

Cadwyn Housing Association Limited - Group

**Consolidated report and financial statements
For the year ended 31 March 2024**



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

Information

Co-operative and Community Benefit Society number:	18805R
Welsh Government registration number:	L019
Registered office:	197 Newport Road, Cardiff, CF24 1AJ
Board members:	Ms F O'Brien (Chair) Ms K Dalton Ms N Eynon Ms S Hughes Ms C Madge Mr P Riley (Resigned 31 st May 2024) Mr P Evans Mr G Hexter Mr M Davies Mr P Maggs
Chief Executive	Mr D Hayhoe
Company Secretary	Ms N Gimblett-Williams
Executive Directors:	Mr K Burgess (Director of Corporate Services) Simon Fry (Director of Investment)
Bankers:	Barclays Bank PLC Windsor Court, 3 Windsor Place Cardiff, CF10 3BT
Solicitors:	Hugh James 2 Central Square, Cardiff, CF10 1FS
External Auditors:	Bevan Buckland LLP Ground Floor, Cardigan House, Swansea, SA7 9LA
Internal Auditors:	Astari Limited Alexandra Gate, 2 Ffordd Pengam, Cardiff. CF24 2SA



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

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Strategic Report

Mission and Values

Introduction

Cadwyn is a community housing association, working predominantly in Cardiff. We own or manage over 2,000 homes. We were originally established in 1968. Our mission is “to provide good quality homes and build communities through partnership and innovation”

Our Vision

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

Our Offering

We provide Homes & Opportunities

Our Purpose

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

Our Values

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

- Fairness
- Kindness
- Honesty
- Respect

Our key Aims

Existing Homes

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

New Homes

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

People

We work with our tenants and communities so that they thrive

Our Business

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



Strategic Report

Existing Homes

Improve energy efficiency and carbon emissions.

In the financial year 2023-24, the following component replacements were completed to improve the energy efficiency of our homes:

- 46 properties received new external doors.
- 24 properties received new windows.
- 105 properties received new boilers/heating systems.
- 30 homes in Morris Finer Close received solar PV with battery installations (through funding from ORP 3.1).

In March 2024 Cadwyn received a grant offer to complete PV and Battery installations to 33 further homes from the Welsh Government as part of the Optimised Retrofit Programme (ORP 3.2). The Welsh Government informed us of their intention to run ORP 3.3 concurrently with another funding bid submitted in May 2024.

Maintain WHQS & implement any revisions to WHQS

As part of our maintenance of the WHQS standard for our homes, the following component replacements were also completed:

- 76 properties received new kitchens
- 25 properties received new bathrooms / WCs
- 10 properties received new sheds

We are continuing to monitor and maintain WHQS performance. For 2024/25, the WHQS 2023 standard will start to apply, and we have begun planning our strategy for compliance which will need to be submitted by March 2025. As part of that strategy, stock condition surveys, WHQS assessments and energy efficiency assessments were completed for 709 units / blocks between October 2023 and February 2024.

Effective & Efficient Reactive Repairs

Our internal DLO, Can Do contractors completed 4,635 repairs, and an additional 1,401 repairs were completed on our behalf by external contractors. Significant repairs included 10 roof replacements and the successful removal of damp and mold problems at 45 properties.

In order to ensure that we maximise the availability of our properties to new tenants, we have changed the processes by which we manage those properties that become void to minimise time between becoming vacant and being available to relet. These changes have begun to have a positive effect in the last quarter of 2023/2024.

Landlord Health & Safety

We have continued to focus heavily on ensuring compliance of our gas servicing and electrical testing compliance. The cost of living challenges has increased the numbers of residents unable to remain in credit on their meters, which has at times impacted our testing. We responded by setting up a working group to ensure that residents were supported to access any available help and support.

Our gas and electrical safety testing programs have continued to be managed to a high standard with 99% compliance at year end.



Strategic Report

Landlord Health & Safety (continued)

Fire risk assessments have been ongoing across Cadwyn stock by a third party accredited fire risk assessor, though a new risk based assessment program is due to be implemented, moving some blocks to a less frequent assessment than the current annual assessment. Ninety new fire doors have been fitted and a further £107k has been spent on fire risk improvements. We continue to monitor asbestos and legionella in the areas where a risk has been identified.

New Homes

Increase number of new affordable homes

In 2023/24 Cadwyn achieved the following:

- Completion of Bay Chambers – 44 apartments (Completion September 23). These are being managed by Cardiff Council to alleviate pressures on temporary accommodation.
- In March 2024 Cadwyn entered 3 building contracts with a total value of £18.5M, and secured social housing grant of £13M, the largest allocation for 2023/24 in Cardiff to a housing association. These schemes will provide an additional 82 new homes as well as a community facility.

Cadwyn currently have 94 units and 2 community facilities under construction on the following schemes:

- Rhiwlas Section 106 – 1 house (Completion June 24)
- Albany Baptist 12 apartments (Completion November 24, includes a new community facility for the Church)-
- The Mill, Ely - 48 residential apartments and a community facility (Completion Spring 2026)
- St Timothy's, Ely – 6 houses and 9 apartments (Completion Autumn 25)
- Christchurch, Fairwater – 4 houses and 15 apartments (Completion Autumn 25)

Section 106 Agreements

- Cadwyn have been selected to partner with Taylor Wimpey on the Gwel Y Garth, Rhiwlas development through the Section 106 Agreement. Cadwyn will acquire 79 units over the next 4 years, and will enter a contract with Taylor Wimpey in Summer 24.

Upcoming Developments

Cadwyn are currently preparing planning applications for 84 units for approval in 2024/25 for the following schemes:

- 197 Newport Road – 26 apartments
- Park Road – 40 apartments
- Glamorgan Wanderers site – 18 apartments

EPC A rated & low Carbon

Cadwyn now have a specification for the delivery of new homes achieving an EPC A with non-fossil fuel. Albany Baptist will be Cadwyn's first scheme to complete with this specification, and we are currently reviewing how we will measure the benefits to our residents.



Strategic Report

Build market homes to cross subsidise social homes

Eben Haezer House, at The Wharf in Cardiff Bay, was the first scheme for Cadwyn's subsidiary, Igneous and has proved extremely successful. Cadwyn have 2 further plots for development at The Wharf that have remained within our landbank due to the uncertainty of wider economic conditions within the construction market.

The tendering process for The Mill development was an excellent opportunity for Cadwyn/Igneous to test the market, and build costs appeared to be competitive and could enable Igneous to consider moving forward on The Wharf.

Maximising Social Value for Residents and Communities through Procurement

Cadwyn are committed to increasing equality, wellbeing and environmental sustainability through the delivery of its development programme.

People

Increase resident engagement.

A STAR Survey was carried out in late 2023 which 508 (36%) households responded to. This response level was an increase on the previous two surveys. At 77%, overall satisfaction remained unchanged from the previous survey and below the Welsh Government benchmarking of 81%. An action plan is being developed by the Senior Leadership Team to address the main issues raised by tenants.

Throughout the year, 62% of tenants engaged with Cadwyn in a variety of ways such as courtesy calls, surveys, consultations and workshops.

The Cadwyn Scrutiny Team has continued to play an active role in the organisation dedicating 113 hours over the year. They have begun a review of how antisocial behaviour is managed and have been meeting with tenants to discuss how tenant engagement will be shaped in the future.

Reduce repeat homelessness

Cadwyn let 71 general needs properties during the year (139 in 22/23) of which 27 were let to homeless households. In addition, 44 flats were made available as temporary accommodation at the new Bay Chambers development.

There were no evictions during the year compared to four in 2022/23. Tenancy sustainability during the first two years of a tenancy averaged 87% (84% in 2022/23).

Supported Housing accommodated 119 families experiencing homelessness: 25 at Hafan and 94 at Nightingale House. Of these, over 50% of the families were known to, or had, current open cases with Social Services. The predominant support need was domestic abuse with additional support needs including substance use, mental health, and debt. Each of these families received support to ensure their needs were met and to equip them with the skills and knowledge to successfully manage their own tenancies. Of the 16 who moved on from Hafan, 15 were housed in independent, permanent accommodation. The remaining family moved out of the country. Of the 68 who moved on from Nightingale House, 67 were recorded as positive. Supported Housing had one eviction in 2023/24 due to an assault on a resident by another resident. We worked with the Local Authority to ensure the resident being evicted was not street homeless and was placed in another hostel.



Strategic Report

Reduce repeat homelessness

Supported Housing retained its ISO9001 accreditation. The team have also continued to work with Psychologically Informed consultant and have been focusing on Trauma and protected characteristics. A trauma-informed action plan has been developed which focuses on areas to make improvements. In addition, the team has been involved in the National Lottery funding 'End Youth Homelessness' and has been delivering an Inward course to several hostels across the city. This course was developed by Cadwyn and Wales Restorative Approaches Partnership.

Using Cymorth Cymru's Evidencing Impact tool, we can show that through the Welsh Government Housing Support Grant funding of £509k, made available through Cardiff Council, our Supported Housing services made a net saving of £791k to public services (Health, Homelessness, Criminal Justice & Social Care).

Improve wellbeing of residents and the community

Our Nu Life project provided essential household items to 297 households (364 in 2022/23) via its referrals process with the local authority, housing associations, and other statutory and third sector agencies. This included 56 Cadwyn households (83 in 2022/23) and contributed to tenancy sustainability. By collecting donated furniture and other goods, over 8,500 items (7,700 in 2022/23) were saved from landfill. Sales to the public generated £94k (up from £74k in 2022/23) resulting in total income of over £165k (£138k in 2022/23).

Our employment & training service, Realise Your Potential (RYP), received 75 resident referrals, a slight decrease on last year. Despite the decrease, the number of employment outcomes gained was 38, the highest ever achieved in RYP over a twelve-month period. The service concluded the year with 121 out of 150 employment outcomes over four years, leaving 12 months to gain the remaining 29 outcomes to achieve their 2020 to 2025 target.

The Financial Inclusion Team made a difference to residents of £384k (£509k in 2022/23). This combined income maximisation of £351k (460k in 2022/23) and debt reduction of 33k (£49k in 2022/23). The total number of households supported was 350 (265 in 2022/23).

Ensure our services meet the needs of our communities.

Cadwyn's community presence was evident in 2023/24 and none more so than through Nu Life evolving as a hub for the local community in Butetown. Nu Life attracts passers-by, volunteers, and workshop attendees. One highlight during the year was a DIY group that was set up to support Somali women.

Cadwyn was successful in obtaining funding to develop a Heritage Project in Butetown, where several new developments have been built in recent years. Working in partnership with Ethnic Minorities and Youth Support Team Wales (EYST) eleven Butetown residents were recruited to share their stories on Heritage, Home and Belonging.



Strategic Report

Our Business

Financial viability

An annual Value for Money (VFM) statement is included within the statutory accounts, and we continue to monitor and review low performing areas.

The procurement strategy has progressed and Cadwyn is working towards increasing skills and knowledge in readiness for the new procurement legislation in the forthcoming year.

Good Governance and Validation.

We have worked over the year to ensure good governance is more than procedural effectiveness but an organisational approach to ensure that legal and ethical standards apply and that responsibilities are clearly allocated. Cadwyn received 'substantial assurance' in an internal audit during the period which looked at governance structures and compliance with the CHC Code of Governance. The annual review of Board effectiveness ensures that Members have the right skills and experience to be able to provide the appropriate challenge and support.

Our Business

High performing staff and board

We successfully recruited and integrated 19 new members of staff within the period. Some notable achievements during the year are:

- We exceeded our Staff Retention target of 85%, averaging 87% during the period.
- We developed and issued new contracts of employment to all staff.
- We developed and implemented a staff and Board Member Code of Conduct.
- Our line managers engaged in training with Acuity Law.
- We further developed our Training Matrix.
- We enabled staff to undertake a range of health and safety training relating to their role (with an increased budget to support this).
- We sought feedback from staff through surveys and activities and developed an action plan.
- We enabled staff to participate in 3 'Giving Back' days per year – to support local projects and communities.
- We reviewed our health and wellbeing offering to staff and made adjustments – providing access to a health cash plan.
- We supported 45 members of staff to access our staff financial support fund.
- We improved our monthly one to one process.
- We reviewed our Lone Working policy/processes/portal.



Strategic Report

A culture of openness, trust and transparency

Notable events and achievements this year include:

- We held our Cadwyn Connects session (April 2023), bringing staff together to celebrate our successes and have team building fun together.
- Our Staff Consultative Forum remained active and were actively involved in staff consultation in relation to new contracts of employment. The forum also supported the introduction of 'giving back days' by arranging activities for staff.
- We developed our annual Inclusion Calendar, committing to a monthly Equalities theme and Health & Wellbeing Theme. We brought these themes to life by inviting guest speakers to talk at our monthly meetings, topics included: Financial Wellbeing and Deaf Awareness. We also shared resources and offered appropriate signposting for staff.
- We introduced a form for staff to share feedback with our CEO, in support of their psychological wellbeing.

Risk and Uncertainty

Risk remains as a standing agenda item on meetings throughout all levels of the organisation. The risk and assurance register is reviewed and scrutinised at all Audit and Risk Committees (ARAC) and forms the foundation for the internal audit plan. As well as reviewing risks the Board also set the risk appetite levels annually.

Audit, Risk & Assurance Committee

This committee is made up of four members of the Board and an Independent Member. The Committee meets at least four times a year. The key responsibilities of the Committee are to monitor external and internal audit reports, evaluate risk and ensure appropriate control systems are in place.

Remuneration, Nominations and Governance Committee

The Committee oversees the remuneration of Board and Committee Members and its Terms of Reference have been enhanced to include the review of key governance documents, such as the Standing Orders, prior to approval at Board. The Committee also scrutinise staff and tenant surveys reviewing and challenging the associated action plans.

Partnership

During 2023/24, we have explored the opportunity for Cadwyn Housing Association to join the Newydd Group as a subsidiary with Cadwyn continuing to operate as its own legal entity.

At the end of January 2024, Boards of Newydd and Cadwyn met and agreed to start the process of including Cadwyn as a new member of the Newydd Group. Since then there has been a lot of due diligence and integration planning ahead of the partnership hopefully taking effect during Autumn 2024.

The reasons behind forming the partnership include:

- To improve the quality of housing and estate services to tenants.
- To improve organisational resilience especially financial, people and systems.
- To advance investment in existing homes.
- To continue to develop more new homes in South Wales.
- To provide more community sustainment programmes to meet the non-housing needs of tenants.

Strategic Report

Value for money statement

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

According to our representative body Community Housing Cymru and House mark, “VFM is about ensuring that every pound spent delivers the maximum impact possible in terms of quality and/or quantity.” At Cadwyn, VFM can be defined as maximising Cadwyn’s outcomes from the available resources and assets. VFM is about managing the choice that exists between the cost, quality and timeliness of services provided.

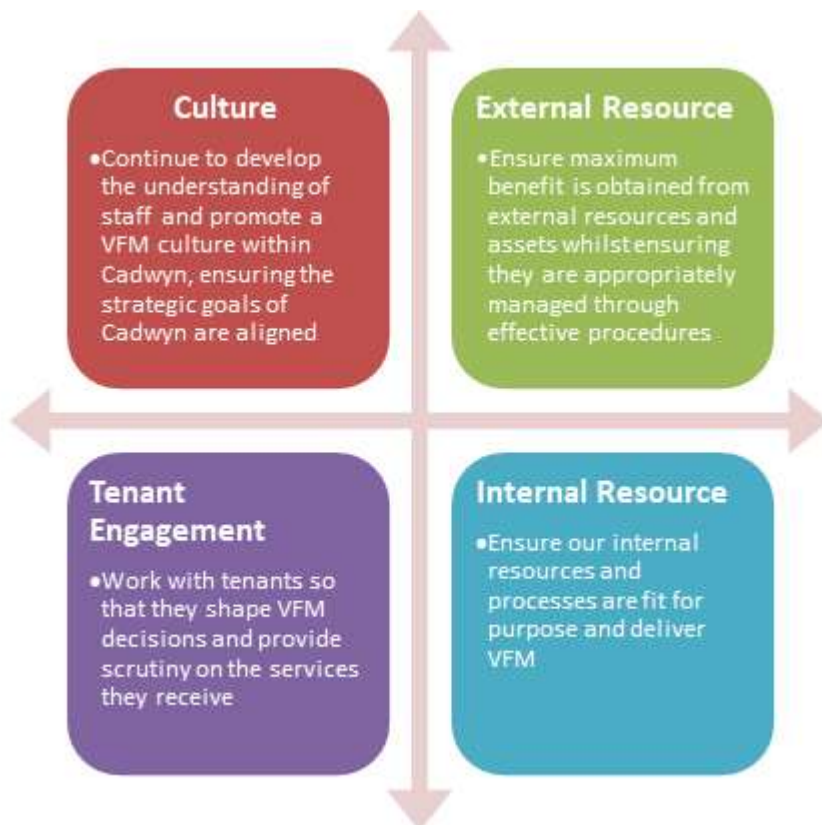
Cadwyn’s Value for Money Strategy has the following aims and objectives:

Existing Homes: Ensure maximum benefit is obtained from all available resources and assets whilst ensuring they are appropriately managed through effective procedures and good governance.

New Homes: Ensure that new developments and opportunities balance the needs of the community and business objectives with a key focus on quality and efficiencies.

People: Work with residents and staff to ensure they understand, shape and promote VFM decisions and provide scrutiny on services they receive and deliver; ensuring that Cadwyn’s strategic goals and customer need are aligned

Our Business: Continue to develop the understanding of VFM across the whole business ensuring that internal and externally sourced resources provide services that are fit for purpose and deliver VFM for our customers
 Key Objectives of Cadwyn’s VFM strategy are as follows:





Strategic Report

Value for money statement

We have used the TPAS 6 Es approach for our transformational goals. We believe this approach will help share conversation and discussions around VFM, can help prompt questioning and challenge around VFM and can also act as a framework to evidence and demonstrate VFM.

Economy

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

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

Effectiveness

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

Outcome: Cadwyn will be involve residents in shaping and evaluating services

Efficiency

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

Outcome: Cadwyn will embed value for money in the organisation

Equality

We will ensure services are fair and accessible to all

Outcome: Cadwyn will deliver on the equality strategy

Ethos

We will embed the organisation values in value for money

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

External

We will add value to the communities we serve

Outcome: Cadwyn will demonstrate the benefits we bring to others



Strategic Report

Value for money statement

Notable achievements for the year have been:

Economy – We worked with funders to ensure that our covenants allowed us to invest the profits made from our open market sales into our properties in the past year, increasing investment by as much as £1.2m. We have also further generated an additional £300k from our subsidiary Igneous, which will be invested into Cadwyn activities in the next financial year.

Effectiveness – Rent – We continued to develop our local rent setting methodology to ensure that rents are fair, affordable and in line with our residents' expectations. Rents are now set on an individual property level and compared to the Joseph Roundtree Foundation affordability criteria on a unit-by-unit basis. This demonstrates our commitment to affordability even in challenging circumstances. Due to Cadwyn's commitment to freezing unaffordable rents in the previous three years, the draft figures show that no units will be above the 29% threshold for rent.

Effectiveness - Resident Engagement - Our efforts with engagement over the past two years have focused on building the foundations for a cohesive and strong engagement model to be utilised by the whole organisation. During the year we have extensively engaged with residents as part of our strategic review to establish what they want from their landlord going forward. This combined with our satisfaction scores have led us to review the delivery of maintenance services leading to decreased waiting times and a reduction in outstanding jobs. The next step of this journey will see us joining the Newydd group to direct more resources to areas valued by our residents.

Equalities - In 2023/24 the focus on equalities continued via several strands: Tai Pawb's QED quality mark, the Deeds Not Words race equality pledges and the implementation of the new Equalities Strategy).

Our internal Equality Group (made up of both residents and staff) has been very active this year working on a heritage project engaging the community of Butetown in exploring identity, heritage and belonging. A National Lottery Heritage Fund grant is allowing us to create a Mural celebrating what heritage means to the residents of Butetown.

Cadwyn successfully passed our 2-year QED review with Tai Pawb and Our Board, Senior Leadership Team and Managers participated in training with Tai Pawb in relation to Anti-Racism (following the development of the Anti-Racism Action Plan by the Welsh Government).

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

Ethos - This year we have truly lived our values by putting tenants first, undertaken a strategic review and decided to pursue partnership opportunities with the Newydd Group so as to better deliver on our commitment to our residents.



Strategic Report

Summary of the year

The Association operating surplus for the year is £1,643k (2023: £1,958k). Attention was given to improving the quality of our stock through increased spend on repairs. Work is also ongoing to reduce the number of void properties to allow the Association to maximise revenue and house as many families as possible. The continuing high interest rates enabled us to achieve extra income from investing surplus cash and our largely fixed loan portfolio limited our exposure to increased interest costs. We have invested £4.8m during the year, handed over a development in Cardiff Bay to be managed by Cardiff Council with 44 additional units, and have 5 ongoing schemes which will generate 95 units over the next 24 months. Cash balances remain strong with all committed schemes being fully funded.

Gender pay gap

The gender pay gap is the difference between the average earnings of men and women, expressed relative to men's earnings. Cadwyn had in employment 114 (2023: 128) relevant employees as at 31st March 2024;

2024	53% Female	47% Male
2023	55% Female	45% Male

	31 March 2024 Women's earnings are:	31 March 2023 Women's earnings are:
Mean gender pay gap	8.32% lower	7.40% lower
Median gender pay gap	3.23% lower	4.63% lower

Statement of Internal Control

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

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

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



Strategic Report

Statement of Board responsibilities

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

In preparing those financial statements, the Board is required to select suitable accounting policies, as described on pages 26 to 33, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Board must also prepare the financial statements on the going concern basis unless it is in appropriate to presume that the Association will continue in business.

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

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

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

In so far as the Board is aware:

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

A resolution to re-appoint Bevan and Buckland as auditors was proposed and approved by the Board on 11th September 2024.

This report has been approved by the Board on 11th September 2024.

The Annual General Meeting will be held on 25th September 2024.

Signed by company secretary
Nerys Gimblett-Williams

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Nerys Gimblett-Williams
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Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

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

In addition to our audit on the financial statements for the year ended 31 March 2024, we have reviewed the Board's statement of Cadwyn Housing Association Ltd.'s ("the Association") compliance with the Welsh Government Circular 02/10, Internal Financial Control and Financial Reporting ("the Circular").

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

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

Opinion

With respect to the Board's statement on internal controls assurance on page 11, in our opinion the Board of Management has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work on the financial statements.

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

Date: 11 September 2024

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



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

We have audited the financial statements of Cadwyn Housing Association Limited (the parent association) and its subsidiary for the year ended 31 March 2024 which comprise the consolidated and Association statements of comprehensive income, the consolidated and Association statements of changes in reserves, the consolidated and Association statements of financial position, the consolidated cash flow statement and its related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent association's affairs as at 31st March 2024 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for Opinion

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

Conclusions relating to going concern

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

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

Other Information

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

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

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

We have nothing to report in this regard.



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

Matters on which we are required to report by exception

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

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

Responsibilities of the board

As explained more fully in the Statement of Responsibilities of the Board (set out on page 13), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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



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

Identifying and assessing potential risks related to irregularities.

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

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

Audit response to risks identified

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

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

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditor's report and for extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date: 11 September 2024

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



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

Group Statement of Comprehensive Income

GROUP	Note	2024 £'000	2023 £'000
Turnover - continuing activities	2	13,682	19,022
Less: Operating costs	2	(11,415)	(15,510)
Surplus on sale of fixed assets – housing properties		<u>-</u>	<u>-</u>
Operating surplus: continuing activities	2	2,267	3,513
Interest receivable and other income	6	352	29
Interest payable and similar charges	7	(2,030)	(1,840)
Movement in fair value of investment properties	13	-	(86)
Surplus on ordinary activities before taxation		590	1,616
Tax on ordinary activities	11	(50)	(50)
Surplus for the year		<u>540</u>	<u>1,566</u>
Loss in respect of pension schemes	23	(482)	(357)
Total comprehensive income for the year		<u><u>58</u></u>	<u><u>1,209</u></u>

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

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

The financial statements were approved by the Board on 11th September 2024 and were signed on its behalf by:

Signed by:

71D8CB56E3484C1.....
Frances O'Brien
Chair

DocuSigned by:

40BA68D416DF4FE.....
Gareth Hexter
Vice Chair

DocuSigned by:

136EB48CD72845D.....
Nerys Gimblett-Williams
Company Secretary



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

Association Statement of Comprehensive Income

ASSOCIATION	Note	2024 £'000	2023 £'000
Turnover - continuing activities	2	13,587	11,731
Less: Operating costs	2	(10,628)	(9,773)
Surplus on sale of fixed assets – housing properties		<u>-</u>	<u>-</u>
Operating surplus: continuing activities	2	2,959	1,958
Interest receivable and other income	6	352	255
Interest payable and similar charges	7	(2,030)	(1,840)
Movement in fair value of investment properties	13	-	(86)
Surplus on ordinary activities before taxation		1,282	287
Tax on ordinary activities	11	(45)	(50)
Surplus for the year		<u>1,237</u>	<u>237</u>
Actuarial (loss) / gain in respect of pension schemes	23	(482)	(357)
Total comprehensive income for the year		<u>755</u>	<u>(120)</u>

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

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

The financial statements were approved by the Board on 11th September 2024 and were signed on its behalf by:

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 Chair

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 40BA63D416DF4FE.....
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 Vice Chair

DocuSigned by:

136EB48CD72845D.....
 Nerys Gimblett-Williams
 Company Secretary



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

Statement of Changes in Reserves - Group & Association

	GROUP				ASSOCIATION			
	Revenue reserve £'000	Fair value reserve £'000	Designated reserves £'000	Total reserves £'000	Revenue reserve £'000	Fair value reserve £'000	Designated reserves £'000	Total reserves £'000
At 1 April 2022	7,008	-	136	7,144	7,304	-	136	7,440
Restatements for changes in accounting policy	-	-	-	-	-	-	-	-
Total comprehensive income	1,209	-	-	1,209	(120)	-	-	(120)
Transfer between reserves	(62)	86	(24)	-	(62)	86	(24)	-
At 31 March 2023	8,155	86	112	8,353	7,122	86	112	7,320
Total comprehensive income	57	-	-	57	755	-	-	755
Transfer between reserves	10	-	(10)	-	10	-	(10)	-
At 31 March 2024	8,222	86	102	8,410	7,887	86	102	8,075



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

Consolidated Statement of Financial Position

	Note	2024 £'000	2023 £'000
Fixed assets			
Housing properties	12	144,940	141,087
Depreciation	12	(27,814)	(26,399)
		<u>117,126</u>	<u>114,688</u>
Other tangible fixed assets	14	1,354	1,136
		-	-
Investments	13	<u>2,230</u>	<u>2,209</u>
Total fixed assets		<u>120,710</u>	<u>118,033</u>
Current assets			
Debtors	16	4,804	2,754
Properties for sale and work in progress	15	195	895
Cash at bank and in hand	17	<u>23,252</u>	<u>10,091</u>
		<u>28,251</u>	<u>13,740</u>
Creditors: due within one year	18	(22,479)	(5,751)
Social housing and government grants due in one year	21	(447)	(429)
		<u>5,326</u>	<u>7,560</u>
Net current (liabilities)/assets		<u>5,326</u>	<u>7,560</u>
Total assets less current liabilities		<u>126,035</u>	<u>125,593</u>
Creditors: due in more than one year	19	(51,839)	(54,232)
Social housing and government grants due after more than one year	21	(64,193)	(61,578)
Defined benefit pension liability	23	(1,593)	(1,431)
		<u>8,410</u>	<u>8,352</u>
Net assets		<u>8,410</u>	<u>8,352</u>
Capital and reserves			
Share capital	24	-	-
Restricted reserve		-	-
Revenue reserve		8,410	8,352
		<u>8,410</u>	<u>8,352</u>
Total capital and reserves		<u>8,410</u>	<u>8,352</u>

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 11th September 2024 and were signed on its behalf by:

Signed by:

71D8CB56E3484C1:.....
Frances O'Brien
Chair

DocuSigned by:

40BA693D418DF4FE:.....
Gareth Hexter
Vice Chair

DocuSigned by:

136EB48CD72845D:.....
Nerys Gimblett-Williams
Company Secretary



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

Association Statement of Financial Position

Current assets

Debtors	16	4,690	2,442
Properties for sale and work in progress	15	195	184
Cash at bank and in hand	17	22,748	9,810
		<u>27,633</u>	<u>12,436</u>

Creditors: due within one year	18	(22,196)	(5,477)
Social housing and government grants due in one year	21	(447)	(429)

Net current assets		<u>4,990</u>	<u>6,529</u>
Total assets less current liabilities		<u>125,700</u>	<u>124,562</u>

Creditors: due in more than one year	19	(51,839)	(54,232)
Social housing and government grants due after more than one year	21	(64,193)	(61,578)
Defined benefit pension liability	23	(1,593)	(1,431)

Net assets		<u>8,075</u>	<u>7,320</u>
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Capital and reserves

Share Capital	24	-	-
Restricted reserve		-	-
Revenue reserve		8,075	7,320

Total capital and reserves		<u>8,075</u>	<u>7,320</u>
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The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 11th September 2024 and were signed on its behalf by:

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Frances O'Brien
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Vice Chair

DocuSigned by:

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Nerys Gimblett-Williams
Company Secretary



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

Consolidated Statement of Cash Flow

	Note	2024 £'000	2023 £'000
Net cash inflow from operating activities	26	<u>7,004</u>	<u>11,658</u>
Cash flow from financing activities			
Loan drawdown		-	-
Interest paid		(1,970)	(1,840)
Loan repayments		(595)	(3,032)
Cash flow from investing activities			
Interest received		352	29
Purchase and construction of housing properties		(3,377)	(6,820)
Component replacements		(1,102)	(1,005)
Proceeds from sale of properties & other fixed assets		61	-
Purchase of other replacement fixed assets		(438)	(30)
Development of properties for sale		-	(503)
Social housing grant and other grants received		13,226	2,335
Net change in cash and cash equivalents		<u>13,161</u>	<u>792</u>
Cash and cash equivalents at beginning of year		<u>10,091</u>	<u>9,299</u>
Cash and cash equivalents at end of the year		<u>23,252</u>	<u>10,091</u>



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

Association Statement of Cash Flow

	Note	2024 £'000	2023 £'000
Net cash inflow from operating activities	26	<u>6,782</u>	<u>4,994</u>
Cash flow from financing activities			
Loan drawdown		-	-
Interest paid		(1,970)	(1,840)
Loan repayments		(595)	(529)
Cash flow from investing activities			
Interest received		352	255
Purchase and construction of housing properties		(3,377)	(6,820)
Component replacements		(1,102)	(1,005)
Proceeds from sale of properties & other fixed assets		61	-
Purchase of other replacement fixed assets		(438)	(31)
Repayment of Intercompany loans		-	3,500
Social housing grant and other grants received		13,226	2,333
Net change in cash and cash equivalents		<u>12,939</u>	<u>857</u>
Cash and cash equivalents at beginning of year		<u>9,809</u>	<u>8,952</u>
Cash and cash equivalents at end of the year		<u>22,748</u>	<u>9,809</u>



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

Free cash flow

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Cash flow from operating activities				
Operating cash flow	7,003	11,658	6,782	4,994
Interest paid	(1,970)	(1,840)	(1,970)	(1,764)
Interest received	352	29	352	255
Adjustments for re-investment in existing properties				
Component replacements	(1,102)	(1,005)	(1,102)	(1,005)
Free cash generated before loan repayments	4,283	8,842	4,062	2,480
Loans repaid (excluding revolving and credit overdrafts)	(595)	(3,032)	(595)	(529)
Free cash generated after loan repayments	3,688	5,810	3,467	1,951



Notes to the Financial Statements

Legal status

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

1. Accounting policies

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

Format of accounts

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

Basis of consolidation

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

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

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

Turnover and revenue recognition

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

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

Debtors

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



Notes to the Financial Statements

Value Added Tax

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

The majority of the Associations business is exempt from vat and the partial exemption method is applied to recover the amounts where applicable. The Association has agreed a special method of VAT recovery with HMRC in preparation for the work that the Subsidiary company will be undertaking.

Deferred taxation

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

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

Interest payable

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

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

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

Pensions – defined contribution scheme

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

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

Pensions – defined benefit scheme

The defined benefit scheme closed to new and existing members on 31 March 2022.

The scheme assets are invested separately from the Association assets in independently administrated multi-employer funds.

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



Notes to the Financial Statements

Housing properties

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

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

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

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

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

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

Depreciation of housing properties

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

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

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

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



Notes to the Financial Statements

Social housing grant

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

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

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

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

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

Housing finance grants

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

Investment properties

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

Decarbonisation Grants

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

s.106 properties

The value of s.106 properties purchased from developers are grossed up so that they represent 100% of the Welsh Government ACG's for units of their type. The notional grant is amortised over the life of the asset.

Other grants

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



Notes to the Financial Statements

Amortisation of grants

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

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

Development costs

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

Accommodation managed by agents

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

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

Impairment

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

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

Other tangible fixed assets

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

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

Depreciation

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



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024



Notes to the Financial Statements

Leased assets

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

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

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

Hostels

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

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

Leasing Schemes – CanDo Lettings

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

Reserves

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

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

Going Concern

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



Notes to the Financial Statements

Properties for sale

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

Investment in Subsidiary

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

Fixed asset investments

Investments held as fixed assets are stated at market value.

Investment property

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

Employee benefits

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

Apportionment of Employee and Administration Costs

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

Holiday pay/flexible working

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

Loans

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

Concessionary loans

Public Benefit Entity concessionary loans are treated in line with paragraph PBE34.90 to PBE34.97 of the Housing SORP and are recognised as liabilities in the accounts at point of drawdown as there is no commitment to the loan until this has occurred. Any subsidy related to the loan is not reflected in the accounts.

Provisions for liabilities

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



Notes to the Financial Statements

Significant management judgements and key sources of estimation uncertainty

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

Significant management judgements

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

Impairment of social housing properties

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

Defined benefit pension scheme

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

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

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

Estimation uncertainty

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



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

Notes to the Financial Statements

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

	Note	GROUP			ASSOCIATION		
		Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
		2024	2024	2024	2024	2024	2024
		£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings							
General Needs and Sheltered Housing		10,038	(8,538)	1,499	11,274	(8,494)	2,780
Supported Housing		1,151	(1,260)	(109)	1,151	(1,261)	(110)
3 & 3a		11,188	(9,798)	1,390	12,425	(9,755)	2,670
Non social housing activities							
Leasing Scheme properties		145	(106)	39	145	(106)	39
Other & Commercial activities		2,349	(1,510)	839	1,018	(767)	251
		2,494	(1,616)	877	1,163	(873)	289
Total		13,682	(11,415)	2,267	13,587	(10,628)	2,959

	Note	GROUP			ASSOCIATION		
		Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
		2023	2023	2023	2023	2023	2023
		£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings							
General Needs and Sheltered Housing		9,394	(7,484)	1,910	9,420	(7,484)	1,936
Supported Housing		1,112	(1,201)	(89)	1,112	(1,201)	(89)
3 & 3a		10,506	(8,685)	1,821	10,532	(8,685)	1,847
Non social housing activities							
Leasing Scheme properties		225	(222)	3	225	(222)	3
Other & Commercial activities		8,291	(6,602)	1,689	975	(866)	109
		8,516	(6,824)	1,692	1,200	(1,088)	112
Total		19,022	(15,509)	3,513	11,732	(9,773)	1,959



Notes to the Financial Statements

3. Particulars of income and expenditure from social housing lettings

Group	General	Supported Housing	2024	2023
	Needs and Sheltered Housing		Total	Total
	£'000	£'000	£'000	£'000
Income				
Rent receivable (net of identifiable service charges)	8,559	582	9,141	8,575
Service charges income	696	40	736	681
Income for Support Services	-	510	510	495
Amortisation of grants	448	-	448	404
Other Income	334	19	354	351
Commercial Income	-	-	-	-
Turnover from social lettings	10,038	1,151	11,188	10,506
Cost				
Management Costs	(2,169)	(1,217)	(3,386)	(2,727)
Service Charge Costs	(597)	(0)	(597)	(619)
Routine Maintenance	(2,314)	(39)	(2,353)	(2,266)
Major Repairs expenditure	(1,426)	-	(1,426)	(1,225)
Bad Debts	(69)	(4)	(74)	(54)
Depreciation of housing properties	(1,790)	-	(1,790)	(1,682)
Other Costs	(172)	-	(172)	(112)
Commercial Spend	-	-	-	-
Operating costs on social housing lettings	(8,538)	(1,260)	(9,798)	(8,685)
Operating surplus on social housing lettings	1,499	(109)	1,390	1,821
Rent Loss Due to Voids (memorandum note)			333	271



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

Notes to the Financial Statements

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

Association	General		2024 Total	2023 Total
	Needs and Sheltered Housing	Supported Housing		
	£'000	£'000	£'000	£'000
Income				
Rent receivable (net of identifiable service charges)	8,559	582	9,141	8,575
Service charges income	660	40	700	681
Income for Support Services	-	510	510	495
Amortisation of grants	448	-	448	404
Other Income	1,608	19	1,627	376
Commercial Income	-	-	-	-
Turnover from social lettings	11,274	1,151	12,425	10,531
Cost				
Management Costs	(2,169)	(1,217)	(3,386)	(2,727)
Service Charge Costs	(553)	(0)	(553)	(619)
Routine Maintenance	(2,314)	(39)	(2,353)	(2,266)
Major Repairs expenditure	(1,426)	-	(1,426)	(1,225)
Bad Debts	(69)	(4)	(74)	(54)
Depreciation of housing properties	(1,790)	-	(1,790)	(1,682)
Other Costs	(172)	-	(172)	(112)
Commercial Spend	-	-	-	-
Operating costs on social housing lettings	(8,494)	(1,260)	(9,755)	(8,685)
Operating surplus on social housing lettings	2,780	(109)	2,670	1,846
Rent Loss Due to Voids (memorandum note)			333	271



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

Notes to the Financial Statements

4. Accommodation in management and development

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

	Group		Association	
	2024	2023	2024	2023
	No	No	No	No
Owned by Cadywn				
Social housing - properties	1,434	1,436	1,434	1,436
Social housing - properties owned but not managed	44	-	44	-
Hostel accomdation - bed spaces	52	52	52	52
Substance mis-use - bed spaces	6	6	6	6
Hostel family - bed spaces	26	26	26	26
	<u>1,562</u>	<u>1,520</u>	<u>1,562</u>	<u>1,520</u>
Commercial units	9	9	9	9
Managed by Cadwyn				
Can-do lettings	45	65	45	65
The Mill	284	284	284	284
	<u>329</u>	<u>349</u>	<u>329</u>	<u>349</u>
Units in development				
Social housing - properties	95	57	95	57
Total units	<u>1,995</u>	<u>1,935</u>	<u>1,995</u>	<u>1,935</u>

5. Operating surplus

The operating surplus is arrived at after charging:

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Depreciation	1,892	2,096	1,892	2,096
Auditors' remuneration in their capacity as auditors	25	18	25	18
Auditors' remuneration in respect of other services	9	5	9	3
Losses from bad debts for service charges and rents receivable	87	51	87	51
	<u>1,993</u>	<u>2,170</u>	<u>1,993</u>	<u>2,170</u>

6. Interest receivable and other income

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Interest receivable and similar income	352	29	352	255
	<u>352</u>	<u>29</u>	<u>352</u>	<u>255</u>



Notes to the Financial Statements

7. Interest payable and similar charges

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Interest on loans repayable in instalments within five years	317	221	60	-
Interest on loans repayable in instalments wholly or partly in more than five years	1,713	1,922	1,970	1,922
Breakage costs	-	-	-	-
Capitalised Interest	-	(329)	-	(108)
Imputed Interest from effective interest rate	-	41	-	41
Finance charge on re-measurement of pension liability	-	-	-	-
Remeasurements - impact of any change in assumptions	-	-	-	-
Net Interest expense (pension)	-	34	-	34
HFG finance cost contribution	-	(50)	-	(50)
	<u>2,030</u>	<u>1,840</u>	<u>2,030</u>	<u>1,839</u>

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

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

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



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

Notes to the Financial Statements

8. Employees

Average monthly number of employees expressed as full time equivalents:

	Group		Association	
	2024	2023	2024	2023
	No	No	No	No
Housing management / Maintenance	58	58	58	58
Development	5	5	5	5
Supported housing	23	24	23	24
Administration	28	30	28	30
	<u>114</u>	<u>117</u>	<u>114</u>	<u>117</u>

9. Employee costs

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Wages and salaries	3,700	3,467	3,700	3,467
Social security costs	360	357	360	357
Other pension costs	345	312	345	312
	<u>4,405</u>	<u>4,136</u>	<u>4,405</u>	<u>4,136</u>

Emoluments of £57,030 were paid to the Board Members during the year (2023: £59,617). Total Expenses reimbursed to the Board Members for the year amounted to £nil due to majority of meetings being held online during the pandemic (2023: £nil).

The emoluments paid to the highest paid director excluding pension contributions were £94k (2023: £99k). In comparison to the lowest paid employee this represents a ratio of 4.3:1.

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

	Basic salary (Gross & ER's NIC)	Benefits in Kind	Pension contributions	2024 Total	2023 Total
Aggregate emolumnets	<u>478,247</u>	-	40,194	518,441	408,921

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



Notes to the Financial Statements

10. Board members and executives

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

	2024	2023
£nil	-	-
£1 - £50,000	-	-
£50,001 - £60,000	-	-
£60,001 - £70,000	-	-
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
£90,001 - £100,000	2	2
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-

Pension costs are shown as contributions paid on the senior executives 'behalf. The Chief Executive is a member of the Social Housing Pension Scheme on the same basis as other members of the Association. Pension contributions made to the Social Housing Pension Scheme on behalf of the Chief Executive were calculated on the same basis as other eligible pension scheme members. No enhanced or special terms are applied. Total expenses reimbursed to the senior executives for the year amounted to £223 (2023: £455).

11. Tax on surplus on ordinary activities

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Current tax reconciliation				
Taxable (loss)/surplus on ordinary activities before tax	188	263	188	263
Theoretical tax at UK corporation tax rate				
Group – 25% (2023:19%)	50	50	50	50
Depreciation	-	-	-	-
Other Adjustments	-	-	-	-
Non-taxable income	-	-	-	-
Losses utilised in the year	-	-	-	-
Current tax charge	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>

Tax is payable on Solar PV Income.



Cadwyn Housing Association Limited
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Notes to the Financial Statements

12. Tangible fixed assets – properties (Group)

GROUP	Social Housing	Social	Physical	Total
	Properties held for letting	Housing Properties for letting under construction	adaption works	
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2023	120,712	18,492	1,883	141,087
Additions	1,080	3,205	151	4,436
Schemes completed in year	265	(265)	-	-
Transfers	-	-	-	-
Reclassification (to)/from investment proper	-	-	-	-
Reclassification (to)/from stock	(85)	-	-	(85)
Disposals	(498)	-	-	(498)
At 31 March 2024	121,474	21,432	2,034	144,940
Depreciation				
At 1 April 2023	(26,399)	-	-	(26,399)
Charged in year	(1,832)	-	-	(1,832)
Eliminated on disposal	417	-	-	417
At 31 March 2024	(27,814)	-	-	(27,814)
Net book value				
At 31 March 2024	93,660	21,432	2,034	117,126
At 31 March 2023	94,313	18,492	1,883	114,688

Development administration and overhead costs amounting to £462,930 (2023: £483,749) have been capitalised and included in the above.

Additions to completed properties held for letting	2024 £000	2023 £000
Replacement of components	1,080	834
Purchase of existing properties	-	-
Developments	265	12,007
Total additions	1,345	12,841



Cadwyn Housing Association Limited
Report and financial statements for the year ended 31 March 2024

Notes to the Financial Statements

12a. Tangible fixed assets – properties (Association)

Association	Social Housing Properties held for letting £'000	Social Housing Properties for letting under construction £'000	Physical adaption works £'000	Total £'000
Cost				
At 1 April 2023	120,712	18,492	1,883	141,087
Additions	1,080	3,205	151	4,436
Schemes completed in year	265	(265)	-	-
Transfers	-	-	-	-
Reclassification (to)/from investment proper	-	-	-	-
Reclassification (to)/from stock	(85)	-	-	(85)
Disposals	(498)	-	-	(498)
At 31 March 2024	<u>121,474</u>	<u>21,432</u>	<u>2,034</u>	<u>144,940</u>
Depreciation				
At 1 April 2023	(26,399)	-	-	(26,399)
Charged in year	(1,832)	-	-	(1,832)
Eliminated on disposal	417	-	-	417
At 31 March 2024	<u>(27,814)</u>	<u>-</u>	<u>-</u>	<u>(27,814)</u>
Net book value				
At 31 March 2024	<u>93,660</u>	<u>21,432</u>	<u>2,034</u>	<u>117,126</u>
At 31 March 2023	<u>94,313</u>	<u>18,492</u>	<u>1,883</u>	<u>114,688</u>

Development administration and overhead costs amounting to £462,930 (2023: £483,749) have been capitalised and included in the above.

Additions to completed properties held for letting	2024 £000	2023 £000
Replacement of components	1,080	834
Purchase of existing properties	-	-
Developments	265	12,007
Total additions	<u>1,345</u>	<u>12,841</u>



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Notes to the Financial Statements

13. Investments

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Commercial properties				
At 1 April 2023	2,209	1,774	2,209	1,714
Additions	21	110	21	170
Transfers (to)/from housing property	-	411	-	411
Transfers (to)/from other tangible fixed assets	-	-	-	-
Change in fair value of investment properties	-	(86)	-	(86)
At 31 March 2024	<u>2,230</u>	<u>2,209</u>	<u>2,230</u>	<u>2,209</u>
Other investments				
At 1 April 2023	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>2,230</u>	<u>2,209</u>	<u>2,230</u>	<u>2,209</u>



Cadwyn Housing Association Limited
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Notes to the Financial Statements

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

	Other property assets £'000	Motor vehicles £'000	Office furniture & equipment £'000	Property furniture & equipment £'000	Capital plant £'000	Total £'000
Cost						
At 1 April 2023	901	370	2,368	1,085	25	4,749
Additions	-	50	3	385	-	438
Reallocation	-	-	-	-	-	-
Disposals	-	(51)	-	-	-	(51)
At 31 March 2024	901	369	2,371	1,470	25	5,136
Depreciation						
At 1 April 2023	(549)	(316)	(1,976)	(750)	(22)	(3,613)
Charged in year	(33)	(16)	(111)	(57)	(1)	(218)
Eliminated on disposal	-	48	-	-	-	48
At 31 March 2024	(582)	(284)	(2,087)	(807)	(23)	(3,783)
Net book value						
At 31 March 2024	319	85	284	663	3	1,354
At 31 March 2023	352	54	392	335	3	1,136



Cadwyn Housing Association Limited
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Notes to the Financial Statements

15. Properties for sale and work in progress

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Properties for sale and work in progress	195	895	195	184
	<u>195</u>	<u>895</u>	<u>195</u>	<u>184</u>

16. Debtors

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Due within one year				
Rent and service charge receivable	412	302	412	302
Less: provision for bad and doubtful debts	(222)	(180)	(222)	(180)
	<u>190</u>	<u>122</u>	<u>190</u>	<u>122</u>
Capital trade receivables	2,254	68	2,254	68
Other debtors and prepayments	1,215	1,404	1,099	1,085
Less: provision for bad and doubtful debts	-	-	-	-
Group balances	-	-	2	7
	<u>3,658</u>	<u>1,594</u>	<u>3,544</u>	<u>1,282</u>
Due in more than one year				
Housing finance grant	861	888	861	888
Interest paid in advance	285	272	285	272
Group balances	-	-	-	-
	<u>1,146</u>	<u>1,160</u>	<u>1,146</u>	<u>1,160</u>
	<u>4,804</u>	<u>2,754</u>	<u>4,690</u>	<u>2,442</u>

17. Cash at bank

The Association currently has a £21m revolving credit facility with its bankers. This was renewed for a five year term in Apr-20 and an option to extend to six years was subsequently exercised. This is currently undrawn so £21m is available for immediate drawdown (2023: £21m). In addition to this the Association has a £500K overdraft facility. A minimum cash balance of £500K is maintained above this in line with the Treasury Management Policy agreed by Board in the year.



Cadwyn Housing Association Limited
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Notes to the Financial Statements

18. Creditors: amounts falling due within one year

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Creditors				
Loan interest	-	375	-	375
Other taxation and social security	125	135	135	114
Rent and service charges paid in advance	336	319	336	319
Trade Creditors	633	410	630	406
Maintenance accruals	-	83	-	83
Accruals	-	634	-	619
Housing Loans	2,429	596	2,429	596
Tax Creditor	5	50	-	50
Other Creditors	6,960	540	6,901	148
Amounts owed in respect of housing properties under construction	468	988	242	1,146
Recycled Capital Grant	100	50	100	50
Grants in advance	11,422	1,571	11,422	1,571
	22,479	5,751	22,196	5,477

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Government grant creditor				
Government grants	447	429	447	429
	447	429	447	429
	22,925	6,180	22,642	5,906

Included within Housing Loans are the Housing loans for land. In accordance with the terms of the loan the balance is all payable greater than one year.

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

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Debt (note 20)	51,839	54,232	51,839	54,232
	51,839	54,232	51,839	54,232

Included within the debt balance is £421k (2023: £456k) effective interest which is written off over the terms of the loans.



Notes to the Financial Statements

20. Debt analysis

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

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Within one year	2,429	596	2,429	596
Between one and two years	1,730	624	1,730	624
Between two and five years	2,629	4,092	2,629	4,092
More than five years	47,480	49,516	47,480	49,516
	54,268	54,828	54,268	54,828

Amounts due for concessionary loans, included in the above, are as follows:

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Within one year	-	-	-	-
Between one and two years	1,000	-	1,000	-
Between two and five years	-	1,000	-	1,000
More than five years	1,830	2,330	1,830	2,330
	2,830	3,330	2,830	3,330

Terms of repayment, interest rates & security

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

Under FRS102 acquisition costs are set against the available loan balance (creditor) and amortised over the minimum term of the associated financial instrument using the effective interest method. At the end of the year there were £421k (2023: £457k) of fees still to amortise.

Concessionary loans are also secured by specific charges on the Association's housing properties. The interest rates are fixed at 0%, 1% or vary with the market. The concessionary loans are repayable between the years 2026 and 2046.



Cadwyn Housing Association Limited
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Notes to the Financial Statements

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

	Social Housing Properties held for letting £'000	Social Housing Properties for letting under construction £'000	Total £'000
Government grants received			
At 1 April 2023	66,148	7,325	73,473
Received in year	860	12,399	13,259
Transferred (to)/from grants in advance	(402)	(9,448)	(9,850)
Transferred on completion	4,655	(4,655)	-
Transferred (to)/from recycled grants	(50)	-	(50)
Disposals	(278)	-	(278)
At 31 March 2024	<u>70,933</u>	<u>5,621</u>	<u>76,554</u>
Amortisation			
At 1 April 2023	(11,466)	-	(11,466)
Amortised in year	(448)	-	(448)
Eliminated on disposal	-	-	-
At 31 March 2024	<u>(11,914)</u>	<u>-</u>	<u>(11,914)</u>
Value of amortised grants			
At 31 March 2024	<u>59,019</u>	<u>5,621</u>	<u>64,640</u>
At 31 March 2023	<u>54,682</u>	<u>7,325</u>	<u>62,007</u>
Recycled grant			
		2024	2023
		£'000	£'000
At 1 April 2023		50	50
Additions		50	-
Disposals		-	-
At 31 March 2024		<u>100</u>	<u>50</u>

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

To be amortised as follows:

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Within one year	447	429	447	429
Between one and two years	447	429	447	429
Between two and five years	1,340	1,287	1,340	1,287
More than five years	62,407	59,862	62,407	59,862
	<u>64,640</u>	<u>62,007</u>	<u>64,640</u>	<u>62,007</u>



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22. Operating lease

Cadwyn HA as Lessee:	Motor vehicles	Office equipment	Land & buildings	2024 Total
Group & Association	£'000	£'000	£'000	£'000
Amounts payable within 1 year	-	-	13	13
Amounts payable within 2-5 years	-	-	53	53
Amounts payable in over 5 years	-	-	232	232
Total	-	-	298	298

	Motor vehicles	Office equipment	Land & buildings	2023 Total
	£'000	£'000	£'000	£'000
Amounts payable within 1 year	-	-	13	13
Amounts payable within 2-5 years	-	-	53	53
Amounts payable in over 5 years	-	-	245	245
Total	-	-	311	311

Cadwyn HA as Lessor:	Motor vehicles	Office equipment	Land & buildings	2024 Total
Group & Association	£'000	£'000	£'000	£'000
Amounts payable within 1 year	-	-	13	13
Amounts payable within 2-5 years	-	-	53	53
Amounts payable in over 5 years	-	-	245	245
Total	-	-	311	311

	Motor vehicles	Office equipment	Land & buildings	2023 Total
	£'000	£'000	£'000	£'000
Amounts payable within 1 year	-	-	13	13
Amounts payable within 2-5 years	-	-	53	53
Amounts payable in over 5 years	-	-	245	245
Total	-	-	311	311

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

Group & Association	Pool cars	Office equipment	Property	2024 Total
	£'000	£'000	£'000	£'000
Lease payments recognised in statement of comprehensive income	-	-	13	13

	Pool cars	Office equipment	Property	2023 Total
	£'000	£'000	£'000	£'000
Lease payments recognised in statement of comprehensive income	-	-	13	13



Notes to the Financial Statements

23. Social Housing Pension Scheme (Group and Association)

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

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

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

	31 March 2024 £'000	31 March 2023 £'000
Fair value of plan assets	6,747	7,018
Present value of defined benefit obligation	8,340	8,449
(Deficit) in plan	(1,593)	(1,431)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	<u>(1,593)</u>	<u>(1,431)</u>

Recognition of the impact of the asset ceiling

	31 March 2024 £'000
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-



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

Reconciliation of opening and closing balances of the defined benefit obligation

	31-Mar 2024 £'000
Defined benefit obligation at start of period	8,449
Current service cost	-
Expenses	12
Interest expense	405
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	(127)
Actuarial losses (gains) due to changes in demographic assumptions	(84)
Actuarial losses (gains) due to changes in financial assumptions	(123)
Benefits paid and expenses	(192)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	<u>8,340</u>

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

	31-Mar 2024 £'000
Fair value of plan assets at start of period	7,018
Interest income	345
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(816)
Contributions by the employer	392
Contributions by plan participants	-
Benefits paid and expenses	(192)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	<u><u>6,747</u></u>

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was £471,000.



Notes to the Financial Statements

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

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

	31-Mar 2024 £'000
Current service cost	-
Expenses	12
Net interest expense	60
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCl)	<u>72</u>

Defined benefit costs recognised in other comprehensive income

	31-Mar 2024 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(816)
Experience gains and losses arising on the plan liabilities - gain (loss)	127
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	84
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	123
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(482)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	<u>(482)</u>



Notes to the Financial Statements

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

Assets

	31-Mar	31-Mar
	2024	2023
	£'000	£'000
Global Equity	672	131
Absolute Return	263	76
Distressed Opportunities	238	212
Credit Relative Value	221	265
Alternative Risk Premia	214	13
Emerging Markets Debt	87	38
Risk Sharing	395	517
Insurance-Linked Securities	35	177
Property	271	302
Infrastructure	682	802
Private Equity	6	-
Private Debt	265	312
Opportunistic Illiquid Credit	264	300
High Yield	1	25
Opportunistic Credit	-	-
Cash	133	51
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	44	212
Secured Income	201	322
Liability Driven Investment	2,746	3,232
Currency Hedging	(3)	13
Net Current Assets	12	18
Total assets	<u>6,747</u>	<u>7,018</u>

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



Notes to the Financial Statements

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

Key assumptions

	31-Mar-24	31-Mar-23
	% per annum	% per annum
Discount Rate	4.92%	4.84%
Inflation (RPI)	3.11%	3.17%
Inflation (CPI)	2.79%	2.79%
Salary Growth	3.79%	3.79%
Allowance for commutation of pension for cash at retirement (of maximum allowance)	75.00%	75.00%
Life expectancy at age 65 years	31-Mar-24	31-Mar-23
Male retiring in 2024	20.5	21.0
Female retiring in 2024	23.0	23.4
Male retiring in 2044	21.8	22.2
Female retiring in 2044	24.4	24.9



Notes to the Financial Statements

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

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

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

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

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	payable monthly
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

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

Deficit contributions

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

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

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



Notes to the Financial Statements

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

	31 March 2024	31 March 2023	31 March 2022
	(£s)	(£s)	(£s)
Present value of provision	9	20	31

Present value of contributions

Reconciliation of opening and closing provision

	Period Ending 31 March 2024 (£s)	Period Ending 31 March 2023 (£s)
Provision at start of period	20	31
Unwinding of the discount factor (interest expense)	-	1
Deficit contribution paid	(11)	(11)
Remeasurements - impact of any change in assumptions	-	(1)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	9	20

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2024 (£s)	Period Ending 31 March 2023 (£s)
Interest expense	-	1
Remeasurements – impact of any change in assumptions	-	(1)
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

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

ASSUMPTIONS

	31 March 2024 % per annum	31 March 2023 % per annum	31 March 2022 % per annum
Rate of discount	4.92	5.52	2.35

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



Notes to the Financial Statements

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

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

DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 March 2024 (£s)	31 March 2023 (£s)	31 March 2022 (£s)
Year 1	9	11	11
Year 2	-	9	11
Year 3	-	-	9
Year 4	-	-	-
Year 5	-	-	-
Year 6	-	-	-
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year 10	-	-	-
Year 11	-	-	-
Year 12	-	-	-
Year 13	-	-	-
Year 14	-	-	-
Year 15	-	-	-
Year 16	-	-	-
Year 17	-	-	-
Year 18	-	-	-
Year 19	-	-	-
Year 20	-	-	-

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



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23b. Defined Contributions (Group and Association)

A defined contribution (DC) section of the SHPS Scheme has been available since September 2010. Pre-April 2022 Cadwyn paid contributions at the rate of 6% of earnings and members paid contributions at the rate of 4%. Since April 2022 the rates that are offered to staff have been increased to the following:

Employee Rate	Employer Rate
4%	6%
5%	7%
6%	8%
7%	9%
8%	10%

As at the date of Statement of Financial Position there were 93 (2023: 99) active members of the Scheme employed by Cadwyn Housing Association.

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

24. Share capital

	2024 £	2023 £
Shares of one pound each fully paid and issued	<u>41</u>	<u>41</u>

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



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25. Analysis of changes in net debt

Group	At 1 April 2023	Cash flows	Movement in creditors due within one year	At 31 March 2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	10,090	13,163	-	23,253
Housing loans due less than one year	(596)	-	(1,833)	(2,429)
Housing loans due in more than one year	(54,232)	560	1,833	(51,839)
	<u>(44,738)</u>	<u>13,723</u>	<u>-</u>	<u>(31,015)</u>

Association

	At 1 April 2023	Cash flows	Movement in creditors due within one year	At 31 March 2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	9,810	12,938	-	22,748
Housing loans due less than one year	(596)	-	(1,833)	(2,429)
Housing loans due in more than one year	(54,232)	560	1,833	(51,839)
	<u>(45,018)</u>	<u>13,498</u>	<u>-</u>	<u>(31,520)</u>



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26. Net cash flow from operating activities

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
(Deficit)/surplus for the year	541	1,565	1,238	237
Adjustments for non-cash items;				
Depreciation of tangible fixed assets	2,050	1,982	2,050	1,982
Amortisation of Government Grants	(448)	(404)	(448)	(404)
Loss on sale of fixed assets	(51)	-	(51)	-
Change in fair value of investment properties	-	86	-	86
Re-measurement of pension liability	(394)	(371)	(394)	(371)
NuLife b/fwd investment	-	-	-	-
Working capital movements				
(Increase) / Decrease in trade and other debtors	(2,052)	661	(2,248)	1,251
(Increase) / Decrease in WIP	700	5,546	(11)	(25)
(Decrease) / Increase in trade and other creditors	4,991	732	4,984	679
Adjustments for investing or financing :				
Interest payable	1,970	1,840	1,970	1,764
Interest receivable	(352)	(29)	(352)	(255)
Taxation	50	50	45	50
Net cash generated from operating activities	7,004	11,658	6,782	4,994

27. Capital commitments

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Capital Expenditure				
Contracted less certified	19,281	3,242	19,281	4,329
Expenditure authorised by the Board, but not contracted	25,568	42,221	25,568	42,069
	44,849	45,463	44,849	46,398

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



Notes to the Financial Statements

28. Related party transactions

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

Igneous is a subsidiary company of Cadwyn Housing Association (the parent and ultimate controlling party). Igneous has no employees, so through an employee sharing agreement salary cost of £16k and overheads of £6k were recharged to Igneous for time spent working on the subsidiary by key management personnel. In the period Igneous sold the final 3 units. In 2023/24 £1.3m was donated back to Cadwyn as Gift Aid. During the year Cadwyn recharged a further £9k of invoices related to the development.

29. Contingent assets/liabilities

The Group and Association had no contingent assets/liabilities at 31 March 2024 (2023: nil).

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

Social Housing Grant may become repayable in the following circumstances:

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

Social Housing Grant (SHG) is repayable under certain circumstances primarily following the sale of a property but will normally be restricted to the net proceeds of sale. However, the Association is able to recycle the grant over an unspecified period although this will be periodically reviewed by Welsh Government. The total amount of SHG received to date is £83,540,000 (2023 £70,281,000). The total amount of SHG amortised to date is £11,914,000 (2023 £11,466,000).

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

Electrical Condition Reports (ECR) and Confirmation of (Electrical) Work

In March 2024 the Association became aware that it may not have been fully compliant with potential legal obligations arising under the Renting Homes (Wales) Act 2016 ("the Act") and the Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022 (as amended) ("the Regulations") at the year end. On identification of the issue, immediate steps were taken to ensure compliance with legal obligations as the Association is currently able to understand them. Following legal advice, [the Association along with other Registered Social Landlords./a number of Registered Social Landlords] have issued a claim in the High Court to seek a series of declarations as to the correct meaning and interpretation of the potential obligations. The Association has assessed that the likelihood of an outflow of resources to settle this potential liability following the legal proceedings is less than probable but (acknowledging the inherent uncertainty with such legal proceedings) is more than remote.

A high level of uncertainty remains because the interpretation of the requirements under the Act and Regulations needs clarification which will only be possible following determination of the proceedings that are currently before the High Court, hence any financial effect cannot currently be measured with sufficient reliability at this time.



Notes to the Financial Statements

30. Subsequent events

In July 2024 the Cadwyn Board voted in favour of submitting a special resolution to its AGM September to change its rules and become a subsidiary of the Newydd Group. Cadwyn, and its subsidiary Igneous will continue to operate as separate legal entities and will continue to operate as going concerns. There is no intention to cease trading in either entity. As such we deem it appropriate, to continue to use of going concern basis of preparation of our financial statements.