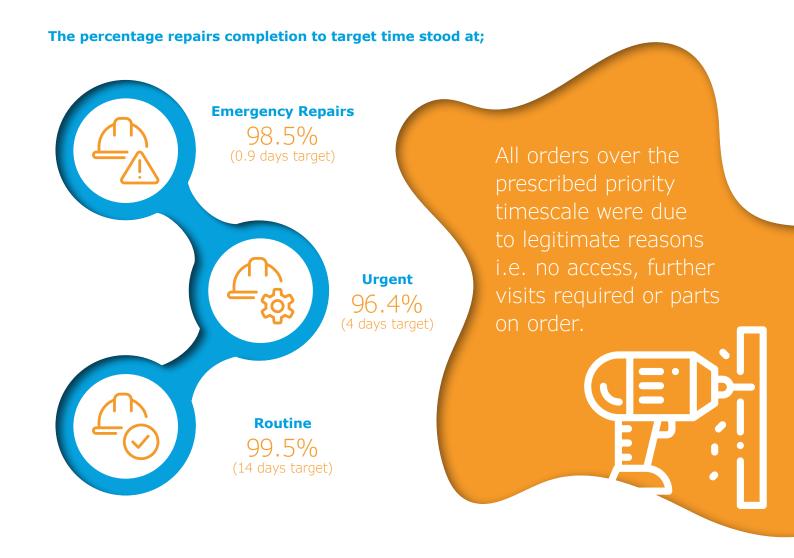
£2.4m Investment

in maintaining our homes

3,948 Repairs

were made during the year

		2018/19	2019/20	2020/21
Emergency	Repairs	840	758	1,113
	Ave days	0.75	0.75	1.20
Urgent	Repairs	1,820	1,800	1,813
	Ave days	4	4	6
Routine	Repairs	1.627	1,627	1,022
	Ave days	13	11	16
Number of homes		880	935	973







95% Satisfaction

score of homes at letting stage

Balancing pre-tenancy property investment costs (void costs) with resident satisfaction and sustaining tenancies is a particular area of concentration. The average void cost has gradually increased over the past 24 months, peaking in Q2 at £2,830. This was driven by an increase in major works required due to the condition of a small number of vacated properties and an increase in re-let standards, this reduced by year-end to an annual average rate of £1,958 (2019/20;£1,870). This has resulted in a quality of homes at letting stage satisfaction score of 95% (2019/20: 94%).

Sustaining successful tenancies is of paramount importance to us and we measure this by assessing the level of tenancies over 12 months.

As at 31 March 2021 86% (2019/20: 85%) of tenancies were over 12 months, excluding new homes brought in to management during the year, the figure remains at 91% as per 2019/20.

83% (2019/20: 84%) of the tenancies ended during the year related to tenancies that were more than 12 months.



293 Referrals

were made to our financial inclusive service



4 Engagements

were made with residents to access benefits and income that may have ordinarily been lost

Our sheltered homes play an integral role in maintaining Homes, Communities and Tenancies. Once government guidelines allowed us to undertake controlled visits, we, despite welfare calls claiming differently, found one resident's health and well-being had deteriorated significantly during the first lockdown.

Now unable to maintain their flat and themselves, they had lost a lot of weight, their hearing and eye sight had deteriorated and had largely taken to their bed.

With no family to call upon, our Elderly Services Officer supported them to restore order to their home and seek support. The resident now has visits from carers three times a day and has a much better quality of life and well-being.

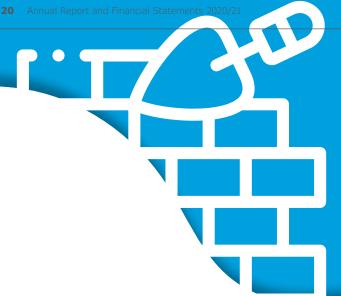
As with all Association's, arrears management is a large part of the job. This year has required even further attention to this area due to the challenges many of our residents have faced in relation to their employment given the pandemic.

As at 31/03/2021 our current arrears stood at 2.7% (2019/20: 2.6%) and our former arrears stood at 1.5% (2019/20: 1.8%).

The number of residents on Universal Credit (UC) as at 31 March 2021 has increased to 275 (2019/20: 175). The average arrear of a UC tenancy has increased for the third consecutive year to £498 (2019/20: £428) (2018/19: £320).

One of our most highly valued service, by residents our financial inclusion service is there to support residents to maximise their income and manage their finances. This year has seen a significant increase in an already high demand service area. During the year 293 (2019/20: 191) referrals were made to our service and 844 (2019/20: 567) engagements were made with residents to access benefits and income that may have ordinarily been lost. In total residents accessed a further £39.5k (2019/20 £40.7k).





total investment of £5.1m within our

21 unit site in the village of Llangadog is set to complete **November 2021** and works commenced March 2021 at our Whitland site which will deliver a further 15 homes

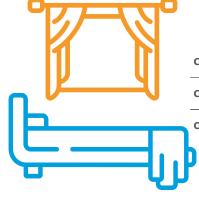
Deliver More Social and Affordable Homes

The national shortage of good quality social and affordable homes continues and we are passionate about playing our part in increasing the supply. We do this by working in partnership with local contractors to build new homes and by acquiring individual properties within our communities and bringing them up to standards.

During the year we completed on 37 (2019/20: 52) new homes from 1 (2019/20: 3) development sites and acquired 2 (2019/20: 3) individual

properties. This saw a total investment of £5.1m (2019/20: £8.9m) within our communities, and we have more to come.

A 21 unit site in the village of Llangadog is set to complete November 2021 and works commenced March 2021 at our Whitland site which will deliver a further 15 homes. These equate to a further £6.2m investment in our communities. This will equate to an overall increase in social and affordable homes of 14%.



	1 Bed Flat					Total	% Increase in Stock
Completed 2019/20	8	37	2	8	0	55	6%
Completed 2020/21	27	11	1	0	0	39	4%
On-site currently	2	19	12	1	2	36	4%
	37	67	15	9	2	139	14%

This level of investment is only possible due to the continued support of our key strategic partners, **Carmarthenshire County Council and** Welsh Government who provided £2.9m (2019/20: £5.1m) in capital housing grants on those completed during the year and a further £3.5m on those developments currently on-site.

Over many years, our communities have seen an increasingly aging population. In our support of the authorities strategy we have provided more affordable family homes, 2019/20 saw 85% of the new supply of social and affordable homes home 4 or more people.

This dropped to 28% during 2020/21 due to the completion of our Carmarthen Town Centre development on Priory Street which introduced 27 new 1 bedroom flats due to the demand for these within the town centre.

Those homes currently in development will see 34 new homes (94% of new homes) provide homes for 4 or more people, 2 of these will provide homes to households of up to 7 people.

Residents of our latest site at Priory Street, Carmarthen, said;

"I can't believe **how easy everything was,** especially so moving in during lockdown...and the rain"





82 Homes become void received

37 New properties

Our homes are accessible to all through Carmarthenshire's Canfod Cantref/Home Finder site which replaced the former housing register in 2019/20. The site allows current and prospective residents to register and bid for properties. During the year we had 82 (2019/20: 137) homes become void and along with the 37 (2019/20: 55) new properties, we received 5,789 (2019/20: 4,706) bids.

During the year we continued to engaged with residents on many aspects, non-more so that their view on affordability. **Our latest independent** resident (STAR) survey told us 87% of our residents felt our rent offers value for money.





Focus on our People and Communities

Engaging and listening with our residents is a priority of ours, we operate a number of communication channels and this year due to the on-going pandemic we have seen a big shift in peoples abilities and preferences, most notably our ability to meet in person.

In total, the Association held 52,045 (2019/20: 29,521) contacts with residents and contractors.

		2019/20	2020/21
\$ 12 m	Telephones	9,936	20,464
	Social Media	13,258	26,338
° ငိ	In Person	2,699	330
	Website (incl App)	88	85
	Other (SMS, surveys, email)	3,540	4,692
Ti,	Live chat		136
		29,521	52,045



We launched our online live chat service **September 2020** increasing the communication channels available to our Residents, Applicants and Contractors. The implementation of the Live chat system complements our 'chat bot' system which provides useful information to **residents** on frequently asked questions regardless of office hours.

Our 'we listened' programme logged 10 (2019/20: 16) direct actions taken due to matters arising from contacts with residents. These include raising electric sockets, accessing adaptation grants, cleared fly tipping, installed communal WiFi and introduced residents with community groups.

Unfortunately we received 15 (2019/20: 19) complaints during the year encouragingly however this does continue the downward trend from 25 received in 2018/19. 100% of complaints were successfully resolved with only 3 (2019/20: 3) moving to stage 2 before being resolved.

We were pleased to see the number of compliments received this year increased to 111 (2019/20: 101) which continues to be over double that at 52 in 2018/19. **15 compliments** related to Contractors' quality of work and general manner with the remaining 96 related to the Association's staff and services.



more streamlined working practices

3 moving to stage 2 before



As a caring business we work hard to support and reward our staff through investment. We were over the moon therefore to be awarded the We invest in people gold accreditation, learning that 93% of our people feel Bro Myrddin is a great place to work.

2020/21 has been the most challenging year in modern times, as providers of essential services, our staff have continued to care, listen and deliver. They have done so juggling both professional and personal adversity.

During the year each staff member received an average of 7.3 days (2019/20:8.4) of training, this amounts to a monetary investment of over £15k (2019/20: £40k), this was no mean feat given the challenges presented by the pandemic.

The Association widely encourage and supports continual development. A number of colleagues continue with the various studies isuch as Housing and Finance qualifications.

In 2019/20 we established our Community **Fund**, this fund will see residents and community group's access resources to support them in delivering projects that supports a lasting legacy within our communities. The fund was scheduled for roll-out during 2020/21, unfortunately the pandemic has delayed this but plans are afoot to commence roll-out during 2021/22 with the fund,

as at 31 March 2021 standing at £15.5k (2019/20: £2.4k).





93% of our people

feel Bro Myrdding is a great place to work



Our agile systems will

support our neighbourhood coaching approach

A substantial project which will enable a far greater focus on our people, has been our move to a more agile working environment. Facilitating a more agile workforce will allow operational colleagues to do much more whilst out in our communities. During the year we have invested a further £26k (2019/20: £24k) in systems and hardware that facilitates more streamlined working practices, and as society returns to some form of normality after the pandemic, our agile systems will support our neighbourhood coaching approach to housing management which will be rolled out during 2021/22.

One of our most valued service for residents is the financial inclusion service;

"Louise has been a star through the pandemic. I don't know what I would have done without her. I'm now back in work and paying off my debts."

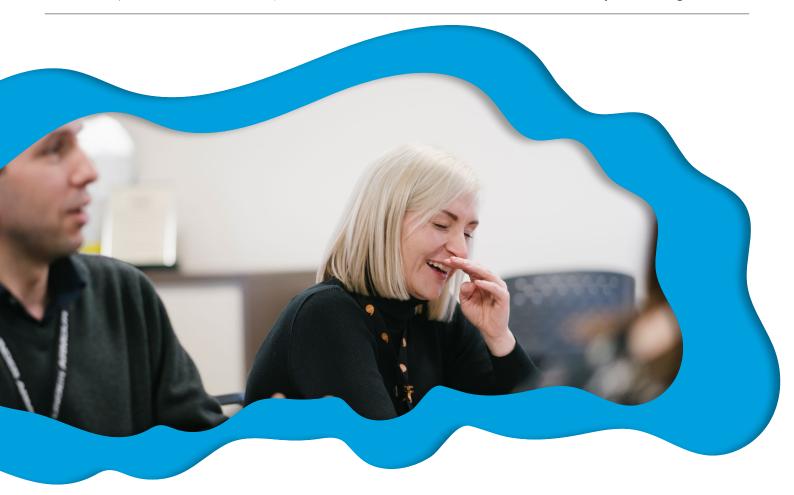
We are fortunate to have an Association full of Louise's, and we're not shy to boast about our incredibly committed, passionate and resilient workforce. The performance statistics reported here are the tip of the iceberg of all the great work and success stories we are fortunate to have. This does not come by fluke, it is testament to our staff who care about delivering high quality services and an unquestionable commitment for being there for our people.

A single parent of two teenage children stopped engaging and arrears started appearing on rent account. Our Financial Inclusion lead Louise immediately attempted numerous contacts which would continue over a number of months. Eventually Louise received a reply to a text and immediately headed out to see the family.

As a result of changes in benefits, including removal of Disability Living Allowance due to their child, who suffers from severe mental health problems, becoming over the required age, the parent was receiving over £90 per week less in income. With continuation of lockdown and spiralling debt, the resident was finding it increasingly hard to cope.

Working with the family, within an environment that was comfortable for all, Louise helped them understand the support that was available to them and supported with all necessary forms and applications. This resulted in a backdated award of Personal Independent Payment of £2k and ongoing award of Enhanced Care Component and Standard Mobility Component, the equivalent to £112.75 per week, plus Universal Credit Severe Disabled Child Element of £402.41 per month.

The family are no longer in financial crisis and the parents health has improved, now feeling they are able to provide for their child. The rent account is no longer is arrears and after supporting them to receive debt advice from Citizens Advice their debts have been written off.

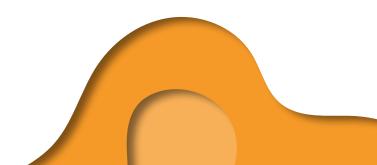


Ensure a Well-run Business

Our purpose is clear and we achieve what we set out to do - knowing who does what and why. We are clear in our position that the corporate vision is driven by the top. The Board of Management hold ultimate responsibility for the governance, leadership and stewardship of the Association. Board do this through a strict Code of Governance that establish and maintain clear roles, responsibilities and accountabilities for Members and Officers.

During the year, Board held 7 (2019/20: 6) business meetings and a Business Planning Away Day was held in February 2021 as is each year. The Boards sub committees; the Performance, Audit and Risk Committee and the Personnel and Remuneration Committee met four/twice respectively as they did in 2019/20.

Member Attendance Statistics	Average	Min	Max
Board of Management	83%	57%	100%
Performance. Audit & Risk Committee	96%	75%	100%
Personnel & Remuneration Committee	100%	100%	100%
Combined	87%	67%	100%





7 assurance reviews returned **6 substantial assurance** and 1 reasonable assurance

89% of residents gave positive responses about our services

168 performance meetings by 13 line managers, a completion rate of 79%



Bimonthly performance meetings are held between line managers and each staff member to discuss and review the requirements of their role, current performance and how each role is entwined with organisational priorities. 168 (2019/20: 202) meetings were held in total during the year by 13 line managers, a completion rate of 79% (2019/20: 98%). The drop in rate relates entirely to the pandemic with a 100% rate reported for office based staff, as it has been difficult to hold such formal meetings within Care Homes as contact has been minimised to safeguard our most vulnerable resident group.

Having in place a robust risk management framework is a key component of any well-run business. Our strategic risk register reports and monitors our highest Strategic, Operational, Compliance, Financial and Reputational risks. As at 31 March 2021 a total of 37 (2019/20: 34) strategic level risks were identified, 15 (2019/20: 13) of which were deemed high enough to be **escalated to our Board Assurance Framework** Risk register. Page 35/36 provides further insight in these, our principal risks.

In addition to a risk register our Board Assurance Framework includes an internal control register. This identifies 12 key activities we undertake as a business and details the strategies in place to ensure their delivery as well as details of the three tiers of assurance on each.

Our independent internal auditors play a pivotal role in supporting us make a judgement around internal controls and assurance. In addition to the traditional assurance assessment reviews, our internal auditors undertake quarterly high level compliance checks targeted at our landlord health and safety compliance and our risk assurance management.

During the year our independent internal auditors, TIAA, completed 15 (2019/20: 11) reviews and made 12 (2019/20: 3) recommendations.

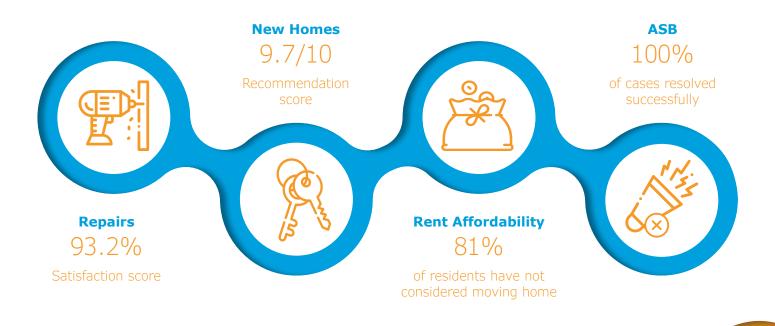
Of the 7 (2019/20: 3) assurance **assessments**, which assess the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve our objectives, 6 (2019/20: all 3) were deemed to provide Substantial Assurance with the remaining 1 deemed to provide Reasonable Assurance.

Concluding with; "TIAA is satisfied that, for the areas reviewed during the year, Bro **Myrddin Housing Association has reasonable** and effective risk management, control and governance processes in place".

A key component of any successful business is compliance with statutory requirements. We're pleased that there continues to have been no data protection breaches or missed statutory submissions. The Association chose to continue to comply with regulatory submission timescales despite regulation having been largely suspended during the pandemic. As a result of the temporary suspension, the Association has not received a formal regulatory judgement this year however monthly business continuity returns required by regulators during the pandemic have all been submitted. These are used by regulators to maintain assurances and plan future judgement timescales based on risk, it's comforting therefore that the Association is scheduled for review with the final group.

Our values are what drives our behaviours and both are of unequivocal importance to us. A primary concern of ours, is how residents view us and our services and that they regard our services as providing value for money.

In our last resident wide survey in 2018, 89% of residents gave positive responses about our services. These surveys are done every 3 years, in between, we rely on a number of surveys to provide an indication of resident satisfaction;



Our residents have said;

Repairs

New Homes

Affordability

ASB

INVESTORS IN PEOPLE We invest in people Gold

achieved the Investors in People Gold standard this year. Only 17% of organisations achieve gold and at the crux of it, it means that every single person is involved in supporting each other and is doing their best to make work better. We are thrilled that 93% of people feel Bro Myrddin is a great place to work.

is always available to help if I need it"

"I never feel that I can't ask for help"

"We understand each other and what



Our Annual report acts as our primary form of publishing our self-evaluation and includes a detailed blend of statistics, figures and insight that demonstrates achievement of our corporate priorities. This is supported by our corporate business plan that details our current and future priorities.

Our finances speak for themselves.

Governance

The Association is led by a **Board of** Management of up to 10 voluntary, non-executive members who each hold one vote each.

Meetings are typically held six times each year and quorum is three members, or half of its membership, whichever is the lower.

Executive Officers attend board meetings to present reports and address any queries, but hold no voting rights.

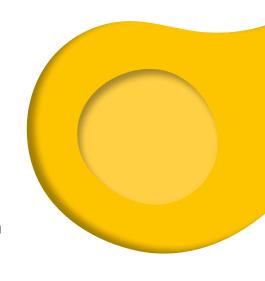
The expected length of service of board members is to serve for at least three-years and for a maximum period not exceeding nine years.

A Chair and Vice Chair is appointed annually by the Board at the first meeting after the Annual General Meeting.

The term of office of the Chair is usually no greater than three years in any five year period but a maximum of five years in any seven years can be agreed should circumstances dictate.

The Company Secretary is the Chief Executive Officer





The Board has overall **responsibility** for control of the Association's affairs. It is the **strategic** and **policy** making body and monitors the **Association's performance**



The Association maintains a Code of Governance which details the governing framework on how the Association conducts its business.

The Code notes the essential functions of the board are to:

- define and ensure compliance with the values and objectives of the Association;
- approve strategies and plans to achieve those objectives and to take decisions on any matters which have significant financial or other risk to the Association;
- approve the Association's annual accounts, annual budget, five year corporate business plan and 30 year financial forecast;
- establish and oversee a framework of delegation and systems of internal control;
- establish and oversee a framework for the identification and management of risk;

- monitor the Association's performance taking into account customer feedback and the performance of comparable Associations;
- appoint (and, if necessary dismiss) the Chief Executive and (based on the recommendation of the P&R Committee) approve the remuneration package and terms of employment;
- satisfy itself that the Association's affairs are conducted lawfully and in accordance with the generally accepted standards of performance and propriety;
- approve Assets & Liabilities Register;
- approve Board Assurance Framework;
- establish and oversee a framework of compliance with landlord Health & Safety requirements and the wider health, safety and wellbeing of its people and its services.





Board delegate some of its responsibilities to the Performance, Audit & Risk Committee, the Personnel and Remuneration Committee and to the Executive Management Team employed by the Association

Performance Audit and Risk Committee (PARC)

The PARC comprises of up to 6 members appointed by the Board on an annual basis with members serving, if possible, not more than a five year term in succession.

Its Chair is appointed at the first meeting following the Annual General Meeting.

A minimum of four meetings are held a year and both Executive Officers and the Association's Auditors attend each meeting.

The role of PARC is to be independent and its objective is to consider and make recommendations to the Board in respect of the internal controls operating within the Association.

It takes an overview of the Association's operations and hold consideration for value for money issues as well as probity.

Its operation follows the Code of Audit Practice issued by Welsh Government.

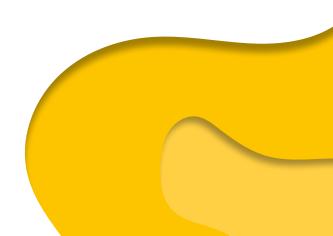
Personnel and Remuneration Committee (PRC)

The PRC comprises of up to 6 members appointed by the Board on an annual basis with members serving, if possible, not more than a five year term in succession.

Its Chair is appointed at the first meeting following the Annual General Meeting.

Two meetings are held a year and Executive Officers attend the meetings.

The role of P&R is to consider matters relating to both the workforce and members in areas of employment, learning and development.





Executive Management Team (EMT)

The EMT comprises of 3 employed executive officers led by the Chief Executive, who also holds the position of Company Secretary.

Board delegate the day to day running and management of the Association to the Chief Executive and in turn the EMT. It does this through a detailed schedule of delegated authority within the Association's Code of Governance.

Board Membership

Board Members are ultimately responsible to the Association's stakeholders; shareholders, residents, funders, employees, local authority, wider community, future customers plus the Financial Conduct Authority and Welsh Government.

Members are tasked to work together constructively to ensure that the Association is managed and controlled appropriately; to ensure that it is accountable to its legitimate interest groups and stakeholders, and to ensure that it works within the requirements of the law and its funding bodies. Board Members are elected to the Board at the Annual General Meeting. They must either be an existing Board Member standing for re-election or be nominated by an existing shareholder.

Shareholders pay a one pound fee and must agree to be bound by the obligations on them as set out in the Association's Rules. Shareholder have set requirements they must meet and agree to act at all times on the interest of the Association and, for the benefit of the community, as guardians of the objects of the Association.

Anyone interested in becoming a Shareholder should enquire in writing to the Association's Company Secretary at the registered office.

Board members are primarily recruited based on skills, knowledge and experience, these include, but are not limited to; legal, business, financial, governance, technical, housing/public sector, and HR.

Co-opted Board Members can be appointed should there be a need for supplementary skills. Not more than five co-optees can be appointed at any one time. Co-opted Members hold the same voting rights as elected members save on matters pertaining to positions of office to the board or matters affecting shareholders.

The Board seeks to reflect its communities including its diversity, in terms of age, gender and minority groups such as disability and ethnicity.

Chair of the Board Lesley Penn

Vice Chair Andrew Sivertsen

Board Members Ann Thomas

> Arwyn Davies Resigned: 17 August 2020

Arwyn Thomas

Delyth Evans MBE

Paul Ryan

Simon Campbell-Davies

Councillor Sue Allen Appointed:17 August 2020

Tim Llewelyn Appointed:17 August 2020 Board members must follow the **Association's Code of Conduct** which centres around the following seven principles;



Selflessness Making decisions solely based on one's vision and values - not made in order

to gain financial or other material benefits for family, friends or ourselves.

To not place oneself under any financial or other obligation to outside individuals or **Integrity**

organisations that might influence the correct performance of our duties.

Objectivity To ensure that the delivery of services, appointment of staff and awarding of all

contracts is made impartially and on merit alone.

Accountability Accept accountability for decisions and actions made by us to all stakeholders and

submit to whatever scrutiny is deemed appropriate.

To be as open as possible about all the decisions we make, giving reasons for decisions **Openness**

and only restrict the provision of information where issues of confidentiality are involved.

To declare any private interests relating to our duties as board members and to **Honesty**

take positive steps to resolve any conflicts that may arise, legally, and in a way

that protects Bro Myrddin Housing Association's reputation, vision and values.

Promote and support these principles by leadership and example. Leadership





Risk Management

The Association's primary aim is to minimise exposure to risk and where risks are identified, to control, manage and, where appropriate, insure against. Responsibility for managing risks ultimately rests with the Board of Management who are committed to having in place a robust and effective risk management framework that safeguards achievement of our vision and objectives.

Board delegate the responsibility to establish and monitor the risk management framework to the Performance, Audit and Risk Committee (PARC). The Association's risk management framework includes:

- Risk Management Policy & Procedures
- Defined Risk Appetite statement
- Strategic Risk Register
- Board Assurance Framework (BAF): Risk Assurance Register
- Board Assurance Framework (BAF): Controls Assurance Register

Board approves the Risk Strategy, Policy and Procedures at least annually, reviewing the Association's risk appetite concurrently.

The Strategic Risk Register and BAF is held on the Association's live, online Board and Staff portals, and are tabled for formal Board review annually, having first received PARC approval.

The BAF: Risk Assurance Register details the three lines of assurance on all the Association's highest risks and is reviewed at each meeting of the PARC. The BAF: Controls Assurance Register details the three lines of assurance on achievement of the Association's primary activities and deliverables. The Executive Management Team are responsible for continually monitoring risk with a specific focus on re-evaluation when operations and/or business activities change.

Risks are scored on a 5x5 point matrix basis measuring the link between likelihood of the risk occurring and the most likely impact on the Association. Relating strategies are set to control and/ or mitigate risks which are monitored and reported.

The BAF: Risk Assurance Register reports risks with a score of 8 and above.

The Association's long-standing Risk Appetite is Cautious: Preference for safe options that have a low degree of risk and may only have limited potential for reward.

Principal Risks and Uncertainties

High Risk (score 8 or above)	Mitigating strategy
Covid-19 virus entering the Association's Care Homes	A detailed and ever evolving operational contingency plan has been drawn up and approved by EMT. The plan focuses on what we do now to prevent Coronavirus entering the care homes and what we do in the event that we experience an outbreak.
Failure to control and administer medicines at Care Homes	Strict monitoring and logging procedures in place. Staff trained in medication handling and side effects with immediate and annual online testing undertaken.
	Disposals recorded and countersigned by pharmacist. Applicable audit undertaken every six months.
Under performance in collection and recovery of rent and service charges (including arrears)	Weekly monitoring by Operational colleagues, Management review each week during early stages of Covid-19 pandemic, fortnightly from Autumn 2020. Universal Credit (including Bedroom Tax) cases receive closer monitoring. Quarterly position statement reports prepared for Executive for subsequent reporting to the Performance, Audit and Risk Committee, with exception reports to Board where necessary.
Covid-19 virus restricts service delivery and our Peoples welfare	All non-care staff are able to work seamlessly at office, on site or from home on any given day with full and uninterrupted access to systems and communications. Personal Protective Equipment and social distancing measures (including contactless service delivery) issued and implemented to protect our People. Service delivery traffic light system implemented which facilitates streamlined review and communicating to workforce based on evolving national and local measures.
Failure to make necessary changes in service delivery of Care Homes	Registered on Mid & West Procurement Hub for placements. Revised pricing pro forma submitted for new all Wales National Framework. Regular meetings with Commissioners, PQQ for Domiciliary Care submitted January 2019.
Failure to deliver Landlord Health & Safety	Suite of policies and procedures in place supported by an operational risk register containing operational risk management on all matters relating to landlord H&S. In response to Covid-19, where a resident is shielding or self-isolating and access isn't possible a risk assessment is being conducted, with the exception of Gas servicing which still needs to be achieved.
Pension becomes un-affordable to both or either the Association or it employees	Final Salary scheme closed in 2019 and replaced by Career Average Revalued Earnings (CARE) scheme. Prudent increases in contributions and deficit provided for (including sensitivity modelling) within financial forecasts.

High Risk (score 8 or above)	Mitigating strategy
Sustained period of higher costs inflation, lower income growth and shift in expectations from impact of both Covid-19 and Brexit	Budgets and financial forecasts set prudently to ensure any increases in costs can be absorbed with minimal impact on service delivery. Pessimistic view on both cost, but in particularly, income growth over the short-medium term. Decarbonisation agenda to be closely monitored by Officers active throughout the sector on working groups. Risk appetite continues as "Cautious" despite long-held discussions for a potential move to "Open".
Decrease in development activities due to changes in grant regime	Current Financial Forecast assumes an average development grant rate of 50%, a drop of 8% in recognition of the imminent changes brought about by the standard viability model. Development colleagues continue to build up a portfolio of future development schemes for inclusion within anticipated 3 year development programmes. Corporate plan sets out ambition to develop 25 new units per annum, an increase of 5 units/25%.
Resident abuse (including abuse of residents finances) within Care Homes	Policies and procedures in place. All staff are trained in safeguarding. Independent private discussions with residents and families by other agencies including CIW (Hostels), local authorities and mental health professionals. Quality of life questionnaires provided to residents and their families.
Failure to provide homes of WHQS	The quality of data held on the stock is improving with 100% of stock set to be surveyed by end of December 2022. 30 year business plan in place to establish and demonstrate ability to fund works.
Interruption or complete failure of ICT systems	The latest technologies utilised, including Unified Threat Management devices and cutting edge security software to safeguard systems and data. Vulnerability testing regularly completed to maintain high standards of compliance. Datacentre offers 24/7 remotely available Business Continuity systems with both replication and backup to NAS being utilised to maintain strong backups of all systems. Daily offline backups stored offsite to mitigate ransomware risks. Server build utilises RAID redundancy by design, as do NAS devices utilised for backup and storage.
Failure to comply with UK decarbonisation targets	Officers will continue to scan sector of future funding available for this work and be actively involved in discussions where at all possible.
Failure to adhere to Financial Regulations	Staff fully aware of the Financial Regulations. Systems automate approval limits to orders/invoice. Finance staff have control procedures in place to police compliance.



Statement on Internal Control

The Association wish to comply with Welsh Government Circular RSL 02/10 'Internal Controls and Reporting'.

The Board acknowledge their ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

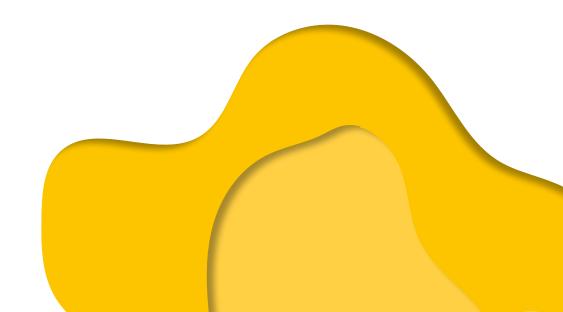
- the reliability of financial information used within the Association or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Board and management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and in the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;

- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board;
- the Board reviews reports from management, from the internal auditors and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a regular reviews of the risks facing the Association and the existence of a two tier Board Assurance Framework that monitors both the Association's highest scoring risks and delivery of its key deliverables;
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports; monitoring of the control system by internal and external auditors.

The Board has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2021 and until 21 June 2021. No weaknesses were found in the 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.



Statement of Board Responsibilities

The Board of Management are required under housing association legislation 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 they are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

They are also responsible for

- keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Association and to enable us to ensure that the financial statements comply with the requirements of Financial Reporting Standard 102 ('FRS 102') and Housing SORP 2014, 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;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

Covid-19 pandemic

2020/2021 has been an incredibly challenging year as the virus continued to grip the nation. This had a significant impact on all including the Association its activities.

Board have continued to meet regularly throughout and received regular briefings by the Executive Management Team. The EMT along with the wider Leadership team held weekly Bro Myrddin Office Briefings (BOB), which moved to fortnightly in the Autumn and more recently to monthly.

BOB meetings focused on business risk and continuity, in particularly people's wellbeing, service delivery and operational performance.

To protect our People, the Association took decisive action to suspend all but essential services in March 2020 thus limiting potential transmission of the virus. Other measures included provision of PPE (Personal Protective Equipment), contactless services, closure of offices, care homes and sheltered communal areas to the public and home working to all non-care homes staff.

As government guidance evolved the Association grew more familiar with its 'new' ways of working, a traffic light system to assess and set service delivery levels was developed enabling a measurable assessment of delivery capabilities and a means for effectively communicating its position.

The Board continue to provide leadership and oversight and for our People, it is largely business as usual.

Auditors

The auditors Bevan Buckland LLP are willing to continue in office, and a resolution to reappoint them will be proposed at the annual general meeting.

In so far as the Board is aware:

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

The report of the Board was approved on 21 June 2021 and signed on its behalf by

Ms Lesley Penn Chair of the Board



Auditors Report

Independent Auditor's report to the members of Bro Myrddin Housing Association Limited on corporate governance

In addition to our audit on the financial statements for the year ended 31st March 2021, we have reviewed the Board's statement of Bro Myrddin Housing Association Limited ("the association") compliance with the Welsh Government Circular 02/10, Internal Financial Control and Financial Reporting ("the Circular").

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

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

Opinion

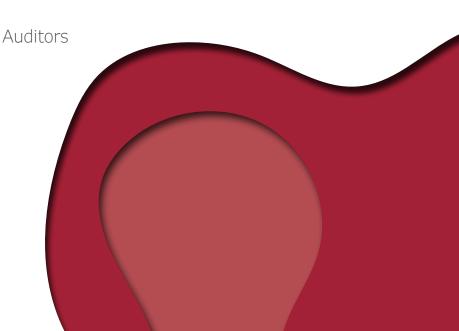
With respect to the Board's statement on internal financial control on page 37, in our opinion the Board of Management has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work in the financial statements.

Bevon Bradend Usp

Bevan Buckland LLP

Chartered Accountants & Statutory Auditors Langdon House Langdon Road Swansea SA1 80Y

Date: 21 June 2021



Independent Auditor's report to the members of Bro Myrddin Housing Association Limited

Opinion

We have audited the financial statements of Bro Myrddin Housing Association Limited for the year ended 31 March 2021 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 2021 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.

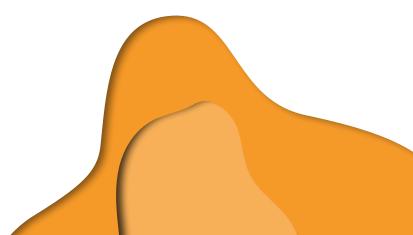
Other Information

The Board are responsible for the other information. The other information comprises the information included in the 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 12), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or

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/auditorsresponsibilities. This description forms part of our Report of the Auditors.

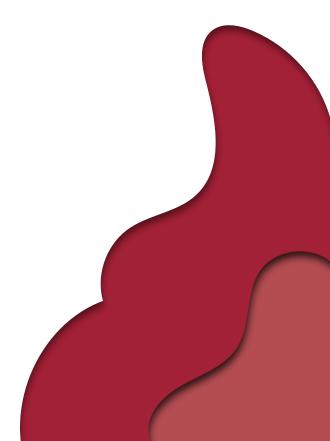
Use of our report

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.

Beyon Bruderd Uso

Bevan Buckland LLP Chartered Accountants & Statutory Auditors Langdon House Langdon Road Swansea **SA1 80Y**

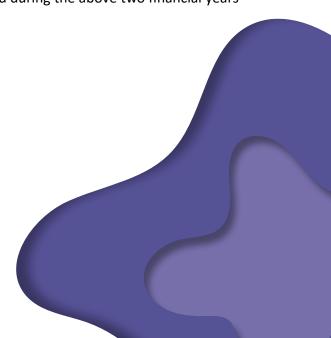
Date: 21 June 2021



STATEMENT OF COMPREHENSIVE INCOME

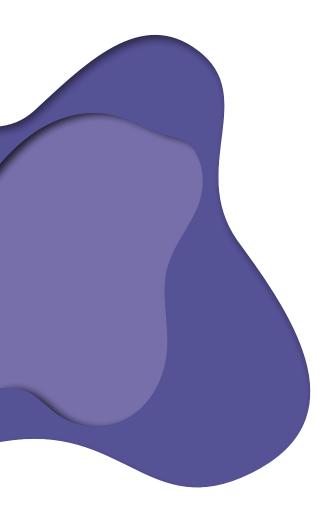
	Notes	2021	2020
	110103	£	£
Turnover	2	5,826,663	5,345,706
Operating costs	2	(4,367,648)	(4,257,966)
Surplus on sale of housing fixed assets	6	-	-
Operating surplus	4	1,459,015	1,087,740
Interest receivable	8	883	11,302
Interest payable	9	(691,334)	(716,655)
		768,564	382,387
Finance costs - pension deficit	20	(13,000)	(32,000)
Surplus for the year		755,564	350,387
Surplus for the year		/55,504	330,367
Other comprehensive income			
Recognition of multi-employer defined benefit pension		-	-
Actuarial (losses)/gains in respect of pension schemes	20	(649,000)	725,000
Surplus for the year and total comprehensive income for the year		106,564	1,075,387
·			

None of the Association's activities were acquired or discontinued during the above two financial years



STATEMENT OF CHANGES IN RESERVES

	Income and expenditure reserve	Major repairs reserve £	Total reserves
At 1 April 2020	8,875,484	250,000	9,125,484
Surplus from statement of comprehensive income	106,564	-	106,564
Transfer to major repairs designated reserve	-	-	-
At 31 March 2021	8,982,048	250,000	9,232,048



STATEMENT OF FINANCIAL POSITION

	Notes	2021	2020
		£	£
Tangible fixed assets			
Housing land and buildings – historical cost	10	71,628,051	67,684,875
depreciation	10	(10,264,926)	(9,579,960)
		61,363,125	58,104,915
Other tangible fixed assets	12	1,112,282	85,505
Fixed asset investments			
HomeBuy loans receivable	13	286,871	286,871
Total fixed assets		62,762,278	58,477,291
Current assets			
Debtors: falling due within one year	14	252,030	316,525
Debtors: falling due after more than one year	15	2,119,268	2,169,771
Cash and cash equivalents		4,852,396	3,227,690
		7,223,694	5,713,986
Current liabilities			
Creditors: falling due within one year	16	(3,669,800)	(2,952,546)
Social housing and other government grants: amounts			
falling due within one year	18	(289,185)	(255,022)
Net current assets		3,264,709	2,506,418
Total assets less current liabilities		66,026,987	60,983,709
Nieuwaya Pak 992 a			
Non-current liabilities	47	(25.552.440)	(22.020.042)
Creditors: falling due after more than one year	17	(26,563,140)	(23,820,843)
Social housing and other government grants: amounts			
falling due after more than one year	18	(29,070,757)	(27,409,341)
		10,393,090	9,753,525
Pensions liability	20	(1,161,000)	(628,000)
Total net assets		9,232,090	9,125,525
Conital and recomme			
Capital and reserves	21	40	44
Called-up share capital	21	42	41
Total reserves		9,232,048	9,125,484
Total capital and reserves		9,232,090	9,125,525

The financial statements on pages 43 to 64 were approved by the Board on 21 June 2021 and signed on its behalf by;

Chair of the Board – Ms L Penn

Vice Chair of the Board – Mr A Sivertsen

Secretary – Mrs H Jones

STATEMENT OF CASHFLOWS

	2021	2020
	£	£
Operating surplus	1,459,015	1,087,740
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	857,490	662,602
Government grants utilised in the year	(289,185)	(255,023)
Re-measurement of Pension Liability	137,000	139,000
Working capital movements:		
(Increase)/Decrease in trade and other debtors	66,297	194,018
Increase/(Decrease) in trade and other creditors	609,266	(317,465)
Pension cash contributions paid	(266,000)	(246,000)
Net cash generated from operating activities	2,573,884	1,264,872
Interest received	883	11,302
Interest and mortgage fees paid	(669,486)	(738,996)
Adjustments for reinvestment in existing properties:		
Component replacements	(348,056)	(480,110)
Purchase of other replacement fixed assets	(30,777)	(26,657)
Free cash generated before loan repayments	1,526,448	30,411
Loans repayments	(140,741)	(261,509)
Free cash generated/(consumed) after loan repayments	1,385,707	(231,098)
Cash flow from investing activities		
Purchase and development of properties	(3,908,451)	(7,527,618)
Purchase of office building	(1,080,459)	-
Grants received	2,227,908	2,358,120
Cash flow from financing activities		
New secured loans	3,000,000	5,000,000
Net increase in cash and cash equivalents	1,624,705	(400,596)
Cash and cash equivalents at the beginning of the year	3,227,691	3,628,287
Cash and cash equivalents at the end of the year	4,852,396	3,227,691

1. Basis of preparation

The Association is incorporated under the Cooperative and Community Benefit Societies Act 2014 (registration number: 23055) and is a registered social landlord (National Assembly for Wales registration number: L069). The Association is a public benefit entity and adopted charitable rules with effect from 20 January 2005.

Format of accounts

The financial statements have been prepared in accordance with applicable financial reporting standards in the United Kingdom, including the Statement of Recommended Practice for "Accounting by Registered Social Housing Providers" as updated in 2018 ("SORP 2018"), and comply with the Accounting Requirements for Social Landlords Registered in Wales – General Determination 2015.

Basis of accounting

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

Going concern

After reviewing the Association's 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

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

Value Added Tax (VAT)

The Association is partially exempt for VAT purposes, and claims are made for repayment of VAT on items that are specifically allowable. Expenditure is shown inclusive of irrecoverable VAT.

Taxation

The Association has no liability to corporation tax on its surplus for the year due to its charitable status.

Pensions – defined benefit schemes

The Association participates in an industry wide multi-employer defined benefit pension scheme, classed as a defined benefit scheme in the UK.

The Association accounts for its obligations on a Defined Benefit basis reporting its Net Pension Liability within the Statement of Financial Position.

Pension – defined contribution schemes

The Association participates in a defined contribution scheme where the amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

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 Association's best estimate of the associated liability.

Housing properties

Housing properties are principally properties available for rent and are stated at cost. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of the enhancement of economic benefits of the property.

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

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. Deprecation is charged on cost on a

For the year ended 31 March 2021

straight line basis over the component's expected economic useful life.

The Association's recognised components and associated useful lives are as follows:

Component	Years
Main Structure	50-150
Kitchens	20
Heating	15-20
Bathrooms	25-35
Windows	35
Front Doors	35
Back Doors	35

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.

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:

Houses – main structure	150 years
Flats – main structure	50 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 a property. Such repayable grants are included within creditors in the statement of financial position.

SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

Physical Adaptation Grants (PAGs) and the expenditure to which they relate are credited/debited to the income and expenditure account as from 1 April 2015. (Prior to this, they were credited/debited to Social Housing Grant/Housing Property Cost on the balance sheet).

Housing finance grants

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

Impairment

Impairment reviews are carried out annually. Where it is recognised that there is a diminution of value of an asset, the full reduction in value is written off to the income and expenditure account in the year.

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-For these purposes a cashgenerating unit. generating unit is defined as a property scheme.

During the year the Association did not identify any scheme where the future income stream is limited, and no impairment provision has been recognised.

Other property, plant and equipment depreciation

Depreciation is provided evenly on the cost of other property, plant and equipment to write them down to the estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

Furniture and office equipment	15% - 25%
Computer equipment	25%
Hostel furniture equipment	25%
Head office premises	50 years

For the year ended 31 March 2021

Capitalisation of Costs of Development

Costs that are directly attributable to bringing properties into working condition for their intended use are included in housing property costs.

HomeBuy loans receivable

Equity loans have been made, under low cost home ownership arrangements, to homeowners who were not otherwise able to fully afford their homes using commercially available mortgages. Equity loans are included in the statement of financial position at historic cost. The Association is entitled to a proportion of the market value corresponding to the equity interest at a time when homeowners either dispose of their property or when they choose to repurchase some, or all, of the equity loan.

Loans

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. Interest on loans is recognised in like manner using the present value of estimated future interest payments.

Operating leases

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

Low Cost Home Ownership

Surplus or deficit made on either the administration of Do-it-Yourself Homebuy Option or on the development of subsequent sale of Low Cost Home Ownership properties are charged or credited to the Statement of Comprehensive Income at the time the full sales proceeds are received. In the case of properties where the Association retains an equity share, no surplus is reported until such a time as the equity share is sold.

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

- Impairment of social housing properties
- Defined benefit pension scheme
- Categorisation of properties between investment properties and property, plant and equipment

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below

- Depreciation
- Bad and Doubtful Debt
- Provision for future liabilities required to return parity to the Association's operating environment subsequent to the COVID-19 global pandemic

For the year ended 31 March 2021

Turnover, operating costs and operating surplus 2(a)

	Turnover 2021 £	Operating costs 2021	Operating surplus 2021	Turnover 2020 £	Operating costs 2020	Operating surplus 2020
Social housing lettings	5,579,177	(4,000,478)	1,578,699	5,040,913	(3,727,274)	1.313.639
Other social housing activities	-, -:-	(,, , , , , , , , , , , , , , , , , ,	_,,	-,,- =-	(-///	_,=_,==
Development Services	156,148	(230,170)	(74,022)	182,846	(263,019)	(80,173)
Non-social housing activities						
Other	91,338	-	91,338	121,947	(128,673)	(6,726)
Re-measurement of Pension						
Liability	-	(137,000)	(137,000)	-	(139,000)	(139,000)
Total	5,826,663	(4,367,648)	1,459,015	5,345,706	(4,257,966)	1,087,740

Income and expenditure from social housing lettings

	General needs and sheltered housing £	Supported housing £	Other social housing £	2021 total £	2020 total £
Income					
Rent receivable	4,646,340	382,016	-	5,028,356	4,572,426
Service charge income	211,106	· -	-	211,106	195,874
Grant income for support services	27,429	23,101	-	50,530	17,590
Amortisation of social housing and					
other government grants	289,185	-	-	289,185	255,023
Turnover from social housing					
lettings	5,174,060	405,117	-	5,579,177	5,040,913
Operating costs Management of operations Service charges Routine maintenance Major repairs expenditure Bad debts Depreciation of housing properties Operating costs on social housing lettings	(712,845) (223,363) (1,317,952) (502,309) (25,748) (873,088) (3,655,305)	(333,353) (11,820) - (345,173)	-	(1,046,198) (223,363) (1,329,772) (502,309) (25,748) (873,088) (4,000,478)	(1,044,576) (233,432) (1,136,092) (515,597) (83,438) (714,139) (3,727,274)
Operating surplus/(deficit) on social housing lettings	1,518,755	59,944	-	1,578,699	1,313,639
Memorandum information: Rent foregone due to properties	F2 220	C1 4FC		442.605	424 677
being vacant	52,239	61,456		113,695	121,677

Central overheads are allocated based on staff utilisation in each year.

Key management personnel

The remuneration paid to key management personnel (defined as members of the Board and the Executive Officers) of Bro Myrddin Housing Association Limited was:

	2021	2020
	£	£
Aggregate emoluments of executive officers	286,334	326,084
Aggregate emoluments of Board Members	-	-
Emoluments of highest paid director (Chief Executive), excluding		
pension contributions	108,037	100,045

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

	2021	2020
	£	£
£50,000 - £59,999	-	-
£60,000 - £69,999	-	1
£70,000 - £79,999	-	1
£80,000 - £89,999	2	_
£90,000 - £99,999	-	_
£100,000 - £109,999	-	1
£109,000 - £119,999	1	

The Chief Executive is an ordinary member of a contributory pension scheme (Social Housing Pension Scheme). No enhancement or special terms apply and the Association makes no contribution to any individual pension arrangement. The contributions for the year in respect of the Chief Executive's pension fund (comprising contributions from both employee and employer) amounted to £22,005 (2020: £20,602).

Employee information

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

	2021	2020
	Staff	Staff
Average number of employees (full time equivalent) during the		
year	42	35
Actual number of employees (headcount) at year end	45	38
	2021	2020
	£	£
Staff costs		_
Wages and salaries	1,285,034	1,119,822
Social security costs	111,662	95,679
Pension costs	147,611	139,428
Total staff costs	1,544,307	1,354,929

For the year ended 31 March 2021

4. Operating surplus

	2021	2020
	£	£
Profit for the year from continuing activities is stated after		
charging/(crediting):		
Depreciation		
 housing properties 	873,088	714,139
 property, plant and equipment 	84,469	34,771
Amortisation	(289,185)	(255,023)
Bad debts	25,748	83,438
External auditors' remuneration:		
 In their capacity as auditors 	13,000	12,570
 In respect of other services 	-	-
Internal auditors	16,303	10,120
Operating lease rentals:		
– Land and buildings	30,688	63,480
– Other assets	4,360	4,286

	2021	2020
	£	£
Re-measurement of Pension Liability	137,000	139,000

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. The scheme's actuary estimates these factors in determining the net pension obligation in the balance sheet and the movement from re-measurement is put through the Statement of Comprehensive Income's Operating costs.

6. Surplus on sale of fixed assets

	2021	2020
	£	£
Sales proceeds:		
– Homebuy	-	-
Cost of sales:		
– Homebuy	-	-
Surplus on sale of fixed assets	-	-

7. Contingent liabilities

The Association amortises government grants over the useful life of the properties, as required by Housing SORP 2018. 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 at year end is £7,546,661 (2020: £7,257,476).

An employer debt could arise on withdrawal from the Association's 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 2019 (latest information available) was £5,308,775 (2017: £4,968,625). As events which could crystallise the debt are unlikely to arise in the foreseeable future, no specific provision is deemed necessary.

8. Interest receivable and similar income

	2021	2020
	£	£
Interest receivable from investments	883	11,302

9. Interest payable and similar charges

	2021	2020
	£	£
Interest payable on bank loans and overdrafts	691,334	716,655

Interest payable includes £39,453 (2020: £26,209) of imputed interest from the effective interest rate calculation.



10. Tangible fixed assets - Housing land and buildings

	Social Housing Properties £	Shared ownership £	Properties in the course of construction £	Total £
Cost				
At 1 April 2020	62,576,082	94,995	5,013,798	67,684,875
Property acquisitions	291,142	ŕ	3,285,293	3,576,435
Development schemes completed	5,075,001		(5,075,001)	-
Components replaced in existing properties	554,863		• • • •	554,863
Component disposals	(188,122)			(188,122)
Housing property disposals	_	-	-	_
At 31 March 2021	68,308,966	94,995	3,224,090	71,628,051
Depreciation At 1 April 2020 Charge for the year Component disposals Housing property disposals At 31 March 2021	9,579,960 773,101 (88,135) - 10,264,926	- - - -	- - - -	9,579,960 773,101 (88,135) - 10,264,926
Net book value At 31 March 2021	58,044,040	94,995	3,224,090	61,363,125
At 1 April 2020	52,996,122	94,995	5,013,798	58,104,915
			2021 £	2020 £
Housing properties comprise: Freehold land and buildings			61,363,125	58,104,915

The components replaced in existing properties above represent works undertaken to replace kitchens, heating systems, electrics, windows and doors within existing properties.

11. Units in management

	Genera I needs	Shared ownership	Supported housing (bed spaces)	Homebuy properties	Under construction	Total units owned and managed
Opening units at 1 April 2020	935	2	8	22	56	1,023
New builds	-	-	-	-	38	38
Property acquisitions	2	-	-	-	-	2
Transfers	37	-	-		(37)	-
Closing units at 31 March 2021	974	2	8	22	57	1,063

Available social housing include 4 units vacant at 31 March 2021 (2020: 15 units).

12. Other tangible fixed assets

		Furniture and office	Computer	
	Head office	equipment	equipment	Total
	£	£	£	£
Cost				
At 1 April 2020	-	159,518	185,081	344,599
Disposals	-	-	(11,932)	(11,932)
Additions	1,080,459	4,404	26,373	1,111,236
				-
At 31 March 2021	1,080,459	163,922	199,522	1,443,903
Depreciation				
At 1 April 2020	-	134,917	124,177	259,094
Disposals	-	-	(11,932)	(11,932)
Charge for year	21,609	16,016	46,834	84,459
				-
At 31 March 2021	21,609	150,933	159,079	331,620
Net book value				
At 31 March 2021	1,058,850	12,989	40,443	1,112,282
At 1 April 2020	-	24,601	60,904	85,505

Costs within computer equipment include a number of items that are provided to individuals external to the Association through a third party contract entered during the year.

13. Fixed Asset Investments - homebuy loans received

	2021	2020
	Total	Total
	£	£
At 1 April	286,871	286,871
Additions	-	-
Disposals	-	-
Transfers		
At 31 March	286,871	286,871

Homebuy loans represent a 30% interest in properties acquired under the Welsh Government's Low Cost Home Ownership scheme. The investment grant (note 19) represents the funding received from the Welsh Government for the above loans. These loans are stated at cost in accordance with Housing SORP 2018.

The Association is entitled to a proportion of the market value corresponding to the equity interest at a time when homeowners either dispose of their Homebuy property or when they choose to repurchase some, or all, of the equity loan.

For the year ended 31 March 2021

14. Debtors: amounts falling due within one year

	2021	2020
	£	£
Rental and service charge debtors	194,086	192,519
Bad debt provision for rental and service charges	(183,536)	(186,118)
Social Housing Grant debtor	22,667	102,390
Housing Finance Grant debtor	51,721	49,919
Prepayments and accrued income	156,699	154,703
Care Homes	10,393	3,112
Other debtors		_
Total debtors due within one year	252,030	316,525

15. Debtors: amounts falling due after more than one year

	2021	2020
	£	£
Housing Finance Grant debtor	2,119,268	2,169,771

16.Creditors: amounts falling due within one year

	2021	2020
	£	£
Housing loans	292,454	188,524
Rents and service income received in advance	118,386	101,598
Grants received and receivable in advance	1,605,942	1,491,630
Maintenance	261,649	231,278
Hostels	16,578	61,327
Capital Expenditure on housing properties	610,071	296,739
Other creditors	764,720	581,450
Total creditors due within one year	3,669,800	2,952,546

For the year ended 31 March 2021

17. Creditors: Amounts falling due after more than one year

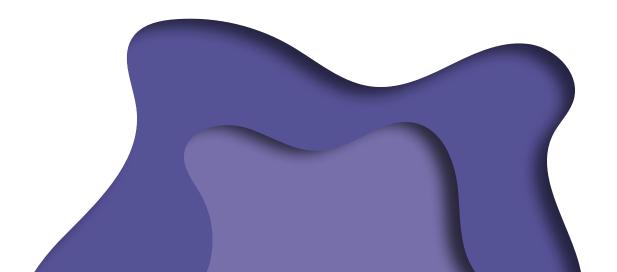
	2021	2020
	£	£
Housing loans	22,459,743	19,664,961
Recycled capital grant fund	273,418	273,418
Bond Premium	1,207,640	1,260,125
Housing Finance Grant	2,335,468	2,335,468
Investment grants (note 19)	286,871	286,871
Total creditors due after more than one year	26,563,140	23,820,843

Housing loans are secured by specific charges on the Association's housing properties and a repayable over a 10 to 35 year period. Rates of interest during the year ranged from 0% to 10.14% and at 31 March 2021, 51% (2020: 68%) of loans bore interest at fixed rates and 49% (2020: 32%) at variable rates. The weighted average rate of interest At 31 March 2021 was 2.80% (2020: 3.54%).

Housing loans are shown net of capitalised loan fees of £212,129 (2020: £251,582).

Recycled capital grant fund movement

	2021	2020
	£	£
At 1 April	273,418	273,418
Additions during the year	-	-
Utilised during the year	-	
At 31 March	273,418	273,418



18. Social housing and other government grants

	Shared ownership £	Social Housing Properties £	Properties in the course of construction	Total £
Gross grant creditor				
At 1 April 2020	-	32,784,809	2,137,030	34,921,839
Property acquisitions		168,655	1,816,108	1,984,763
Development schemes completed		2,519,065	(2,519,065)	-
Housing property disposals		-	-	-
At 31 March 2021	_	35,472,529	1,434,073	36,906,602
Amortisation At 1 April 2020 Credit for the year Housing property disposals	-	7,257,476 289,185 -	- - -	7,257,476 289,185 -
At 31 March 2021	-	7,546,661	-	7,546,661
Net grant creditor At 31 March 2021	-	27,925,869	1,434,073	29,359,942
At 1 April 2020	-	25,527,333	2,137,030	27,664,363

19. Investment grants - SHG on homebuy scheme

	2021	2020
	£	£
At 1 April	286,871	286,871
Recycled	-	-
Transfers	-	-
At 31 March	286,871	286,871

The investment grant is funding received from the Welsh Government to fully fund the Homebuy scheme, the assets of which are shown as a fixed asset investment (note 13). All amounts are due in more than one year.

20. Pension liability

	2021	2020
	£	£
At 1 April	628,000	1,428,00 0
Contributions paid during the year net of expenses paid	(266,000)	(246,000)
Re-measurement of Pension Liability	137,000	139,000
Actuarial losses/(gains) recognised	649,000	(725,000)
Finance costs - interest per discount factor	13,000	32,000
At 31 March	1,161,000	628,000

21. Called up share capital

	2021	2020
	£	£
Allotted, issued and fully paid		
At 1 April	41	43
Issued during the year	2	-
Shares cancelled during the year	(1)	(2)
At 31 March	42	41

Shareholders hold the right to vote at general meetings, but do not hold any rights to dividends or distributions on winding up.

22. Capital commitments

	2021 £	2020 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements		
	4,112,258	4,315,773
Capital expanditure that has been authorized by		
Capital expenditure that has been authorised by		
the Board but has not yet been contracted for	-	

At 31 March 2021, the Association intended to fund this expenditure from a combination of free cash generation, social housing grants and loan drawdown from loan facilities already in place.

For the year ended 31 March 2021

23. Operating leases

	2021 £	2020 £
Leases expiring:		
Within one year	4,084	67,840
Between two and five years	10,139	257,268
Over 5 years	-	952,200
Total operating lease commitments	14,223	1,277,308

24. Pension scheme

31 March 2021	31 March 2020
(£000s)	(£000s)
5,371	4,533
6,532	5,161
(1,161)	(628)
(1,161)	(628)
	(£000s) 5,371 6,532 (1,161)

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	Period from
	31 March 2020
	to
	31 March 2021
	(£000s)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period from	
	31 March 2020	
	to	
	31 March 2021	
	(£000s)	
Defined benefit obligation at start of period	5,161	
Current service cost	137	
	c	
Expenses	6	

For the year ended 31 March 2021

Actuarial losses (gains) due to scheme experience	10
Actuarial losses (gains) due to changes in demographic assumptions	(47)
Actuarial losses (gains) due to changes in financial assumptions	1,267
Benefits paid and expenses	(124)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	6,532

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period from 31 March 2020 to
	31 March 2021 (£000s)
Fair value of plan assets at start of period	4,533
Interest income	109
Experience on plan assets (excluding amounts included in interest income) gain (loss)	581
Employer contributions	272
Member contributions	-
Benefits paid and expenses	(124)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	5,371

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £690,000.

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)

	Period from 31 March 2020	
	to	
	31 March 2021 (£000s)	
Current service cost	137	
Expenses	6	
Net interest expense	13	
Losses (gains) on business combinations Losses (gains) on settlements	- -	

For the year ended 31 March 2021

Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in Statement of Comprehensive Income	156
SoCI)	130

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

	Period from 31 March 2020 to 31 March 2021 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) gain (loss)	581
Experience gains and losses arising on the plan liabilities - gain (loss)	(10)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	47
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(1,267)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(649)
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)	(649)

ASSETS

	31 March 2021 (£000s)	31 March 2020 (£000s)
Global Equity	856	663
Absolute Return	296	236
Distressed Opportunities	155	87
Credit Relative Value	169	124
Alternative Risk Premia	202	317
Fund of Hedge Funds	1	3
Emerging Markets Debt	217	137
Risk Sharing	196	153
Insurance-Linked Securities	129	139
Property	112	100
Infrastructure	358	338
Private Debt	128	91
Opportunistic Illiquid Credit	137	110
High Yield	161	-
Opportunistic Credit	147	-
Cash	-	-

For the year ended 31 March 2021

Corporate Bond Fund	317	259
Liquid Credit	64	2
Long Lease Property	105	78
Secured Income	223	172
Over 15 Year Gilts	-	-
Index Linked All Stock Gilts	-	-
Liability Driven Investment	1,365	1,505
Net Current Assets	33	19
Total assets	5,371	4,533

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.

KEY ASSUMPTIONS

	31 March 2021 % per annum	31 March 2020 % per annum
Discount Rate	2.20%	2.36%
Inflation (RPI)	3.10%	2.58%
Inflation (CPI)	2.60%	1.58%
Salary Growth	3.60%	2.58%
Allowance for commutation of pension for cash at retirement	75% of	75% of
	maximum	maximum
	allowance	allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

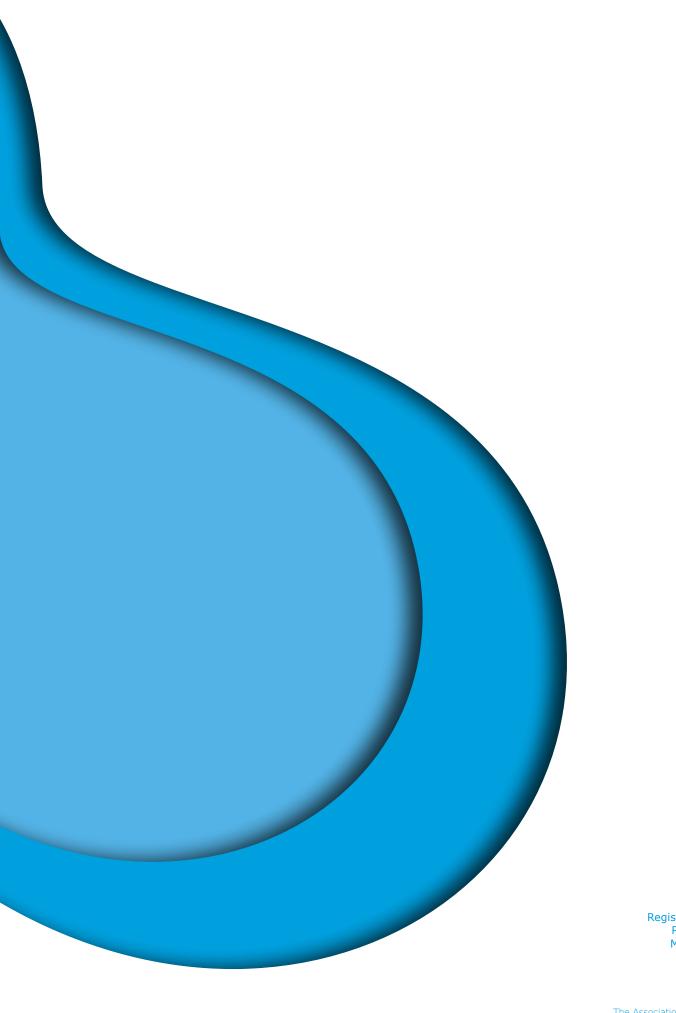
	Life expectancy at age 65 (Years)
Male retiring in 2021	21.3
Female retiring in 2021	23.2
Male retiring in 2041	22.6
Female retiring in 2041	24.8

25. Analysis of changes in net debt

	At 1 April 2020 £	Cashflows £	Other movements £	At 31 March 2021 £
Cash at bank and in hand	3,227,690	1,624,706	-	4,852,396
Debt due within one year Debt due after more than one	(224,393)	140,741	(208,802)	(292,454)
year	(19,880,675)	(3,000,000)	420,931	(22,459,744)
	(20,105,068)	(2,859,259)	212,129	(22,752,198)
Total	(16,877,378)	(1,234,553)	212,129	(17,899,802)







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