



# A Message from the Chair

I was delighted and honoured to become the Chair of the Board of Management of Bro Myrddin Housing Association at its 2022 Annual General Meeting.

I have some very big shoes to fill, taking over as I do from Lesley Penn who has been involved with Bro Myrddin since 2014 and the Housing Sector for over 30 years. She was able to draw on her incredible knowledge and experience and always ensured that Residents remained at the heart of all that the Association did. We all owe her an immense and collective debt of gratitude.



### 15 homes at Clôs Llwyn Ty Gwyn in Whitland which saw the Association surpass its 1,000th home

In 2022 we eventually returned to some sense of normality following the awful Global Pandemic that had affected all our lives since 2020. The Association was as busy as ever during the year and it was wonderful to welcome new residents to the Association's latest development of 15 homes at Clôs Llwyn Ty Gwyn in Whitland which saw the Association surpass its 1,000th home. Work is now well underway at our new development in Llandybie and we look forward to welcoming residents to their new homes early in 2024.

The Association is only able to achieve and deliver all that it does as a result of the great commitment and enthusiasm of all its staff and I would like to use this opportunity to personally thank them for all that they do. Their professionalism and dedication continues to be recognised by our Gold standard in the Investors in people award which was followed this year by the attainment of the National Centre for Diversity's Investors in Diversity Award.

I would also like to thank the Executive Management Team for their leadership and continued dedication to the Association's Mission, Vision and Values. They are a pleasure to work alongside and a great credit to Bro Myrddin. My Board of Management colleagues continued to give of their time, energy and commitment and I am truly grateful for their ongoing support and involvement.

There is no doubt that there are significant challenges ahead not least amongst them the current cost of living crisis and the important environmental agenda. The Association though is well placed to weather the current challenges and more importantly continue to keep its residents at the heart of all that it does. Thank you all for allowing us to play a part in your lives, families, homes and communities.

#### **Tim Llewelyn** Chair, Board of Management



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

Registration

The Association is registered;

I. as a charitable association under the Co-operative and Community Benefit Societies Act 2014 with Registration Number 23055R; and II. with the Welsh Government with Registration Number L069.



# **Chief Executive's Introduction**



We have the financial and operational capacity, skills, appetite, track record and a local and national housing need to deliver more. With the ongoing support of our local authorities and Welsh Government we will continue to work alongside trusted development partners to deliver more for our people and communities.

It is of vital importance to us that this doesn't come at the expense of our current homes and services. During the year we embarked on a substantial decarbonisation programme that will realise an investment of £1.2m in our existing homes this coming year, £0.8m of which coming through Welsh Government Grant.

These decarbonisation works are aimed to drive down energy costs for residents as well as support Welsh Governments zero carbon agenda. We very much wish we could complete decarbonisation work on all homes from the get go, however this is not practical. The investment averages at around £35k per property, a total sum of some £35m for Bro Myrddin, and will require substantial support from Welsh Government to deliver. In addition to the finances, and probably most influentially, there isn't the trades and supply of materials currently available, nationally let alone locally, to deliver on a much larger scale. Our promise to you is that we will get this done as soon as at all possible!

We have always been and continue to be incredibly proud of the not for profit, community based and focused Housing Association that we are. Our Neighbourhood Coaching approach to housing management service delivery directly reflect the Association we want to be seen and

regarded as, one that Cares, Listens and Delivers for our people. During 2022/23 the Neighbourhood Coaching approach began to take real traction having been initially hampered by the pandemic. During the coming months we will be undertaking a review of the change however we're pretty buoyed by what we are seeing already. As always there are areas that require improvement however we feel we're verv much going well along the journey towards success, which was identified from inception

- >> A proactive approach to our relationship with residents
- Better outcomes for residents
- Better connected communities
- >> Improved customer feedback scores
- >> Key Performance Indicators improved
- >> Improved customer feedback scores

Over the coming pages we demonstrate how we achieve what we set out to achieve in our 2022 Corporate Business Plan, testament to our committed and caring staff.

I invite you to read our 2023 Corporate Business Plan to learn more about our pledges over the coming year(s), as we play our role in supporting and enhancing the lives of our people and our communities.

**Hilary Jones Chief Executive** 



# We are Bro Myrddin

We are a not for profit Housing Association registered as a charitable association under the Co-operative and Community Benefit Societies Act 2014 (Registration Number 23055R) operating in the South West Wales counties of Carmarthenshire and Pembrokeshire. Our financial surpluses are reinvested in our homes, services and people, providing;

- Social and affordable homes and housing related services to up to 3,434 residents living in our 1,013 homes, and
- Safe, secure and a rewarding environment to work for our 31 highly valued Staff, colleagues and Members.



#### **Our Vision**

to be there for our people



#### **Our Goal**

to continue to be regarded as an Association that Cares, Listens and Delivers for our people



#### **Our Values**

Motivated, Accountable, Proactive, Together, Efficient



#### **Our Mission**

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 Culture

Adults working together for a common purpose in a consistent, solutions focused environment where everyone feels;

- Fairness for all is a reality
- >> Respect for all is the norm
- >> Equality of opportunity for all is embedded
- » Diverse employees feel that they belong
- » Inclusion is widely understood, where all colleagues are committed to inclusive behaviors and where leaders connect the link between an inclusive culture and business performance
- » Engaged where there is a positive emotional attachment between colleagues, their work, managers and leaders - where everyone lives and breathes the values and goals of the Association

# Our provisions of homes and service

#### Our services include



General needs



**Sheltered** accommodation



Supported housing units



ownership



Homebuy investments

# Our Housing Stock Profile Consists of









# Our People

#### Our Residents

**Our residents range from** new-borns up to our oldest at 97 years of age. It is them, along with future residents that we look forward to welcoming, who are at the very core of all that we do and are instrumental in shaping the Association's current and future services.

Many residents are more than contented to be left to enjoy their lives with little interaction with us, limited to the periodic compliance visits and odd repairs and so on. However we actively seek and encourage engagement and involvement and have in place a number of resident involvement channels that are available to all residents to become members of. We are incredibly proud



"We care about our people (our Residents, Staff and Stakeholders) and place them at the core of everything we do"



The following groups or individuals directly support us to shape our services and safeguard the best interests of our people, they include our;

- » Resident Forum who meet quarterly to discuss and/or propose new ideas to ensure continual improvement of our services.
- » Resident Readers Panel individuals that prefer to engage on a 121 basis, reviewing strategies, policies, procedures and new/emerging ideas.
- » Resident Scrutiny Panel a formal membership group that meet monly to monitor performance and identify areas that need further attention, providing recommendations for improvements where necessary.

We also have a wide range of other resident engagement channels which we utilise to gather and seek the views of our people, these also play a pivotal role in our decision making. These include online surveys, text surveys, welfare calls, social media platforms and online live chat.



#### **Our Staff**

Our staff are brilliant, they care about what they do, why they do it and the difference it makes to people's lives and our communities. They take great pride in their work and the outcomes they help achieve and influence, both for residents and each other.



They are representative of our communities, 87% of the 31 (as at 31/03/2023) individuals who work at the Association live within our communities.

#### Our Executive

Collectively our executive team have over 80 years of experience working in the sector and bring a wealth of experience from multiple social housing providers.



Rhodri Jones

Hilary Jones

Tracy Rees

# Our Board of Management

The Board of Management are volunteers that bring a wealth of experience and a mix of skills directly applicable to the strategic operating of the business.

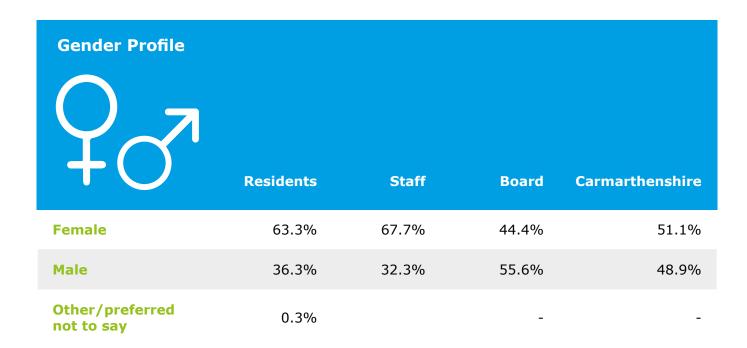


**Chair of the Board Vice Chair Board Members** 

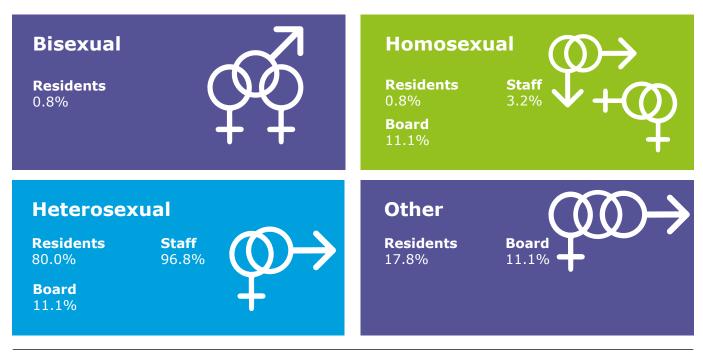
Tim Llewelyn **Andrew Sivertsen** Lesley Penn, Ann Thomas, Arwyn Thomas, Delyth Evans MBE, Paul Ryan, Simon Campbell-Davies, Councillor Sue Allen

# Our peoples profiles

The following data details our People's (Resident, Staff and Board) demographic alongside that of our primary (99% of stock) local authority, Carmarthenshire. Our aim is that our people are representative of one another.

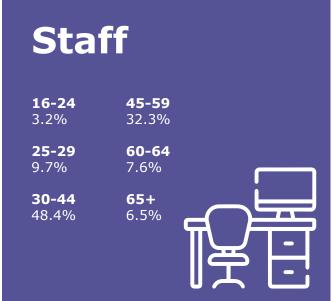


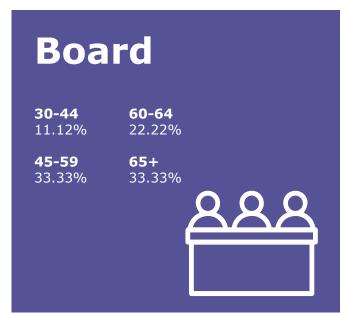
#### **Sexual Orientation**

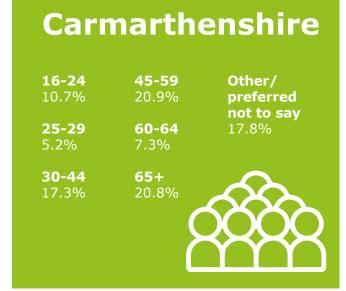


#### **Age Profile**









#### **Ethnicity Groups**

	Residents	Staff	Board	Carmarthenshire
White British	92.0%	96.8%	100%	95.5%
White Other	-	3.2%	-	2.0%
White Gypsy or Irish Traveller	2.4%		-	0.2%
White Irish	0.4%		-	0.4%
Mixed / multiple ethnic groups	-		-	0.6%
Asian / Asian British	3.6%		-	1.0%
Black/African/ Caribbean/Black British	0.4%		-	0.2%
Other / Prefer not to say	1.2%		-	0.1%

### **Disability**

# Residents

Yes 30.2% No 69.8%



# **Staff**

Yes 3.2% No 93.5%

**Other** 3.2%



# **Board**

No 100%



# **Carmarthenshire**

Yes 74.6% No 25.4%



Chair's Message We Are Bro Myrddin Auditiors Reports Financial Statements

# Religion

	Residents	Staff	Board	Carmarthenshire
Buddhist	0.5%		-	0.2%
<b>Christian</b> (all denominations)	39.2%	48.4%	88.89%	61.8%
Hindu	0.2%		-	0.2%
Muslim	0.1%		-	0.3%
Jewish	-		-	0%
Sikh	0.1%		-	0.1%
No religion	42.3%	45.2%	11.11%	28.9%
Other/ preferred not to say	17.6%	6.4%		8.5%

# **Welsh language**

	Residents	Staff	Board	Carmarthenshire
No skills	0.0%	54.8%	44.45%	41.90%
Understands spoken welsh	11.8%		22.22%	11.70%
Welsh speaker	1.4%	45.2%	33.33%	43.90%
Other/ preferred not to say	86.8%		-	2.50%

# **Our Regulators**

We are registered with Welsh Government (L069).

Housing in Wales is the responsibility of Senedd Cymru and Welsh Government. The activity of regulation is undertaken on behalf of the Welsh Ministers by the Welsh Government's Housing Regulation Team (part of the Housing and Regeneration Directorate), and largely takes the form of oversight and monitoring, with intervention if necessary.

In their capacity as our Regulators, Welsh Government issued our latest Interim Regulatory Judgement in September 2021, confirming our May 2019 judgement;

- » Governance (including tenant services) Standard
- » Financial Viability Standard

#### Our Professional advisors

#### **External Auditors**

# Bevan: Buckland LLP Chartered accountants, tax and financial planners

Bevan Buckland LLP

Cardigan House, Castle Court, Llansamlet, Swansea, SA7 9LA

#### **Internal Auditors**



TIAA Ltd

Artillery House, Fort Fareham, Newgate Lane, Fareham, PO14 1AH

#### **Principal Bankers**



Barclays Bank PLC

Corporate Banking Centre, 1st Floor, 1 Callaghan Square, Cardiff, CF10 5BT

### **Principal Solicitors/Advisors**





Devonshires

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



**Hugh James LLP** 

Two Central, Square, Cardiff, CF10 1FS



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



Worknest Law

Woodhouse, Church Lane, Aldford Chester, CH3 6JD



# **Spotlight On -Neighbourhood Coaches**

Our Annual Report acts as our primary source of self-evaluation and reporting to our people; Residents, Staff and Stakeholders.

The role of today's Housing Association is much more than providing just the bricks and mortar and reporting the hard data. We exist to, and very much care about, delivering long-term positive outcomes for our people.

Spotlight On -Neighbour hood Coaches

The following is a very small selection of real-life case studies from the year, demonstrating some of the various roles our Neighbourhood Coaches and trainees play and those ever so important outcomes we are incredibly proud to have played a part in supporting our residents achieve.











# **Case 1** hoarding, moving and loneliness

A resident contacted us in crisis, their health and mobility had deteriorated to the point where they were unable to use the upstairs of their property, including their bathroom. They didn't have any family support and it became clear that the resident wasn't coping with their personal care or the care of their home. They were living in their lounge, sleeping on a sofa and using a commode.

We worked to obtain support for the resident through NACRO and Social Services. The resident was keen to move to a single level property but was hesitant as they could see no way to manage the move alone. We worked very closely with NACRO and the resident was shortlisted for another Bro Myrddin property; a ground floor flat within a scheme. Through multi agency

working, we were able to put arrangements in place to support the resident and make it possible for them to move home.

After the move, we supported the resident in getting settled in their new home and we check in with them regularly to make sure all is well. They are very happy in their new property and living on a single level has helped them to regain their independence. They love being able to use their own bathroom and sleep in a proper bed. They take pride in their new home and are able to keep it clean and tidy and their mental wellbeing has improved dramatically. They told us that being able to move around the flat has helped their health and they no longer suffer with oedema caused by immobility and living their life all in one room.

### Case 2 withdrawn, arrears and benefits maximisation

A resident had consistently high rent arrears and proved difficult to get in contact with. When we did speak with them, they were very reluctant to discuss their financial situation. Having explained the Neighbourhood Coach role and the support Bro Myrddin can provide, we invited them to share some basic information to help them maximise their income and possibly access more income, but at they remained hesitant.

Over a period of time we built up a relationship and eventually established that the residents Housing Benefit had been stopped when the couple had returned to work. However shortly after, their circumstances changed with one of them needing to leave work for health reasons. This reduced their income significantly. They requested to have their Housing Benefit reinstated but were refused, leading them to believe they didn't think they were entitled to any further financial support.

We explained that from what we had learned about their circumstances we believed they may have an entitlement to

Universal Credit. Unfortunately, the resident was sceptical about Universal Credit having heard bad press about it and didn't wish to apply. Continuing to work with them, we were able to persuade them to allow us to refer them on to Citizens Advice for a benefits check.

The benefit check showed that the couple did have a Universal Credit entitlement and now get their income topped up, as well as receiving housing costs of £582 per month. Because of their increased income, they were able to commit to a payment arrangement on their arrears which, over a six month period reduced by £1,500 and their ongoing rent continues to be paid on time.

As well as reducing the arrear on the account, this work has allowed us to get to know and develop a good relationship with a resident who historically had a less proactive relationship with us. We now speak with them regularly, they keep us up to date with their circumstances and they have recently contacted us for support on other financial matters.

# **Case 3** underoccupancy, sustaining tenancy and substance misuse

A single occupant resident was occupying a 2-bedroom house and was therefore affected by the bedroom tax. The resident was arrested and placed on remand for 7 months awaiting sentencing. The residents Housing Benefit had been suspended and their direct debit had been cancelled meaning the resident was at risk of losing their home. We contacted the residents relative and asked them to ask the resident to contact us for permission to apply for DHP Discretionary Housing Payment. Understanding the situation better, the resident agreed and a DHP payment was

subsequently received and the property secured.

The resident is now out of prison and in receipt of UC, direct debit set up and is now in credit on their account.

Being a heavy substance misuse user, we made a referral to DDAS Dyfed Drug and Alcohol Service and helped them get support from Nelsons trust. The resident is now drug free and having weekly tests to evidence.

# Case 4 benefit maximisation, digital inclusion and debt support

A Resident contacted us having received a letter regarding rent arrears and it became apparent that they were under-occupying their home and subject to bedroom tax. The arrears had built up over a lengthy period as they were of the understanding that they were in receipt of a Discretionary Housing Payments (DHP) to cover the shortfall, not realising that they had to reapply every year.

Through further dialogue, it became apparent that the resident's circumstances had changed, with their teenage child now living with them meaning the flat was no longer under occupied.

The resident did not own a computer meaning they were unable to complete the necessary online forms.

The Resident attended the office where we provided the necessary for them to completed the Housing Benefit (HB) form to reflect their change in circumstances. We also supported them to complete a DHP application when it became apparent they also had a debt on their utility meter, placing them in financial hardship. We immediately then applied for a Discretionary Assistance Fund (DAF) emergency utilities payment towards the debt.

Both the DHP and DAF were subsequently approved resulting in a large chunk of the arrears and utility debt cleared. The change in circumstances was also approved meaning that they now receive the full HB.

# Case 5 ASB, injunction and community cohesion

An incident was reported in of a resident being aggressive to contractors and neighbours. The incident was of such a serious nature that it warranted an injunction to safeguard our contractors, staff and residents.

We met with the resident to discuss the incident and understand what happened from their perspective, to explain the reasons for us seeking the injunction order against them and warn them of the unacceptable conduct.

It also provided the opportunity to get to know the resident better and start forming a more proactive relationship and trust. The resident soon felt comfortable opening up about their current personal circumstances and issues, their past life and substance misuse issues.

We now have a good relationship and the resident is now comfortable contacting us whether to report issues or ask for support, advice and guidance.



# **Our Strategic Priorities**

**Our Corporate Business Plan is developed** each year in consultation with our People; Residents and Staff.

**Our 2022 Corporate Business Plan was launched** in March 2022, a time of mixed emotions as we emerged more fully from the grasp of the pandemic but facing further turmoil, most notably the emerging cost of living crisis and the true impact on peoples physical, mental and financial wellbeing.

In addition to these factors, the environmental challenges reached a now or never point and Europe saw war for the first time in many years.



The supply of energy efficient, social and affordable homes and safe, secure and rewarding environment to work has therefore never been so vital. These, combined with our long-term ethics and aspirations saw our plan continue to centre around three key strategic priorities.







# People focus

Our People are vitally important to us, we care about them and place them at the core of everything we do.

#### Resident involvement

Engagement and involvement is a primary focus of ours as we tailor our services based on what we hear and in the interests of both our current and future people.

Our Resident Involvement Strategy, last approved by the Board of Management 17/01/2022, sets out our commitment to Act, Listen and Learn from what our Residents say.



#### Listen

We will provide a range of opportunities to actively listen to a diverse range of residents and to our communities



#### Act

After we've listened, we'll act on what we've learned, not be afraid to try something different and to see what happens. We'll provide open and honest feedback on what we've done or why we can't do something



#### Learn

actions by monitoring the fails and we'll continue to

#### We offer an extensive range of resident involvement channels to accommodate various personal preferences, these include;

- » Resident Forum
- » Resident Scrutiny Panel
- » Residents Events
- » Resident Surveys
- » Task and finish groups
- » Estate monitors
- >> Estate walkabouts
- » Online/hybrid meetings

- » Social media
- » Digital drop ins
- » Resident and Applicant portals
- » Resident App
- >> Telephone
- » In person
- » SMS/WhatsApp

Website (incl App)

» Live chat

During the year we experienced an overall growth in contacts from residents of 203%. The vast majority of contacts continues to be through Social Media channels however 'Other' forms of contacts (SMS, WhatsApp,

e-mail, surveys etc) have seen the greatest increase during the year having surpassed telephones as our second most popular form of contact.

#### **Telephones** % increase 2022 v 2023 2021/22 2022/23 13,297 **16%** 15,323 (13%)

In Person			
000	2021/22	2022/23	% increase 2022 v 2023
	15,323 <b>36%</b>	13,297 <b>16%</b>	(13%)

Socialmedia							
الجلاق	2021/22	2022/23	% increase 2022 v 2023				
Ę,	20,524 <b>49%</b>	47,649 <b>56%</b>	132%				

2021/22	2022/23	% increase 2022 v 2023
118 <b>0%</b>	116 <b>0%</b>	(2%)

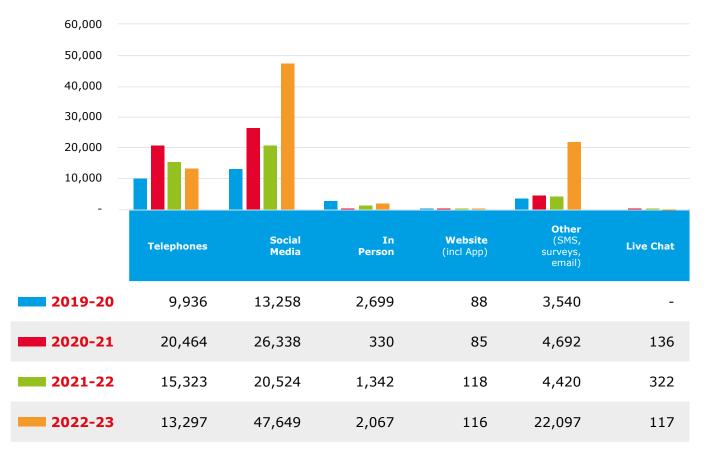
Live chat	:		
	2021/22	2022/23	% increase 2022 v 2023
	322 <b>1%</b>	117 <b>0%</b>	(64%)

Other (SMS, surveys, email)						
	2021/22	2022/23	% increase 2022 v 2023			
ત્રું	4,420 <b>11%</b>	22,097 <b>26%</b>	400%			

Our Strategic Priorities

#### The following graph illustrates the resident contacts volumes over the last 4 years;

#### **Resident Contacts**



#### The nature of contacts varies greatly;



In addition to contacts received from residents, since the global pandemic, a total of 1,772 welfare calls to residents have been made.





We restructured our housing management service, adopting a Neighbourhood Coaching approach to promote more proactive relationships and better-connected communities

### Neighbourhood Coaching service

In 2020, we restructured our housing management service, choosing to adopt a Neighbourhood Coaching approach to address some of the things we were hearing and to promote more proactive relationships and better-connected communities.

The Neighbourhood Coaching service is very much an outcomes focused service which carries a significant degree of variety in the requirements of the role. To evidence our performance in this area we can provide you a selection of data centric measures as found throughout this report, however we would like to draw your attention to our 'spotlight on' section of our report found on pages 20-23 which details a selection of actual case studies from the year which demonstrates the array of support and outcomes our Neighbourhood Coaching Service achieve.

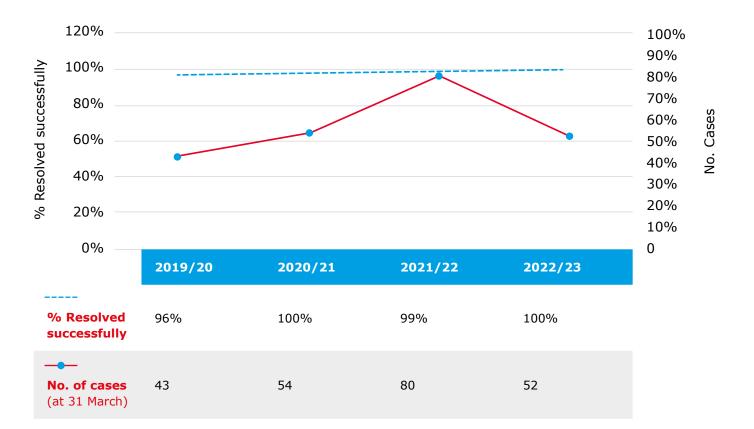
Having invested in agile working systems that support our staff to deliver Neighbourhood Coaching in 2019/20, we were then hindered by the pandemic. However, 2022/23 saw this change to approach begin to come to fruition, driving down key operation metrics.

Getting to know you visits have been held during the year with 81% of our residents with the remaining 19% to be met with during 2023/24.

Over recent years, and increasingly so during the pandemic, ASB cases have been on the increase, this however is not an issue exclusive to us. The underlying reasons suggest a combination of the increase in unsolicited recreational activity within our communities, more support needs and housing homeless, and more people being, or working, at home. Added to this is an increased willingness to report, facilitated by more, and easier, channels to report in, for example we found that improved relationships through Neighbourhood Coaches has increased an individuals' likelihood to raise issues.

At its peak during the pandemic, we were managing over a 100 live ASB cases, that's an average of over 1 in every 10 homes. The average number of live cases throughout the year stood at 65 (2021/22:69.5; 2020/21: 62.0) however as at 31 March 2023, the number of live cases in management had reduced to 52 (2021/22: 80; 2020/21: 54) and we are proud to say the number continues to decrease. This is testament to the hard work and efforts of our coaches including a greater level of multi-agency working.

#### **ASB**



100% of cases resolved successfully



# Affordability and sustainable tenancies

Providing unaffordable homes and services that fail to provide value for money for our people would ultimately lead to business failure. It is in everyone's best interest therefore that our homes and services remain affordable, prove to provide value for money and in turn influence sustainable tenancies for our residents.

Our rent (and service charges) affordability is measured using a minimum wage model which is tailored to what we see from our financial inclusion data. Our model assumes a basis point of residents working 30 hours a week at minimum wage, with

property size based on the number of dependants and relating Universal Credit available.

Our 2022/23 rents averaged at 23% of net income, with the largest ratio (31%) found on 1 bed 2-person bungalows. When service charges are factored in, the average ratio of net income to charges stood at 23.8%, with the largest ratio (33.6%) found on 1 bed 2-person flats. These are well below the set affordability ratio thresholds of 33% for rent only and 38% for rent and service charges.

#### The weighted average rents and services charges at the Association are tabled below:

	2019/20	2020/21	2021/22	2022/23
Flats	£86.35	£82.56	£85.30	£87.96
Bungalows	£98.15	£101.01	£102.60	£105.78
Houses	£98.09	£101.53	£102.98	£106.03

NB: Weighted average calculated by multiplying the weekly charge by number of units, summing up the unit type weekly charges and dividing by the number of units of that type.

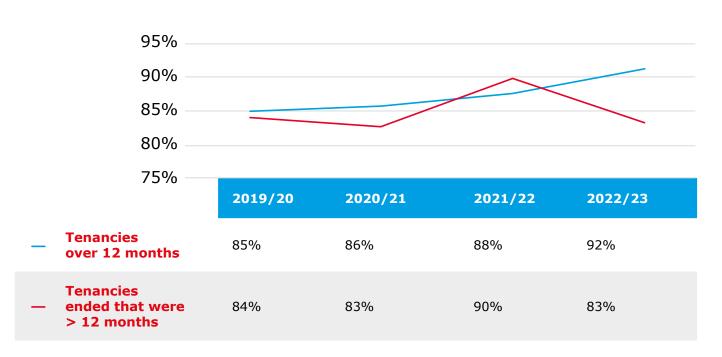
#### Our rent charges in comparison to private sector, Local Authority and the Local Housing Allowance is as follows;

	Private Rented	Local Authority Rents	Local Housing Allowance
1 bed 2 person flat	70%	103%	106%
2 bed 4 person house	62%	98%	103%
3 bed 5 person house	63%	97%	98%

We measure the sustainability of our tenancies by measuring the percentage of tenancies that are over 12 months. We are pleased to see this measure has grown yet again.

As at 31 March 2023, 92% of our homes had been occupied by the same residents for 12 months or more.

#### Sustainable tenancies



# **Resident Satisfaction**

As noted above, we have a number of Residents surveys that gather views of our residents, we also work with independent third party survey specialists Acuity to collate our all-encompassing Survey of Tenants and Residents (STAR).

The following statistics relate to surveys, comments and insight received during the 12 month period 1 January 2022 to 31 December 2022. Including our 'Your Rent 2023' rent survey and STAR survey was also conducted in summer 2021.

Internal Surveys	2022	2021	2020	2019
Responsive Repairs	95%	93.7%	93.2%	92.5%
New Home	100%	94.4%	97.0%	n/a
Anti-Social Behaviour	100%	98.8%	100%	94.5%

STAR Survey	2021	2018
Satisfaction with overall services provided	84%	87%
Satisfaction with quality of home	81%	86%
Satisfaction that we listen to	70%	71%



# Community and Residents Fund

**Having established our Community** Fund in 2021/22, this year saw us establish our Residents Fund. The funds aim to provide our people and communities with vital resources to;

- » support initiatives that promote lasting legacies and community cohesion, and
- » help remove barriers and challenges from our people's daily lives

#### We were thrilled to see two Community Fund projects delivered this year;

» Llangadog Primary School were successful in their application for a outdoor learning pod which will provide an invaluable resources for students to hold outdoor lessons and activities

>> LLL MenShed were successful in their application for; 3D printer that enables them to provide agreat er variety of invaluable service to their communities; and resources that enables them to hold meetings and events for current, new and old members at their community hall

One Resident Fund application was awarded to support a resident who had worked incredibly hard to overcome significant personal barriers in maintaining their tenancy but needed a final bit of financial support to complete the complete transition having found themselves no longer able to access the support available to them when previous challenges were in place to a greater degree.

### Rewarding workplace that empowers staff to deliver

Our committed and caring staff are unequivocally our greatest asset, working tirelessly to be there for our people, our residents and each other. This doesn't come by luck, it comes from attracting and retaining the right people and ensuring appropriate and continued investment is made so that our people feel valued and cared for.

Nowhere does that demonstrate itself more than the achievement, and retention, of our Investment in People Gold accreditation.



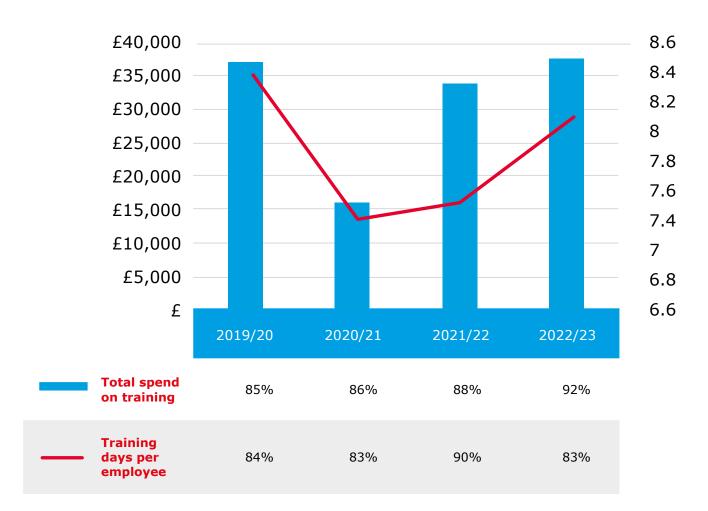
In December 2022, we were incredibly proud to have been awarded the National Centre for Diversity's Investors in Diversity Award. The Award recognises our natural environment for an inclusive culture, where the prevailing emotional climate is one where our people feel:



- >> Fairness for all is a reality
- » Respect for all is the norm
- » Equality of opportunity for all is embedded
- » **Diverse** employees feel that they belong
- » Inclusion is widely understood, where all colleagues are committed to inclusive behaviours and where leaders connect the link between an inclusive culture and business performance
- Engaged where there is a positive emotional attachment between colleagues, their work, managers and leaders – where everyone lives and breathes the values and goals of the organisation



# Investment in staff



# **Business growth**

Growth is important to us. Done right, growth safeguards our people and assets enabling us to deliver more for our people, communities and stakeholders.



### Building new homes

As a provider of social and affordable homes, we do not shy away from our responsibility to deliver more homes and play our part in addressing the ongoing housing crisis.

This year saw us reach and surpass our 1,000th home, something we were all incredibly proud to have achieved. During any given year we aim to deliver around 25 new homes to the sector. Having delivered 58 new homes in 2020/21 and 2021/22, this year saw us deliver 15 new homes (in Whitland) and commence a new site (in Llandybie) that will deliver 24 new homes in 2023/24. Based on our average rental income of £98.30 per week, this equates to £495.8k in additional income, which is an average growth rate of 2% per annum.

### The weighted average rents and services charges at the Association are tabled below:

	1 Bed Flat	2 bed House/ Bungalow	3 bed House	4 bed House	5 bed House	Total	% increase in stock
Completed 2019/20	8	37	2	8	0	55	6%
Completed 2020/21	27	11	1	0	0	39	4%
Completed 2021/22	0	10	8	1	0	19	2%
Completed 2022/23		9	4		2	15	2%
On site: due 2023/24	4	14	4	2		24	2%
	39	81	19	11	2	152	16%
Split of new homes	26%	53%	13%	7%	1%		

### The 15 new properties brought in to management related to General Needs. The percentage split as at 1 April 2022 and then at 31 March 2023 is as follows

	01/0	04/2022	New Units	31/0	03/2023
General Needs	928	90%	15	943	90%
Sheltered Housing	68	7%		68	7%
Supported Living beds	8	1%		8	1%
Shared Ownerships	2	0%		2	0%
Homebuy properties	22	2%		22	2%
	1,028		15	1,043	

#### **Customer:**

"Hi...Just wanted to send a quick thanks to you and the team for the support you have provided over the past couple of months e.g. trouble shooting, new phone and laptops and early migration. The support you guys provide is central to us."

### Maximising income

For any business, income maximisation is a key priority, and as the cost of living crisis took its grip during the year, our people faced unprecedented pressures on their finances.

One of our most highly valued service for many years now, has been our financial inclusion. This service is largely provided through our multi-skilled Neighbourhood Coaches who utilise various tools to support residents to maximise their income and manage their finances, with more complex cases referred to our financial inclusion lead or Citizens Advice.



Having listened to what our people tell us, we made changes to how we deliver on a number of our services, namely those linked to service chargeable works such as grounds maintenance, cleaning, alarm testing and so on. The Association does not employ our staff to delver this work, instead rely on the services of local contractors.

The Estate Safety Coordinator role was established to better support Staff and Residents monitor the delivery and quality of these works and the resulting feedback has been excellent and has fast become a valuable service for our people.



#### **Contractor:**

"I was really impressed with AJ with the service received "

#### **Colleague:**

"The new service has proved invaluable, not only has it seen satisfaction levels increase from greater scrutiny of works within our estates but the efficiencies it has introduced around alarm checks, repair surveys and so on is great for the business which only benefits residents in the long-term, brilliant."



We partnershiped with Carmarthenshire Local Authority, to establish our new domestic violence service tailored to specific characteristics. The service allows individuals fleeing abuse to have a safe and secure place to stay within an environment that better suits their specific needs

### Domestic abuse service

It is an unfortunate reality that domestic abuse continues throughout our society, encouragingly however, the level of reporting has been increasing meaning suspected support needs are becoming realised.

It is important that in order to continue to encourage its reporting, the necessary services are available to those faced with or fleeing domestic violence.

We have long-standing partnerships with domestic violence support providers and work closely with numerous throughout our communities and homes, however there are the inevitable gaps. Those facing such abuse aren't limited by gender,

wealth, age, sexual orientation, or any other characteristic. During the year, and in partnership with Carmarthenshire Local Authority, we established our new domestic violence service tailored to specific characteristics. The service allows individuals fleeing abuse to have a safe and secure place to stay within an environment that better suits their specific needs.

The service went live early 2023 and the numbers are minimal at present however we are thrilled with its establishment and the benefit it is already bringing those we are supporting to flee such unthinkable circumstances.

# IT services to partner agencies

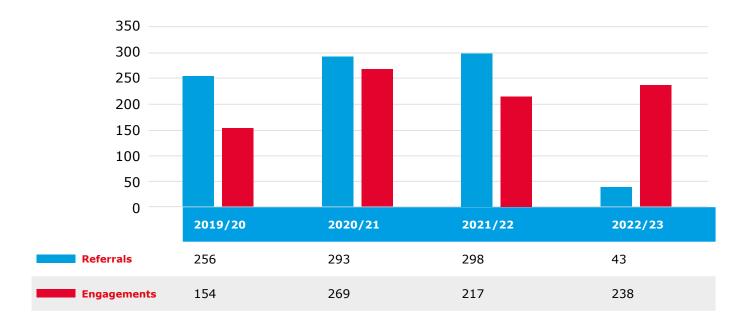
Having provided both long-standing and ad-hoc IT support and service to third-party organisations over recent years, we actively look to liaise and support other like-minded organisations. We do this to expand our networks and help one another out, and where beneficial to both parties, to provide tailored IT services which in turn,

attracts additional revenue streams for us. We have been providing IT services to one partner organisation since 2017 and we are thrilled to have been awarded another 3-year contract that will see us provide and support their IT service until at least March 2026.



# Despite the challenging climate of the past 12 months and indeed the 2 or so years prior to that, our arrears position has remained consistent

### Financial inclusion service



As with all Association's, arrears management is a large part of the job. In addition to the direct benefit to residents, the arrears picture supports decision making and provides invaluable business insight.

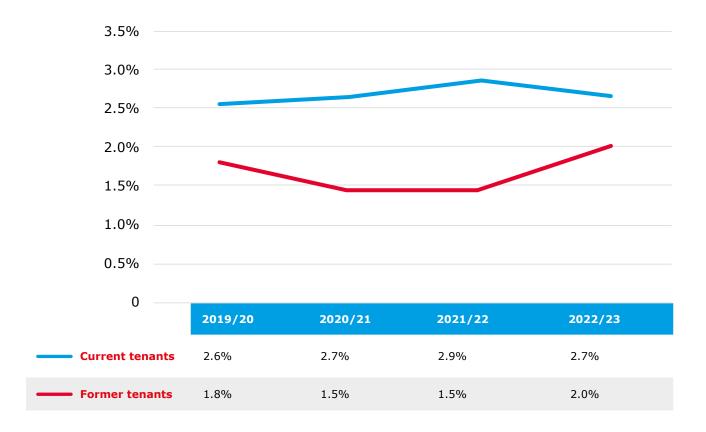
Despite the challenging climate of the past 12 months and indeed the 2 or so years prior to that, our arrears position has remained consistent. This is testament to the great work and commitment of our Neighbourhood

Coaching team who have worked hard to not only manage arrears levels but more importantly, form stronger and more proactive relationships with residents.

We accept that this benefits the business, however we are driven by a deep-rooted care for the resident(s) and families we support as demonstrated by the sample of case studies provided on pages 20-23 of the work and outcomes our Neighbourhood Coaches take pride in achieving.

### The Association's arrears position as at year-end stood at;

### Arrears as % of annual rent



### Listening and learning

Our 'we listened' programme ensures that where residents make suggestions or requests they are noted and delivered.

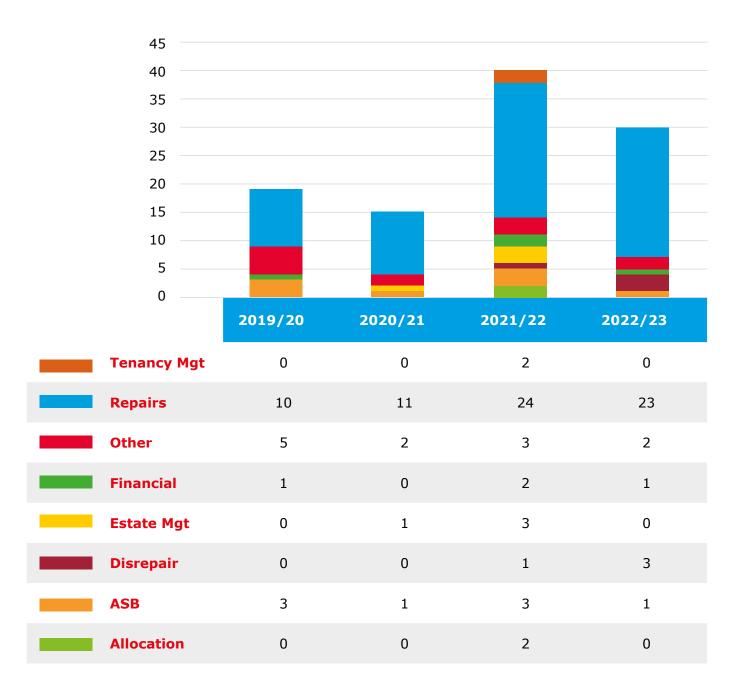
During the year a total of 11 (2021/22: 12; 2020/21: 10; 2019/20: 16) direct actions were taken from our 'we listened' programme. These include holding resident meetings at evening, creation of resident activity groups (e.g. chess/reading clubs), changes to access points, changes to elderly services provision, changes to business plan and improved communication messages.

Unfortunately, despite our very best efforts we continue to receive the occasional complaint. During the year a total of 30 (2021/22: 39; 2020/21: 15; 2019/20: 19) complaints were received and resolved. Of these, 7 reached stage 2 before being resolved. (2021/22: 5; 2020/21: 3; 2019/20: 3).

The nature of complaints received vary with the most prominent always being repairs.

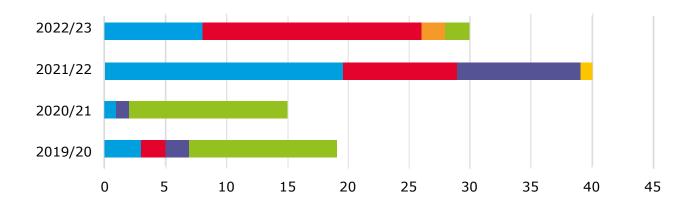
Our Strategic Priorities

# Complaint type



We proud to have continued to resolve each complaint successfully with no matters referred to the Ombudsman. The nature of resolution takes many form;

# Complaint outcome



	2019/20	2020/21	2021/22	2022/23
Upheld	3	1	20	8
Not upheld	2	0	9	18
Raised in error	2	1	10	0
Discontinued	0	0	0	2
Resolved	12	13	0	2
Withdrawn	0	0	1	0

We were pleased to see a number of compliments received during the year, 55 in total (2021/22: 91; 2020/21: 102; 2019/20: 101). Despite the drop-in numbers over recent years, it is in line with pre-pandemic levels.

The compliments relate to both Contractors (33%) and Staff (67%) and range from the quality of work/service, general manner and personable tailored service and/or support provided.

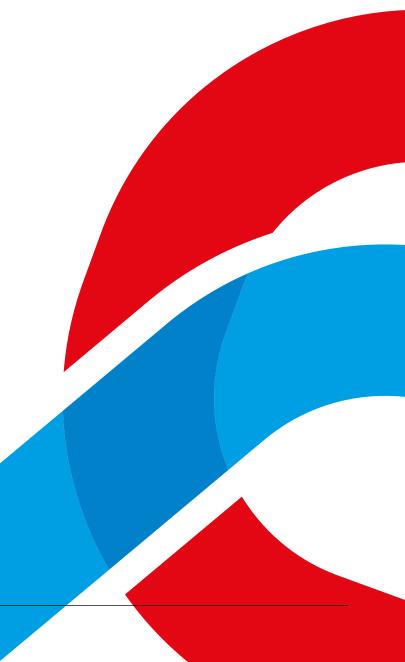
### A small selection of the compliments received;

**Resident:** "I really do feel that with your support this issue may finally be resolved...Thank you so much once again for your support and care, it really is appreciated"

**Resident:** "The cleaning has really improved. They are the best cleaner we've had in the last 5 years...they are amazing!."

**Resident:** "Many thanks nice to see a coach care about the properties and other residents thankyou"

Resident: "Bro Myrddin are wonderful landlords and have been fantastic since we moved into the property in 2003."



# Corporate responsibility

As a provider of energy efficient, social and affordable homes and services; and safe, secure and rewarding workplaces, our purpose is clear and we set out to achieve what we say we set out to do.

# Welsh Housing Quality Standards (WHQS)

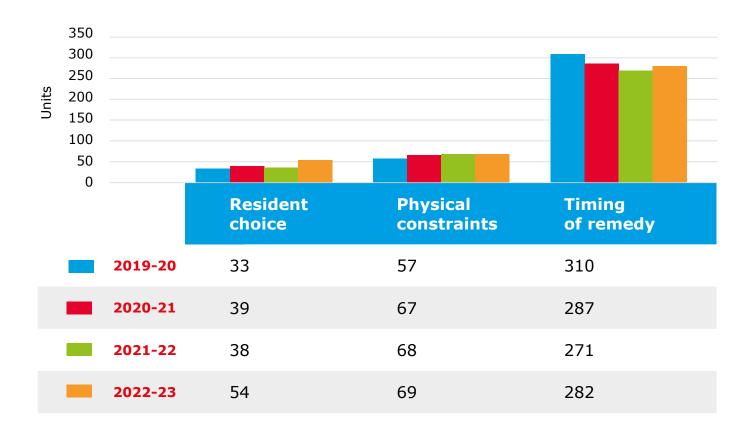
Our rolling 5-year programme of property surveys assess their condition in line with WHQS which states that all households should have the opportunity to live in good quality homes that are:

- >> In a good state of repair
- >> Safe and secure
- » Adequately heated, fuel efficient and well insulated
- Contain up-to-date kitchens and bathrooms

- >> Well managed
- Located in attractive and safe environments
- As far as possible suit the specific requirements of the household, (e.g. specific disabilities)

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

# Acceptable fails



Our programme of property surveys were severely impacted by the pandemic however during the year we largely completed (95%) the cycle and commenced our next 5-year survey cycle having surveyed 9% of homes by 31 March 2023.

# **Energy Efficiency and Decarbonisation**

The energy efficiency of our homes is vitally important given its direct link in demonstrating our homes provide a comfortable environment to live in and are affordable for residents to maintain.

In July 2019, Welsh Ministers received the findings from the Decarbonisation of Homes in Wales Advisory Group which recommended that Welsh Government should set ambitious housing targets to meet its ambition of achieving net zero carbon by 2050. The primary factors being that;

- » a 10-year programme begin in earnest;
- » current EPC be adopted as an initial 'best fit' for assessing before amending the measure to more closely aligned to decarbonisation aims; and
- » new social homes (with WG/public funding), should be built to EPC A from 2021

### All 36 new homes built by the Association since 2021 are rated EPC A and our housing stock EPC data is as follows;

Energy Performance Certificate Rating	Existing Homes	New Homes introduced 2022/23	All homes at 31/03/2023
EPC A	5.01%	100% New builds	6.41%
ЕРС В	16.32%		16.07%
EPC C	41.74%		41.12%
EPC D	29.23%		28.80%
EPC E	6.51%		6.41%
EPC F	0.50%		0.49%
EPC G	0.10%		0.10%



To date, we have been successful in securing £0.8m in Optimised Retrofit Grant from WG which will see an investment of £1.2m in our homes over the coming years to raise EPC ratings. This investment will involve External Wall insulation, more efficient glazing and solar panels.

# Compliance

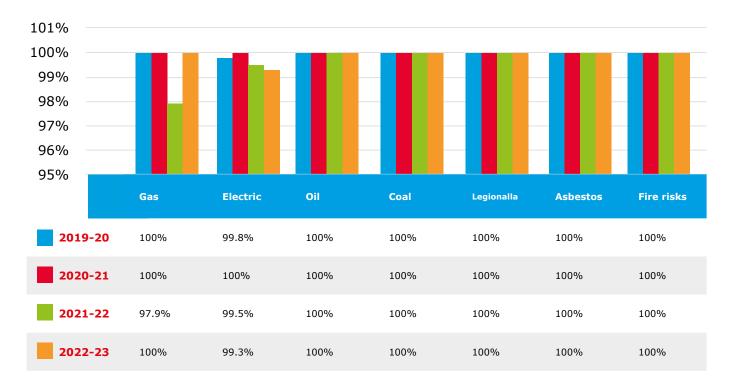
One of our number one priority each day is the Health and Safety responsibilities we hold as landlords, this provides the foundations we work from. Maintaining property servicing compliance is a paramount factor in this and we continue to set ourselves a target of 100% compliance within all 8 areas; Gas, Oil, Electric, Coal, Legionella, Asbestos, Fire Risk and sprinklers.

We have therefore invested heavily in resourcing, including associated technology, for many years with strict processes and

procedures embedded throughout including direct data links and workflows with contractors systems, which we monitor through a live compliance dashboard accessible through our various portals.

A 100% rate was maintained all year except with electric, gas and oil which dipped at 98%, 99% and 96% at various points during the year. These variations from target are due to challenges in entering homes, which are often still encountered through Covid during the year and are fully remedied at the very earliest opportunity.

### % homes with valid certificates



The graph below provides a snapshot of compliance position by each component area as at 31 March each year.

This year has seen the emergence of damp, mould and condensation as a growing area of scrutiny for the sector, and rightly so given some of the poor examples seen and a number of incredibly tragic cases.

We'll not shy away from the fact that we have experienced damp in our properties however there are many causes and we pride ourselves on always fully investigating and remedying.

Over the last 3 years, a total of 219 cases were reported to us, of which 148 have been fully resolved, followed up after a period of time to ensure the issue has not returned and closed off. A further 61 cases are currently ongoing at various stages of repair, inspection, assessing or providing furtherinformation and we are following up on a further 10 cases.

# Repairs

Repairs is a substantial part of our business and their efficient and effective remedy is of vital importance to our people.

During the year we invested £1.94m (2021/22: £1.9m; 2020/21: £1.8m; 2019/20: £1.6m) in maintaining our

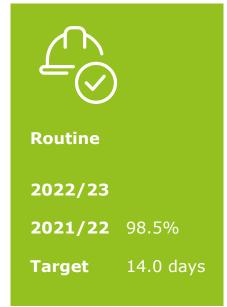
homes, completing 4,003 repairs (2021/22: 3,999; 2020/21: 3,948; 2019/20: 3,948) continuing the average of 4 repairs per unit per annum.

	2019/20	2020/21	2021/22	2022/23
Emergency	758	1,113	1,192	1,213
Urgent	1,800	1,813	1,493	1,480
Routine	1,390	1,022	1,314	1,310
	3,948	3,948	3,999	4,003
Units in management	935	973	996	1011
Ave repair per unit	4.2	4.1	4.0	4.0

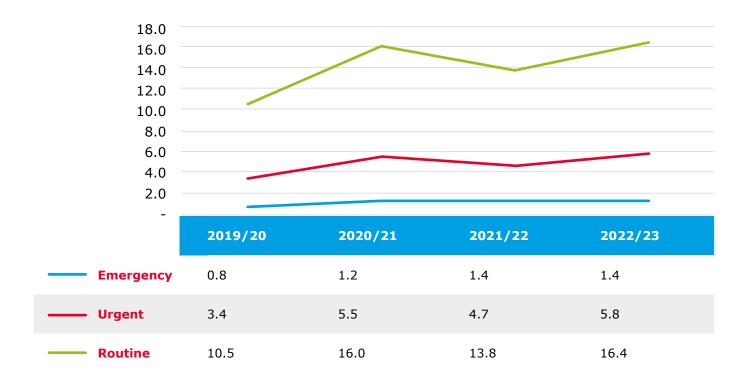
### The percentage of repairs completed to target time stood at;







# Average days taken for repairs



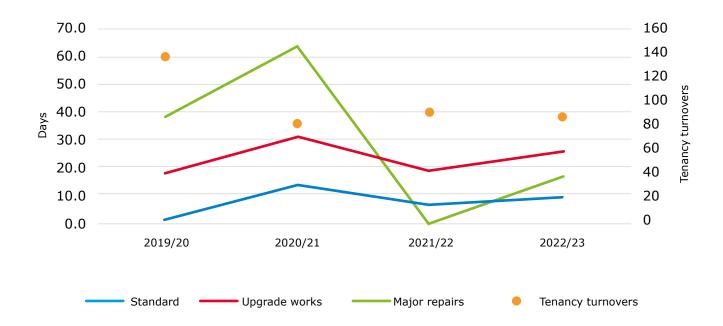
All orders reported over the prescribed priority timescale were due to legitimate reasons i.e. no access, further visits required or parts on order.

# Void/Vacated properties

During the year, a total of 87 (2021/22: 91) properties became vacant. The average time to return a vacated property to new residents is;

- » 9.2 days for a standard let
- » 25.4 days for those requiring upgrade works
- >> 16.4 days for those in need of major works

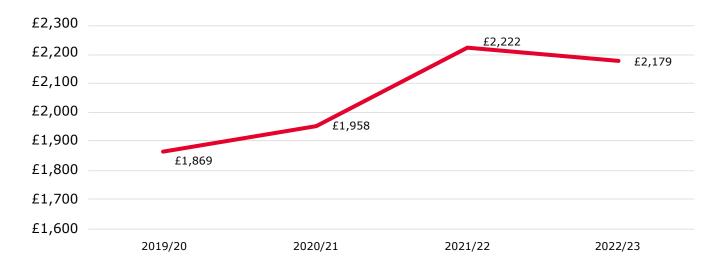
### Void relet days and tenancy turnovers



Balancing pre-tenancy property investment costs (empty property costs) with resident satisfaction and sustaining tenancies is a particular area of concentration.

The average empty property cost continues to creep up driven by increases in associated costs, increase in re-let standard and the condition some properties were returned in.

# Average void cost





Resident satisfaction rates on the quality of homes at letting stage reflects this at 100% for the year (2021/22: 100%; 2020/21: 95%; 2019/20: 94%).



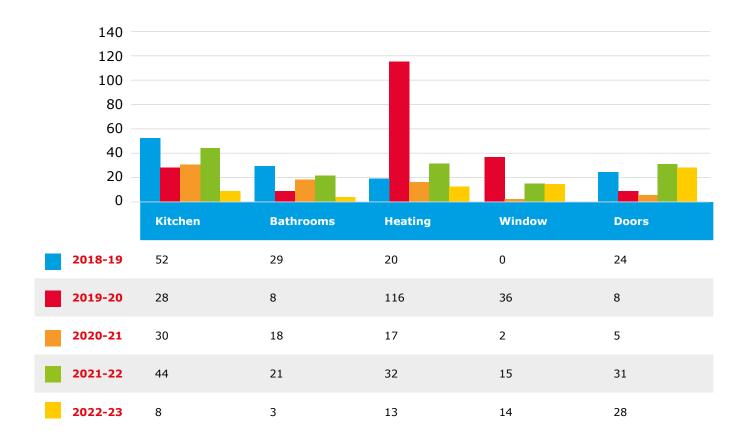
# Component upgrades

Having the right living environment is important. Affordability and quality of our homes impact both physical and mental wellbeing.

During the year we fully completed 66 upgrades and committed/partially completed on a further 40 primarily kitchen upgrades.



# Planned upgrades



# Renting Homes (Wales) Act 2016 (RHWA)

On 1 December 2022 the RWHA changed the way all landlords (Social Housing Landlords and Private Landlords) in Wales rent their properties.

The new law simplifies agreements and offers greater security and certainty to tenants and landlords. The main change were;

- » Residents' legal titles are 'contract holders'
- >> The Association is classed as a 'community landlord'
- » Tenancy agreements have been replaced by 'occupation contracts'
- » Enhanced succession rights for contract holders
- » Abandoned properties can be repossessed without court order
- Adding and removing a contract holder is simpler
- » Consistency in managing Anti-social behaviour

During the year, we worked closely with our legal advisors to implement the necessary changes; These included drafting our conversion contracts (Assured and Secured Tenancy Agreements to Secure Contract) and our new Secure Contract for residents signing post implementation of RHWA. In addition to contract matters, over a dozen policies required revision.

A number of changes were made to our IT systems to better facilitate the changes and a number of arrangements with contractors were updated to ensure new requirements of the Act were facilitated for example **Electrical Installation Condition Reports** issued within 7 days of inspection.

We had until 31/05/2023 to implement the necessary changes and most notably issue converted contracts and supporting compliance certificates to all residents, or Contract Holders as the Act now states. Due to the unequivocal commitment, hard work and painstaking attention to detail of our staff, these were all issued by 25/05/2023, this was no mean feat by any means.

# Staff Wellbeing

We take the Wellbeing of our staff very seriously and have invested heavily in this area raising awareness around physical and mental health and wellbeing through training events, social events and specific wellbeing events and initiatives.





Managers have undergone the i-act for positive mental health and Wellbeing model and tools for managers training and we have trained a number of mental health first aiders throughout our workforce.

We have a Staff Wellbeing Group that promotes wellbeing initiatives, activities and thinking throughout the business. We have been accredited with the Small Workplace Health Award for many years, currently accredited to silver status but plan, and are encouraged, to apply for the highest Gold status.

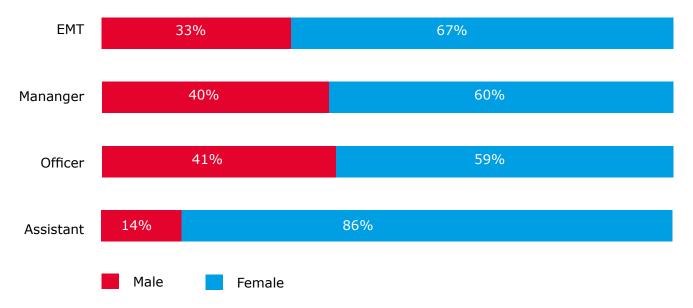
# As at 31 March 2023, the simple average gross pay by gender stood at

**Male** £37,364 **Female** £33,570

This is driven primarily by the higher number of female's working part time and the greater number of females employed

as Operation Administrators as illustrated below reporting the gender balance split by staffing levels.





### Our most recent Investor in People assessment concluded March 2021 found;



values and 95% share these values

has a positive impact on society

# The Well-being of Future Generations

In Wales we are doing things differently. We have a law, the Well-being of Future Generations Act, that helps certain public Bodies work together to improve our environment, economy, society and culture. We are not covered by the act however we are passionate about the role we play in supporting its objectives.

### **A prosperous Wales**

We employ over 30 individuals and support a great deal more (such as apprenticeships) from the over £10m we spend each year investing in our current and new homes and services, and in supporting our people and the business, looking to invest primarily within our communities and where not possible, in Wales.

#### **A resilient Wales**

Our neighbourhood coaching approach to housing management promotes resilience for our people and communities by empowering individuals to achieve success for themselves or with minimal support.

#### A healthier Wales

Poor housing is unequivocally linked with a wide range of health conditions.







INVESTORS IN PEOPLE We invest in people Gold





### A more equal Wales

By our vary nature we are an inclusive organisation, working in partnership with our Local Authorities there are no barriers to our homes and services. We believe an energy efficient, social and affordable quality home is the right of all individuals.

#### A Wales of more cohesive communities

We are incredibly proud of the not for profit, community based and focused Housing Association that we are and we are passionate about creating homes and communities that are attractive, safe and people are proud to be associated with. We see ourselves as placemakers.

### A Wales of vibrant culture and thriving Welsh language

Our culture has a pivotal link to our success and our over 40 years of success is evidence of the thriving adult centric, common purpose culture we're proud to boast. We work hard to put our people and their best interest at the heart of everything we do.

#### A globally responsible Wales

We are in the business of improving the social, environmental, economic and cultural well-being of our people, communities and nation. Our supply chains are ethical, fair and as sustainable, sourcing goods and supplies from only well-regarded reputable sources.

# Sustainability Statement

The Sustainability Reporting Standard (SRS) for the Social housing sector is a voluntary framework for housing providers. Its purpose is to create a consistent, comparable and transparent approach to assessing the Environmental, Social and Governance (ESG) performance of housing associations.

The SRS sets out 12 themes and 48 criteria across the 3 ESG reporting areas, a blend of qualitative and quantitative requirements to demonstrate, with 30 criteria areas regarded as core and 18 as enhanced.

We are yet to formally enrol as adopters to the framework however our performance on all core aspects of the SRS is reported throughout our 2022/23 Annual Report.



Social





- T1 Affordability and Security
- **T2** Building Safety and Quality
- **T3** Resident Voice
- **T4** Resident Support
- **T5** Placemaking

- **T6** Climate Change
- **T7** Ecology
- **T8** Resource Management
- **T9** Structure and Governance
- **T10** Board and Trustees
- **T11** Staff Wellbeing
- T12 Supply Chain Management

Our Strategic Priorities

### We are yet to formally enrol as adopters to the framework however our performance on all core aspects of the SRS is reported throughout our 2022/23 Annual Report.

Theme #		#	Type of criteria	Criteria	Measurement unit
Affordability and Security	T1	C1	Core	For properties that are subject to the rent regulation regime, report against one or more Affordability Metric:	% of PRS rent
			Rent compared to Median private rental sector (PRS) rent across the Local Authority	% of LHA rent	
				2. Rent compared to Local Housing Allowance (LHA)	
T1		C2	Core	Share, and number, of existing homes (homes completed before the last financial year) allocated to: General needs (social rent), Intermediate rent, Affordable rent, Supported Housing, Housing for older people, Low-cost home ownership, Care homes, Private Rented Sector	% properties, number of properties
	T1	C3	Core	Share, and number, of new homes (homes that were completed in the last financial year), allocated to: General needs (social rent), Intermediate rent, Affordable rent, Supported Housing, Housing for older people, Low-cost home ownership, Care homes, Private Rented Sector	% properties, number of properties
	T1	C4	Core	How is the Housing Provider trying to reduce the effect of fuel poverty on its residents?	Qualitative response
Building safety	T2	C6	Core	What % of homes with a gas appliance have an in-date, accredited gas safety check?	% of homes
and quality	T2	C7	Core	What % of buildings have an in-date and compliant Fire Risk Assessment?	% of buildings
	T2	C8	Core	What % of homes meet the Decent Homes Standard?	% of homes
Resident voice	Т3	C9	Core	What arrangements are in place to enable the residents to hold management to account for provision of services?	Qualitative response
	Т3	C10	Core	How does the Housing Provider measure Resident Satisfaction and how has Resident Satisfaction changed over the last three years?	Qualitative response
Resident support	T4	C12	Core	What support services does the Housing Provider offer to its residents. How successful are these services in improving outcomes?	Qualitative response
Climate change T6 C14 Core		Core	Distribution of EPC ratings of existing homes (those completed before the last financial year)	% of Homes rated A/B/C/D/E or worse	
	Т6	C15	Core	Distribution of EPC ratings of new homes (those completed in the last financial year)	% of Homes rated A/B/C/D/E or worse
Structure and	Т9	C25	Core	Is the Housing Provider registered with a regulator of social housing?	Yes/No
governance	T9 C26 Core		Core	What is the most recent viability and governance regulatory grading?	G1/V1 etc.
T9 C27 Core		Core	Which Code of Governance does the Housing Provider follow, if any?	Name of code	
	Т9	C28	Core	Is the Housing Provider Not-For-Profit? If not, who is the largest shareholder, what is their % of economic ownership and what % of voting rights do they control?	Name, %, %
	Т9	C29	Core	Explain how the Housing Provider's board manages organisational risks	Qualitative
Board and trustees	T10	C31	Core	What are the demographics of the board? And how does this compare to the demographics of the Housing Provider's residents, and the area that they operate in?	Qualitative response
	T10	C32	Core	What % of the board AND management team have turned over in the last two years?	%
	T10	C33	Core	Is there a maximum tenure for a board member? If so, what is it?	Yes/No, Length of tenure
	T10	C34	Core	What % of the board are non-executive directors?	%
	T10	C35	Core	Number of board members on the Audit Committee with recent and relevant financial experience	Number and description of experience
	T10	C36	Core	Are there any current executives on the Renumeration Committee?	Yes/No
T10 C37		C37	Core	Has a succession plan been provided to the board in the last 12 months?	Yes/No
	T10	C38	Core	For how many years has the Housing Provider's current external audit partner been responsible for auditing the accounts?	Number of whole years
Board and	T10	C39	Core	When was the last independently-run, board- effectiveness review?	Date
trustees T10 C40 Core Are th		Core	Are the roles of the chair of the board and CEO held by two different people?	Yes/No	
	T10	C41	Core	How does the Housing Provider handle conflicts of interest at the board?	Qualitative
Staff wellbeing	T11	C42	Core	Does the Housing Provider pay the Real Living Wage?	Yes/No
T11		C43	Core	What is the gender pay gap?	% gap



The Association is led by our Board of Management (the Board), who holds overall responsibility for the 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 (the Code) which details the governing framework on how the Association conducts its business.

Our Code embraces the seven principles of public life adopted by the Nolan Committee and includes legal requirements, the Community Housing Cymru Code of Conduct, and good practice.

#### 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

The Board hold regular independently-run Governance effectiveness reviews, the last was undertaken during 2022/23.

### **Board Membership**

The Board consists of up to 10 voluntary, non-executive members who each hold one vote. Formal meetings are held around six times each year with quorum set at three members, or half of its membership, whichever lower.

Board members are recruited primarily 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 and they hold the same voting rights as elected members save on matters pertaining to positions of office to the board or matters affecting shareholders.

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 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.

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. 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 which is usually held every August. 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.

During the year, a succession plan came to fruition which managed a change to the Chair of the Board at the August 2022 Annual General Meeting. The outgoing Chair, Lesley Penn having realised the maximum tenure as Chair. There were no changes to Board membership team during the year and none over the past 3 years.

### Board and Committee Member attendance

	2021/22	2	2022/2023	
	Average	Average	Min	Max
Board of Management	67%	67%	50%	100%
Performance, Audit and Risk Committee	96%	96%	33%	100%
Personnel and Remuneration Committee	100%	100%	100%	100%
Combin	ed 2022/23	79%	56%	92%
Combin	ed 2021/22	78%	50%	100%
Combin	ed 2020/21	87%	67%	100%

**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
- » Integrity: To not place oneself under any financial or other obligation to outside individuals or 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
- » Openness: To be as open as possible about all the decisions we make, giving reasons for decisions and only restrict the provision of information where issues of confidentiality are involved
- » Honesty: To declare any private interests relating to our duties as board members and to 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
- » Leadership: Promote and support these principles by leadership and example

### Shareholders

Shareholder have a set requirement and must act at all times on the interest of the Association and, for the benefit of the community, as quardians of the objects of the Association.

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 in order to become a shareholder.

Shareholders do not benefit financially from their shareholding, it grants them only voting rights at Annual or Special General Meetings. As a not for profit business, registered with charitable rules, our financial surpluses are re-invested in our homes, service and people.

The Association currently have 38 Shareholders and anyone interested in becoming a Shareholder should enquire in writing to the Association's Company Secretary at the registered office.

# Board delegation and sources of assurance

### Board delegate some of its responsibilities to the;

- » Performance, Audit & Risk Committee,
- » Personnel and Remuneration Committee, and
- >> Executive Management Team who are employed by the Association

Board also receive direct reports from independent sources, noting their views and findings of various statutory or planned reviews. These views/findings are primarily sought from, but not limited to, the Association's Resident Scrutiny Panel, Statutory Auditors and Independent Internal Auditors.

### The Performance Audit and Risk Committee (PARC)

Membership: 6 members appointed annually by the Board.

A maximum of a five-year term in succession, if possible. Term:

**Chairperson:** Appointed each year after the Annual General Meeting.

**Meetings:** A minimum of four meetings a year.

**Attendance:** Executive Officers and the Auditors attend each meeting.

To be independent, to consider and make recommendations to Role:

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.

There are a number of members of the Performance, Audit and Risk Committee who have extensive, recent and relevant financial experience.

- » Paul Ryan, a qualified accountant of 44 years' experience, has held numerous finance post from Assistant Accountant in industry through to Corporate Treasurer in the social housing sector
- » Delyth Evans MBE held various roles over 19 years in the banking sector and 10 years running her own successful retail company. She has also held high profile positions within Policing Governance
- » Tim Llewelyn has held various roles in his 35 years at Lloyds Bank most recently that of Regional Operations Manager for their branches across Wales and the West

# Personnel and Remuneration Committee (PRC)

**Membership:** 6 members appointed annually by the Board.

Term: A maximum of a five-year term in succession, if possible.

**Chairperson:** Appointed each year after the Annual General Meeting.

**Meetings:** A minimum of four meetings a year.

**Attendance:** Executive Officers.

Role: 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.

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

There have been no changes to the EMT since its restructure in 2019.

# Resident Scrutiny Panel (RSP)

Our RSP provide an invaluable additional level of internal probity. They monitor performance and identify areas that need attention, providing recommendations for improvements where necessary and report directly in to the PARC.

The panel meet a minimum if 6 times a year undertaking reviews in to areas of the Association's business as deemed necessary by them, or in consultation with Members of the Board or the Executive. The Chair of the Board is often in attendance.

The RSP held 6 meetings during 2022/23 (4 in 2021/22; 0 in 2020/21 and 9 in 2019/20). Where they reviewed the Association's Communication written and published information strategy making 4 recommendations bringing the total recommendations to date to a total of 72 spanning over 12 areas over a 10 year period.

# **Statutory Auditors**

Our External Auditors Bevan Buckland LLP have been engaged for auditing our accounts since around 2006. During which time, a number of partner rotations have ensued and taking place this year having last taken place 10 years prior.

As a result, over the past 5 consecutive years there will have been changes to the Engagement Partner, Audit Manager/ Lead as well as audit delivery team. Bevan Buckland LLP do not provide any other services other than statutory audit. We confirm that neither the Association or Bevan Buckland LLP have any concerns around objectivity and/or independence.

### **Internal Audit**

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 10 (2021/22: 13; 2020/21: 15; 2019/20: 11) various Compliance or Assurance reviews making 6 (2021/22: 17; 2020/21: 12; 2019/20: 3) recommendations.

Of the 10 reviews, 4 provided independent 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. Their finding were;

Assurance Assessment	2022/23	2021/22	2020/21
Substantial Assurance	3	5	6
Reasonable Assurance	1	1	1
Limited Assurance		1	0
No Assurance		0	0

#### 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

## 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. This was last reviewed and approved 17 October 2022.

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 (last reviewed 15/08/2022), having first received PARC approval.

Our available Risk levels, including their definitions, are as follows and our current, and long-standing, risk appetite is Cautious.

#### » Adverse

Avoidance of risk and uncertainty is a key organisation objective

#### » Minimal

Preference for ultra-safe options that are low risk and only have a potential for limited reward

#### » Cautious

Preference for safe options that have a low degree of risk and may only have limited potential for reward

#### » Open

Willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money

#### » Hungry

Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk

## We use a 5-point matrix for scoring each identified risk, based on a scale of 1 to 5 in relation to Likelihood and Impact.

Likelihood	1. Minor	2.Moderate	2.Moderate 3. Major		5.Cata- strophic
<b>5 Very Likely</b> Risk is almost certain to occur or is already occurring	6 Medium	10 High	15 Very high	20 Extreme	25 Extreme
<b>4 Likely</b> Risk is probable to occur	4 Medium	8 Medium	12 High	16 Very high	20 Extreme
<b>3 Possible</b> Moderate chance that risk will occur	3 Low	6 Medium	9 Medium	12 High	15 Very high
2 Unlikely Minor chance that risk will occur	2 Very low	4 Low	6 Medium	8 Medium	12 High
1 Very Unlikely Extremely remote chance that risk will occur	1 Very low	2 Very low	3 Low	4 Medium	5 Medium

Governance

### The options available to the Association on the management of identified risks;

- » Transfer e.g. insure against it,
- » Accept often just part of doing business in the social housing sector,
- » Manage establish control procedures to reduce risk to within acceptable levels, implementing procedures to monitor the effectiveness,
- **Modify** change matters with a view to reducing the risk,
- >> Eliminate where it can be eliminated, and
- » Recovery Plan when not possible to adequately reduce or eliminate risk, have in place a recovery/Business Continuity Plan

Any risk with a total score of 8 or more is included on our BAF: Risk Assurance Register which provides a further 3 lines of assurance for managing the relating risk. The BAF Risk Assurance Register is reviewed at each meeting of the PARC.

The Executive Management Team are responsible for continually monitoring risk with a specific focus on re-evaluation when operations and/or business activities change.

# Principal risks and uncertainties

Primary Risk (Risk score above 8)	Mitigating strategy
Under performance in collection and recovery of rent and service charges (including arrears)	Policies and procedures in place and updated in line with Neighbourhood Coaching and Renting Homes Wales requirements. Provision of Financial Inclusion support service for residents who are struggling to pay their rent. Access via the UC landlord portal to request managed payments and deductions for rent arrears directly from the DWP where necessary. Weekly monitoring by Neighbourhood Coaches, monthly reporting to Management Team and Quarterly reports to Board
Current Economic Environment	The annual budget and 5/30 year forecasts are set prudently with pre agreed contingency sums included and set Golden Rule limits. Budget holders have access to live financial data with monthly management accounts reported to Management Team and Quarterly to Members and relating Stakeholders
Implementation of Renting Homes Act 2016	Task and finish group established from the get go to manage the changes introduced under the new legislation. Legal advisors from Hugh James engaged with throughout for training and implementation support, including drafting of new contracts and policies. All contract duly finalised and distributed to all contract holders by the 30 May 2023 deadline
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 including damp and condensation.  Live compliance monitoring on staff portal, automated workflow notifications and monthly reports to Management Team.  Internal Audit perform quarterly core control checks testing a sample of compliance areas
Interruption or loss of IT systems (viruses, malware, back up data, hard disk failure, ransom attack etc)	The Association utilises the latest technologies including Unified Threat Management devices and cutting edge security software to safeguard systems and data.  Vulnerability testing is regularly completed in order to maintain high standards of compliance.  Twice weekly offline backups are stored offsite to mitigate ransomware risks. Server build utilises RAID redundancy by design, as do NAS devices utilised for backup and storage Sophos Endpoint Advanced providing anti-ransom wear protection across all laptops/desktops and servers

Primary Risk (Risk score above 8)	Mitigating strategy
Breach of borrowing covenants and/or Event of Default - current economic climate and proposals around WHQS2 are eroding headroom	30 Year Financial Forecast prepared annually alongside a suite of sensitivities, scenarios and stress tests with mitigating actions necessary in the event of a potential future breach.  Golden rules in place to ensure headroom in place on all constraints with prudent budgeting practices implemented to mirror cautious risk appetite.  To mitigate the risk of rogue spending, budgets are supported by delegated authority levels within Financial Regulations, these limits are automated ordering and invoice approval systems.  The DoCR maintains a record of all information submission dates to ensure compliance, governance tasks are a key priority to maintain stakeholder confidence and safeguard any actions taken
Failure to provide homes of WHQS	Stock surveys are undertaken on a rolling 5-year basis as well as on every instance of void turnover and completion data is reported at least quarterly to Management Team and to members. Periodic assurance reviews are undertaken by internal auditors and the 30 year forecast in place to establish and demonstrate ability to fund works
Failure to adhere to Financial Regulations	A culture of compliance is in place throughout the Association with formal delegation and ownership of budgets in place.  Systems automate approval limits to orders/invoice which Finance colleagues have control procedures in place to police compliance.  Both internal and external auditors undertake periodic reviews in

to the Association key financial controls

### 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 in existence in the Association for the year ended 31 March 2023 and until 19 June 2023. 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

#### **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 19 June 2023 and signed on its behalf by

**Mr Timothy Llewelyn** Chair of the Board



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

In addition to our audit on the financial statements for the year ended 31st March 2023, 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**

governance.

With respect to the Board's statement on internal financial control on page 78, 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.

Bevan Buckland LLP Cardigan House Castle Court Llansamlet Swansea SA7 9LA

Bevon Bruderd Uso

Date: 19 June 2023

## **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 for the year ended 31st March 2023 which comprise the statement of comprehensive income, 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 2023 and of its 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 Boards' 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 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 of the Association; 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 79), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

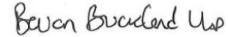
## Auditor's responsibilities for the audit of the financial statements

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

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

## Use of our report

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



#### **Bevan Buckland LLP**

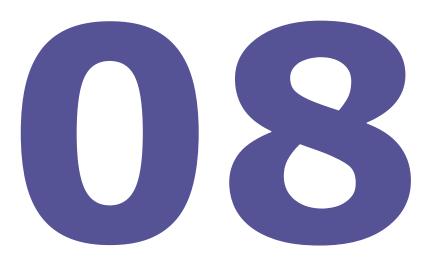
Chartered Accountants & Statutory Auditors Cardigan House Castle Court Llansamlet Swansea SA7 9LA

Date: 19 June 2023

Our Strategic Priorities

Auditiors Reports

Financial Statements



**Financial Statements** 

#### STATEMENT OF COMPREHENSIVE INCOME

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

	Notes	2023	2022
		£	£
Turnover	2	6,090,044	6,028,826
Operating costs	2	(4,241,305)	(4,490,498)
Surplus on sale of housing fixed assets	6	-	-
Operating surplus	4	1,848,739	1,538,328
Interest receivable	8	75,348	2,395
Interest payable	9	(849,189)	(663,639)
		1,074,898	877,084
Finance costs - pension deficit	20	(18,000)	(24,000)
Surplus for the year		1,056,898	853,084
Other comprehensive income			
Recognition of multi-employer defined benefit pension		-	-
Actuarial (losses)/gains in respect of pension schemes	20	(230,000)	303,000
Surplus for the year and total comprehensive income for the year		826,898	1,156,084

#### **STATEMENT OF CHANGES IN RESERVES**

	Income and expenditure reserve	Major repairs reserve £	Total reserves £
At 1 April 2022	10,138,132	250,000	10,388,132
Surplus from statement of comprehensive income	826,898	-	826,898
Transfer to major repairs designated reserve	-	-	-
At 31 March 2023	10,965,030	250,000	11,215,030

#### STATEMENT OF FINANCIAL POSITION

		2022	2022
	Notes	2023	2022
- U. C. I		£	£
Tangible fixed assets	40		
Housing land and buildings – historical cost	10	78,751,205	75,513,621
<ul><li>depreciation</li></ul>	10	(11,882,064)	(11,026,901)
		66,869,141	64,486,720
Other tangible fixed assets	12	1,095,512	1,079,850
Fixed asset investments			
HomeBuy loans receivable	13	286,871	286,871
Total fixed assets		68,251,524	65,853,441
Current assets			
Debtors: falling due within one year	14	316,455	278,423
Debtors: falling due after more than one year	15	2,010,157	2,065,680
Cash and cash equivalents	13	3,918,950	6,149,969
cush and cush equivalents		6,245,562	8,494,072
Current liabilities		0,243,302	8,434,072
Creditors: falling due within one year	16	(5,185,571)	(5,156,998)
Social housing and other government grants: amounts	10	(3,163,371)	(3,130,998)
falling due within one year	18	(318,340)	(302,572)
Net current assets	10		
Net current assets		741,651	3,034,502
Total assets less current liabilities		68,993,175	68,887,943
Non-current liabilities			
Creditors: falling due after more than one year	17	(26,034,021)	(26,787,706)
Social housing and other government grants: amounts		, , ,	, , ,
falling due after more than one year	18	(20 0E1 097)	(20.027.066)
	10	(30,951,087)	(30,927,066)
Pensions liability	20	12,008,068	11,173,171
Total net assets	20	(793,000)	(785,000)
Total fiet assets		11,215,068	10,388,171
Capital and reserves			
Called-up share capital	21	38	39
Total reserves		11,215,030	10,388,132
Total capital and reserves		11,215,068	10,388,171

The financial statements on pages 84 to 102 were approved by the Board on 19 June 2023 and signed on its behalf by;

Chair of the Board – Mr T Llewelyn

Vice Chair of the Board – Mr A Sivertsen

Secretary – Mrs H Jones

### **STATEMENT OF CASHFLOWS**

	2022	2022
	2023	2022
Operating according	£	4 520 220
Operating surplus	1,848,739	1,538,328
Adjustments for non-cash items:  Depreciation of tangible fixed assets	000 640	000.055
·	988,640	900,955
Government grants utilised in the year Re-measurement of Pension Liability	(318,340)	(302,572)
•	145,000	175,000
Working capital movements:	17 401	65.063
(Increase)/Decrease in trade and other debtors	17,491	65,962
Increase/(Decrease) in trade and other creditors	285,908	262,841
Pension cash contributions paid	(385,000)	(272,000)
Net cash generated from operating activities	2,582,439	2,368,514
Interest received	75,348	2,395
Interest and mortgage fees paid	(858,831)	(663,840)
Adjustments for reinvestment in existing properties:		
Component replacements	(749,863)	(427,977)
Purchase of other replacement fixed assets	(69,086)	(15,807)
Free cash generated before loan repayments	980,006	1,263,285
Loans repayments	(767,489)	(369,170)
Free cash generated/(consumed) after loan repayments	212,517	894,115
Cash flow from investing activities		
Purchase and development of properties	(2,567,772)	(3,603,369)
Purchase of office building	-	-
Grants received	124,236	3,006,828
Cash flow from financing activities		
New secured loans	-	1,000,000
Net increase in cash and cash equivalents	(2,231,020)	1,297,574
Cash and cash equivalents at the beginning of the year	6,149,970	4,852,396
Cash and cash equivalents at the end of the year	3,918,950	6,149,970

### Notes to the financial statements For the year ended 31 March 2023

#### 1. Basis of preparation

The Association is incorporated under the Co-operative 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 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 multiemployer 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 straight line basis over the component's expected economic useful life.

For the year ended 31 March 2023

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
Roof	80
Solar Panels	25
External Wall Insulation	30

#### 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
Decarbonisation	30 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 cashgenerating unit. For these purposes a cash-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 and 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

#### 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.

#### Notes to the financial statements For the year ended 31 March 2023

#### 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 2023

### Turnover, operating costs and operating surplus

	Turnover 2023	Operating costs 2023	Operating surplus 2023	Turnover 2022	Operating costs 2022	Operating surplus 2022
	£	£	£	£	£	<u>£</u>
Social housing lettings	5,832,882	(3,868,738)	1,964,144	5,672,861	(4,073,714)	1,599,147
Other social housing activities						
Development Services	171,435	(227,567)	(56,132)	153,816	(241,784)	(87,968)
Non-social housing activities						
Other	85,727	-	85,727	202,149	-	202,149
Re-measurement of Pension						
Liability	-	(145,000)	(145,000)	-	(175,000)	(175,000)
Total	6,090,044	(4,241,305)	1,848,739	6,028,826	(4,490,498)	1,538,328

#### Income and expenditure from social housing lettings 2(b)

	General needs and sheltered housing £	Supported housing £	Other social housing £	2023 total £	2022 total £
Income					
Rent receivable	5,191,159	-	-	5,191,159	5,108,174
Service charge income	297,266	-	-	297,266	211,876
Grant income for support services	26,117	-	-	26,117	50,239
Amortisation of social housing and					
other government grants	318,340	-	-	318,340	302,572
Turnover from social housing lettings	5,832,882	-	-	5,832,882	5,672,861
Operating costs  Management of operations Service charges Routine maintenance Major repairs expenditure Bad debts Depreciation of housing properties	(653,269) (280,164) (1,561,218) (385,166) (53,703) (935,218)	- - - -		(653,269) (280,164) (1,561,218) (385,166) (53,703) (935,218)	(939,159) (244,092) (1,402,600) (474,048) (42,994) (970,821)
Operating costs on social housing					
lettings	(3,868,738)	-	-	(3,868,738)	(4,073,714)
Operating surplus/(deficit) on social housing lettings	1,964,144	-	-	1,964,144	1,599,147
Memorandum information:					
Rent foregone due to properties being vacant	28,930	-		28,930	84,986

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

For the year ended 31 March 2023

### **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:

	2023	2022
	£	£
Aggregate emoluments of executive officers	292,910	290,194
Aggregate emoluments of Board Members	-	-
Emoluments of highest paid director (Chief Executive), excluding		
pension contributions	116,288	108,709

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

	2023	2022
	£	£
£80,000 - £89,999	1	2
£90,000 -£99,999	1	-
£100,000 -£109,999	-	-
£109,000 -£119,999	1	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 £36,065 (2022: £22,225).

#### 3(b) **Employee information**

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

the area age named or each (mercaning encountry employed as made year mass			
	2023	2022	
	Staff	Staff	
Average number of employees (full time equivalent) during the year	30	34	
Actual number of employees (headcount) at year end	31	32	
	_	_	
	2023	2022	
	£	£	
Staff costs			
Wages and salaries	1,046,344	1,022,756	
Social security costs	100,898	90,481	
Pension costs	105,176	132,791	
Total staff costs	1,252,418	1,246,028	

For the year ended 31 March 2023

### 4. Operating surplus

	2023	2022
	£	£
Profit for the year from continuing activities is stated after		
charging/(crediting):		
Depreciation		
<ul> <li>housing properties</li> </ul>	935,218	970,821
<ul> <li>property, plant and equipment</li> </ul>	53,422	48,240
Amortisation	(318,340)	(302,572)
Bad debts	53,703	42,994
External auditors' remuneration:		
<ul> <li>In their capacity as auditors</li> </ul>	14,000	13,000
<ul> <li>In respect of other services</li> </ul>	-	-
Internal auditors	12,821	14,063
Operating lease rentals:		
<ul> <li>Land and buildings</li> </ul>	20,112	10,098
– Other assets	4,184	4,084

### 5. Re-measurement of Pension Liability

	2023	2022
	£	£
ment of Pension Liability	145,000	175,000

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

There were no sales of fixed assets during the year (2022: nil).

#### 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 £8,167,573 (2022: £7,849,233).

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 2021 was £4,534,354 (2020: £5,109,736). As events which could crystallise the debt are unlikely to arise in the foreseeable future, no specific provision is deemed necessary.

For the year ended 31 March 2023

#### 8. Interest receivable and similar income

	2023	2022
	£	£
Interest receivable from investments	75,348	2,395

### 9. Interest payable and similar charges

	2023	2022
	£	£
Interest payable on bank loans and overdrafts	849,189	663,639

Interest payable includes £45,994 (2022: £42,974) 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	£	£	£	£
	72 449 672	94,995	2 060 054	75 512 621
At 1 April 2022 Property acquisitions	72,448,672	94,995	2,969,954 2,567,776	75,513,621
Development schemes completed	3,032,028		(3,032,028)	2,567,776
Components replaced in existing properties	749,863		(3,032,026)	749,863
Component disposals	(80,055)			(80,055)
Housing property disposals	(80,055)			(80,055)
At 31 March 2023	76,150,507	94,995	2,505,702	78,751,205
At 31 Walter 2023	70,130,307	J-1,JJJ	2,303,702	70,731,203
Depreciation				
At 1 April 2022	11,026,901	-	-	11,026,901
Charge for the year	898,776	-	-	898,776
Component disposals	(43,613)	-	-	(43,613)
Housing property disposals	-	-	-	-
At 31 March 2023	11,882,064	-	-	11,882,064
Net book value				
At 31 March 2023	64,268,443	94,995	2,505,702	66,869,141
At 1 April 2022	61,421,771	94,995	2,969,954	64,486,720
			2022	2022
			2023	2022
<del></del>			£	£
Housing properties comprise:				
Freehold land and buildings			66,869,141	64,486,720

The components replaced in existing properties above represent works undertaken to replace kitchens, heating systems, electrics, windows and doors within existing properties. The above component replacement costs include £97,357 (2022: £84,720) of capitalised staffing costs.

For the year ended 31 March 2023

### 11. Units in management

	General needs	Shared ownership	Supported housing (bed spaces)	Homebuy properties	Under construction	Total units owned and managed
Opening units at 1 April 2022	996	2	8	22	39	1,067
New builds	-	-	-	-	-	-
Property acquisitions	-	-	-	-	-	-
Transfers	15	-	-		(15)	-
Closing units at 31 March 2023	1,011	2	8	22	24	1,067

Available social housing include 8 units vacant at 31 March 2023 (2022: 3 units).

### 12. Other tangible fixed assets

		Furniture and office	Computer	
	Head office	equipment	equipment	Total
	£	£	£	£
Cost				
At 1 April 2022	1,080,459	140,067	200,750	1,421,276
Disposals	-	-	-	-
Additions	-	4,405	64,681	69,086
At 31 March 2023	1,080,459	144,472	265,431	1,490,362
Depreciation		•	·	•
At 1 April 2022	43,218	131,473	166,737	341,428
Disposals	-	-	-	-
Charge for year	21,610	2,779	29,033	53,422
At 31 March 2023	64,828	134,252	195,771	394,850
Net book value				
At 31 March 2023	1,015,631	10,220	69,661	1,095,512
At 1 April 2022	1,037,240	8,594	34,013	1,079,848

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

For the year ended 31 March 2023

### 13. Fixed Asset Investments - homebuy loans received

	2023	2022
	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.

### 14. Debtors: amounts falling due within one year

	2023	2022
	£	£
Rental and service charge debtors	262,478	234,715
Bad debt provision for rental and service charges	(257,834)	(212,292)
Social Housing Grant debtor	102,533	27,088
Housing Finance Grant debtor	55,523	53,588
Loan transaction costs on hold	38,767	38,767
Prepayments and accrued income	68,273	89,842
Care Homes	7,948	7,948
Total debtors due within one year	316,455	278,423

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

	2023	2022
	£	£
Housing Finance Grant debtor	2,010,157	2,065,680

For the year ended 31 March 2023

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

	2023	2022
	£	£
Housing loans	662,630	687,140
Rents and service income received in advance	134,178	160,918
Grants received and receivable in advance	2,077,778	2,311,670
Maintenance	426,836	190,432
Hostels	8,782	8,782
Capital Expenditure on housing properties	810,000	233,556
Other creditors	1,065,367	1,564,500
Total creditors due within one year	5,185,571	5,156,998

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

	2023	2022
	£	£
Housing loans	22,041,876	22,738,861
Recycled capital grant fund	273,418	273,418
Bond Premium	1,096,388	1,153,088
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	26,034,021	26,787,706

Housing loans are secured by specific charges on the Association's housing properties and are repayable over a range of 3 to 19 year period with an overall average repayment period of 9.1 years. Rates of interest during the year ranged from 0% to 10.14% and at 31 March 2023, 89% (2022: 91%) of loans bore interest at fixed rates and 11% (2022: 9%) at variable rates. The weighted average rate of interest At 31 March 2023 was 3.45% (2022: 3.45%).

Housing loans are shown net of capitalised loan fees of £161,928 (2022: £169,155).

#### Recycled capital grant fund movement

	2023	2022
	£	£
At 1 April	273,418	273,418
Additions during the year	-	-
Utilised during the year	-	
At 31 March	273,418	273,418
Amounts over 3 years where repayment may be required	273,418	273,418

For the year ended 31 March 2023

### 18. Social housing and other government grants

	Shared	Social Housing	Properties in the course of	
	ownership	Properties	construction	Total
	£	£	£	£
Gross grant creditor				
At 1 April 2022	-	36,920,891	2,157,980	39,078,871
Property acquisitions		-	358,128	358,128
Development schemes completed		2,132,043	(2,132,043)	-
At 31 March 2023	-	39,052,934	384,064	39,436,999
Amortisation				
At 1 April 2022	-	7,849,233	-	7,849,233
Credit for the year		318,340	-	318,340
At 31 March 2023	-	8,167,573	-	8,167,573
Net grant creditor				
At 31 March 2023	-	30,885,361	384,065	31,269,426
At 1 April 2022	-	29,071,658	2,157,980	31,229,638

### 19. Investment grants - SHG on homebuy scheme

	2023	2022
	£	£
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

	2023	2022
	£	£
At 1 April	785,000	1,161,000
Contributions paid during the year net of expenses paid	(385,000)	(272,000)
Re-measurement of Pension Liability	145,000	175,000
Actuarial losses/(gains) recognised	230,000	(303,000)
Finance costs - interest per discount factor	18,000	24,000
At 31 March	793,000	785,000

For the year ended 31 March 2023

### 21. Called up share capital

	2023	2022
	£	£
Allotted, issued and fully paid		
At 1 April	39	42
Issued during the year	-	-
Shares cancelled during the year	(1)	(3)
At 31 March	38	39

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

	2023 £	2022 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	2,313,605	5,424,369
Capital expenditure that has been authorised by the Board but has not yet been contracted for	_	_

At 31 March 2023, 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.

### 23. Operating leases

	2023	2022
	£	£
Leases expiring:		
Within one year	4,184	4,000
Between two and five years	9,562	9,562
Over 5 years	-	-
Total operating lease commitments	13,746	13,562

For the year ended 31 March 2023

### 24. Pension scheme

### FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION, AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2023	31 March 2022	
	(£000s)	(£000s)	
Fair value of plan assets	3,686	5,892	
Present value of defined benefit obligation	4,479	6,677	
Surplus (deficit) in plan	(793)	(785)	
Defined benefit asset (liability) to be recognised	(793)	(785)	

#### RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	Period from
	31 March 2022 to
	31 March 2023
	(£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 2022 to 31 March 2023	
	(£000s)	
Defined benefit obligation at start of period	6,677	
Current service cost	145	
Expenses	6	
Interest expense	186	
Member contributions	-	
Actuarial losses (gains) due to scheme experience	(367)	
Actuarial losses (gains) due to changes in demographic assumptions	(11)	
Actuarial losses (gains) due to changes in financial assumptions	(2,028)	
Benefits paid and expenses	(129)	
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	4,479	

For the year ended 31 March 2023

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

	Period from 31 March 2022 to 31 March 2023	
	(£000s)	
Fair value of plan assets at start of period	5,892	
Interest income	168	
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(2,636)	
Employer contributions	391	
Member contributions	-	
Benefits paid and expenses	(129)	
Assets acquired in a business combination	-	
Assets distributed on settlements	-	
Exchange rate changes	-	
Fair value of plan assets at end of period	3,686	

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was (£2,468,000).

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

	Period from	
	31 March 2022 to	
	31 March 2023	
	(£000s)	
Current service cost	145	
Expenses	6	
Net interest expense	18	
Losses (gains) on business combinations	-	
Losses (gains) on settlements	-	
Losses (gains) on curtailments	-	
Losses (gains) due to benefit changes	-	
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	169	

For the year ended 31 March 2023

### DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

	Period from 31 March 2022 to 31 March 2023 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(2,636)
Experience gains and losses arising on the plan liabilities - gain (loss)	367
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	11
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	2,028
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(230)
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)	(230)

### **ASSETS**

	31 March 2023	31 March 2022
	(£000s)	(£000s)
Global Equity	69	1,131
Absolute Return	40	236
Distressed Opportunities	112	211
Credit Relative Value	139	196
Alternative Risk Premia	7	194
Fund of Hedge Funds	-	-
Emerging Markets Debt	20	171
Risk Sharing	271	194
Insurance-Linked Securities	93	137
Property	159	159
Infrastructure	421	420
Private Debt	164	151
Opportunistic Illiquid Credit	158	198
High Yield	13	51
Opportunistic Credit	-	21
Cash	27	20
Corporate Bond Fund	-	393
Liquid Credit	-	-
Long Lease Property	111	152
Secured Income	169	220
Liability Driven Investment	1,697	1,644
Currency Hedging	7	(23)
Net Current Assets	9	16
Total assets	3,686	5,892

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.

For the year ended 31 March 2023

### **KEY ASSUMPTIONS**

	31 March 2023	31 March 2022	
	% per annum	% per annum	
Discount Rate	4.85%	2.79%	
Inflation (RPI)	3.18%	3.49%	
Inflation (CPI)	2.78%	3.15%	
Salary Growth	3.78%	4.15%	
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance	

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65
	(Years)
Male retiring in 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

## 25. Analysis of changes in net debt

	At 1 April 2022 £	Cashflows £	Other movements £	At 31 March 2023 £
Cash at bank and in hand	6,149,969	(2,231,019)	-	3,918,950
Debt due within one year Debt due after more than one year	(687,140) (22,738,862)	767,489 -	(767,489) -	(687,140) (22,738,862)
,	(23,426,002)	767,489	(767,489)	(23,426,002)
Total	(17,276,033)	(1,463,530)	(767,489)	(19,507,052)